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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 393

01/28/2019 Authored by Hausman
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to capital investment; authorizing spending to acquire and better public
1.3 land and buildings and other improvements of a capital nature with certain
1.4 conditions; authorizing the sale and issuance of state bonds; modifying prior
1.5 appropriations; modifying programs; appropriating money; repealing natural
1.6 resources trust fund appropriation bonding authority and appropriations; amending
1.7 Minnesota Statutes 2018, sections 116P.08, subdivision 1; 462A.222, subdivision
1.8 3; 462A.37, subdivision 5, by adding a subdivision; Laws 2014, chapter 294, article
1.9 1, section 17, subdivision 12, as amended; Laws 2018, chapter 214, article 1,
1.10 sections 16, subdivisions 2, 7; 17, subdivision 7; 21, subdivision 28; 22, subdivision
1.11 4; article 3, sections 7, subdivision 1; 14; 15; repealing Minnesota Statutes 2018,
1.12 section 16A.969; Laws 2018, chapter 214, article 6, section 4.

1.13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.14 ARTICLE 1
1.15 APPROPRIATIONS

1.16 Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.

1.17 The sums shown in the column under "Appropriations" are appropriated from the bond
1.18 proceeds fund, or another named fund, to the state agencies or officials indicated, to be
1.19 spent for public purposes. Appropriations of bond proceeds must be spent as authorized by
1.20 the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public
1.21 land and buildings and other public improvements of a capital nature, or as authorized by
1.22 the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless
1.23 otherwise specified, money appropriated in this act:

1.24 (1) may be used to pay state agency staff costs that are attributed directly to the capital
1.25 program or project in accordance with accounting policies adopted by the commissioner of
1.26 management and budget;

2.1 (2) is available until the project is completed or abandoned subject to Minnesota Statutes,
2.2 section 16A.642; and

2.3 (3) for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046,
2.4 should not be used for projects that can be financed within a reasonable time frame under
2.5 Minnesota Statutes, section 16B.322 or 16C.144.

2.6 **APPROPRIATIONS**

2.7 **Sec. 2. UNIVERSITY OF MINNESOTA.**

2.8 **Subdivision 1. Total Appropriation** **\$ 128,000,000**

2.9 To the Board of Regents of the University of
2.10 Minnesota for the purposes specified in this
2.11 section.

2.12 **Subd. 2. Higher Education Asset Preservation**
2.13 **and Replacement (HEAPR)** **100,000,000**

2.14 To be spent in accordance with Minnesota
2.15 Statutes, section 135A.046.

2.16 **Subd. 3. Institute of Child Development** **28,000,000**

2.17 To predesign, design, renovate, expand,
2.18 furnish, and equip the Institute of Child
2.19 Development building on the Twin Cities
2.20 campus. This project includes the demolition
2.21 and replacement of the 1968 building addition.

2.22 **Subd. 4. University Share**

2.23 Except for the appropriations for HEAPR and
2.24 Glensheen renewal, the appropriations in this
2.25 section are intended to cover approximately
2.26 two-thirds of the cost of each project. The
2.27 remaining costs must be paid from university
2.28 sources.

2.29 **Subd. 5. Unspent Appropriations**

2.30 Upon substantial completion of a project
2.31 authorized in this section and after written
2.32 notice to the commissioner of management

3.1 and budget, the Board of Regents must use
 3.2 any money remaining in the appropriation for
 3.3 that project for HEAPR under Minnesota
 3.4 Statutes, section 135A.046. The Board of
 3.5 Regents must report by February 1 of each
 3.6 even-numbered year to the chairs of the house
 3.7 of representatives and senate committees with
 3.8 jurisdiction over capital investment and higher
 3.9 education finance, and to the chairs of the
 3.10 house of representatives Ways and Means
 3.11 Committee and the senate Finance Committee,
 3.12 on how the remaining money has been
 3.13 allocated or spent.

3.14 **Sec. 3. MINNESOTA STATE COLLEGES AND**
 3.15 **UNIVERSITIES**

\$ 125,000,000

3.16 To the Board of Trustees of the Minnesota
 3.17 State Colleges and Universities for higher
 3.18 education asset preservation and replacement
 3.19 (HEAPR), to be spent in accordance with
 3.20 Minnesota Statutes, section 135A.046.

3.21 **Sec. 4. POLLUTION CONTROL AGENCY**

\$ 500,000

3.22 To the Pollution Control Agency for a grant
 3.23 to Clay County under the solid waste capital
 3.24 assistance grants program under Minnesota
 3.25 Statutes, section 115A.54, to construct a new
 3.26 resource recovery campus consisting of a new
 3.27 solid waste transfer station and problem
 3.28 materials facility. Notwithstanding Minnesota
 3.29 Statutes, section 115A.54, this appropriation
 3.30 does not require a nonstate contribution.

3.31 **Sec. 5. BOARD OF WATER AND SOIL**
 3.32 **RESOURCES**

\$ 3,000,000

3.33 (a) To the Board of Water and Soil Resources
 3.34 to acquire easements on working grasslands
 3.35 from landowners to restore, rehabilitate, and

4.1 enhance working lands, in order to protect soil
 4.2 and water quality, support wildlife habitat,
 4.3 reduce flood damage, and provide other public
 4.4 benefits. The provisions of Minnesota Statutes,
 4.5 section 103F.515 apply to this program.

4.6 (b) The board is authorized to enter into new
 4.7 agreements and amend past agreements with
 4.8 landowners as required by Minnesota Statutes,
 4.9 section 103F.515, subdivision 5, to allow for
 4.10 restoration, rehabilitation, and enhancement.

4.11 **Sec. 6. ADMINISTRATION § 15,000,000**

4.12 (a) This appropriation is in fiscal year 2020
 4.13 from the general fund to the commissioner of
 4.14 administration for equipment grants to public
 4.15 stations, as defined in Minnesota Statutes,
 4.16 section 129D.12, subdivision 2. Prior to this
 4.17 grant distribution, the commissioner may use
 4.18 up to 1.5 percent of this appropriation for
 4.19 administrative costs.

4.20 (b) To qualify for an equipment grant the
 4.21 station must meet the eligibility criteria
 4.22 defined in Minnesota Statutes, section
 4.23 129D.12. Before receiving an equipment grant,
 4.24 a station must submit to the commissioner a
 4.25 list of the equipment the station plans to
 4.26 purchase with the equipment grant. The
 4.27 commissioner may not require the station to
 4.28 purchase equipment before receiving the grant
 4.29 money. A station must report to the
 4.30 commissioner a list of the equipment
 4.31 purchased with the grant.

4.32 (c) "Equipment" means the physical
 4.33 infrastructure, hardware, and software used
 4.34 for the production, dissemination,

5.1 interconnection, and transmission of digital
 5.2 media content, the useful life of which may
 5.3 range from seven to 40 years.

5.4 (d) These grants shall be allocated as follows:
 5.5 two-sevenths of these funds shall be awarded
 5.6 to Twin Cities PBS; one-seventh to KSMQ
 5.7 public television in Austin; one-seventh to
 5.8 Pioneer Public Television in Granite Falls;
 5.9 one-seventh to Lakeland PBS in Bemidji;
 5.10 one-seventh to Prairie Public in
 5.11 Fargo/Moorhead; and one-seventh to WDSE
 5.12 public television in Duluth.

5.13 **Sec. 7. TRANSPORTATION**

5.14 **Subdivision 1. Total Appropriation** **\$ 26,000,000**

5.15 To the commissioner of transportation for the
 5.16 purposes specified in this section.

5.17 **Subd. 2. Passenger Rail Improvement** **15,000,000**

5.18 (a) For intercity passenger rail implementation
 5.19 on phase I corridors identified in the 2015
 5.20 update to the state rail plan under Minnesota
 5.21 Statutes, section 174.03, subdivision 1b. This
 5.22 appropriation is available for development of
 5.23 rail investment performance measures, project
 5.24 cost estimating, feasibility studies, alternatives
 5.25 analysis, program delivery, and capital
 5.26 projects, including but not limited to: design;
 5.27 preliminary and final engineering;
 5.28 environmental analysis and mitigation;
 5.29 acquisition of land and right-of-way; and
 5.30 construction. Projects include the Northern
 5.31 Lights Express service between Minneapolis
 5.32 and St. Paul and Duluth, a second daily
 5.33 Amtrak train between Minneapolis and St.
 5.34 Paul and Chicago, Twin Cities to Milwaukee

6.1 high speed passenger rail service, and
 6.2 extension of the Northstar Commuter Rail
 6.3 service to St. Cloud.

6.4 (b) Of this appropriation, \$500,000 is from
 6.5 the general fund for a feasibility study and
 6.6 alternatives analysis of the corridor from the
 6.7 Twin Cities metropolitan area to Northfield
 6.8 and Albert Lea, and is available beginning
 6.9 July 1, 2019.

6.10 (c) Project development must conform with
 6.11 federal requirements as necessary to maximize
 6.12 availability of federal funds. Notwithstanding
 6.13 any law to the contrary, a portion or phase of
 6.14 an intercity passenger rail project may be
 6.15 accomplished with one or more state
 6.16 appropriations, and an intercity passenger rail
 6.17 project need not be completed with any one
 6.18 appropriation.

6.19 **Subd. 3. Ramsey County Regional Railroad**
 6.20 **Authority**

1,000,000

6.21 For a grant to the Ramsey County Regional
 6.22 Railroad Authority for environmental analysis
 6.23 and design of capital improvements associated
 6.24 with grade separation of Union Pacific and
 6.25 Burlington Northern Santa Fe track between
 6.26 Westminster Junction and Division
 6.27 Street/Hoffman Interlocking. No nonstate
 6.28 match is required.

6.29 **Subd. 4. Port Development Assistance**

10,000,000

6.30 For grants under Minnesota Statutes, chapter
 6.31 457A. Any improvements made with the
 6.32 proceeds of these grants must be publicly
 6.33 owned.

6.34 **Sec. 8. METROPOLITAN COUNCIL**

7.1 Subdivision 1. **Total Appropriation** \$ 53,100,000

7.2 To the Metropolitan Council for the purposes
7.3 specified in this section.

7.4 Subd. 2. **Transit Capital Improvement Program** 50,000,000

7.5 This appropriation may be used by the
7.6 Metropolitan Council or for grants to Twin
7.7 Cities metropolitan area political subdivisions
7.8 for preliminary engineering, engineering,
7.9 environmental assessment, environmental
7.10 work, design, right-of-way acquisition, and
7.11 construction to advance transit in the
7.12 metropolitan area in accordance with the
7.13 Metropolitan Council's adopted Transportation
7.14 Policy Plan. The council shall allocate transit
7.15 capital development resources so as to achieve
7.16 geographic balance within the region to the
7.17 extent possible.

7.18 Subd. 3. **Ramsey County; Battle Creek Winter**
7.19 **Recreation Area** 3,100,000

7.20 For a grant to Ramsey County for design and
7.21 construction of a winter recreation area in
7.22 Battle Creek Regional Park. This appropriation
7.23 is not available until the commissioner of
7.24 management and budget determines that at
7.25 least \$1,100,000 is contributed to the project
7.26 from nonstate sources.

7.27 Sec. 9. **HUMAN SERVICES** \$ 1,190,000

7.28 This appropriation is in fiscal year 2020 from
7.29 the general fund to the commissioner of human
7.30 services for a grant to Family Tree Clinic to
7.31 acquire real property in Minneapolis, design,
7.32 renovate, construct, furnish, and equip Family
7.33 Tree Clinic, and to pay for any other
7.34 capitalizable costs related to the project. This

8.1 appropriation is not available until the
 8.2 commissioner of management and budget
 8.3 determines that at least \$2,200,000 is
 8.4 committed to Family Tree Clinic from
 8.5 nonstate sources to support the project.
 8.6 Nonstate money spent on the project before
 8.7 the effective date of this section counts toward
 8.8 the nonstate contribution. This appropriation
 8.9 is available until June 30, 2022.

8.10 **Sec. 10. EMPLOYMENT AND ECONOMIC**
 8.11 **DEVELOPMENT**

8.12 **Subdivision 1. Total Appropriation** **\$ 20,034,000**

8.13 To the commissioner of employment and
 8.14 economic development for the purposes
 8.15 specified in this section.

8.16 **Subd. 2. Chatfield; Center for the Arts** **7,985,000**

8.17 For a grant to the city of Chatfield economic
 8.18 development authority to predesign, design,
 8.19 renovate, construct, furnish, and equip Phase
 8.20 III of the Chatfield Center for the Arts in the
 8.21 city of Chatfield, which is generally described
 8.22 as the renovation of the 1916 high school and
 8.23 the installation of a linking structure and
 8.24 related improvements to serve both the 1936
 8.25 auditorium building and the 1916 school
 8.26 building. The renovation shall include interior,
 8.27 exterior, and amenity improvements within
 8.28 the high school building; improvements to the
 8.29 electrical, plumbing, and HVAC systems
 8.30 throughout the property; and general
 8.31 improvements to the buildings and land that
 8.32 are known as the Chatfield Center for the Arts,
 8.33 currently owned by the economic development
 8.34 authority. Money, land and buildings, and
 8.35 in-kind contributions provided to the center

9.1 before the enactment of this section are
 9.2 considered to be sufficient local match, and
 9.3 no further nonstate match is required.

9.4 **Subd. 3. Hennepin County; Avivo** 1,799,000

9.5 For a grant to Hennepin County for phase 1
 9.6 of the Avivo regional career and employment
 9.7 center project in Minneapolis, subject to
 9.8 Minnesota Statutes, section 16A.695. Phase
 9.9 1 includes geotechnical and environmental
 9.10 investigation, permitting, demolition, and site
 9.11 work; predesign and design of the renovation
 9.12 and expansion of a building; and predesign
 9.13 and design for the replacement of or
 9.14 improvements to building systems on the
 9.15 Avivo campus, including HVAC, mechanical,
 9.16 electrical, and accessibility improvements. No
 9.17 match is required.

9.18 **Subd. 4. Hennepin County; Children's Theatre**
 9.19 **Company** 4,000,000

9.20 For a grant to Hennepin County for the same
 9.21 purposes and subject to the same conditions
 9.22 as in Laws 2018, chapter 214, article 1, section
 9.23 21, subdivision 11. This appropriation is not
 9.24 available until the commissioner of
 9.25 management and budget determines that at
 9.26 least \$4,000,000 has been committed to
 9.27 complete the project from nonstate sources.

9.28 **Subd. 5. St. Paul; International Institute of**
 9.29 **Minnesota** 5,500,000

9.30 For a grant to the city of St. Paul to renovate
 9.31 and expand the International Institute of
 9.32 Minnesota. This project includes remediation
 9.33 of contaminated soil, renovation of the existing
 9.34 building, construction of an addition to the
 9.35 building, and furnishing and equipping the

10.1 renovated and expanded facility. This
 10.2 appropriation is not available until the
 10.3 commissioner of management and budget
 10.4 determines that at least an equal amount has
 10.5 been committed to complete the project from
 10.6 nonstate sources. Amounts spent before the
 10.7 effective date of this subdivision for
 10.8 acquisition of real property, environmental
 10.9 testing and remediation, predesign, and design
 10.10 count toward the nonstate contribution.

10.11 **Subd. 6. St. Paul; Minnesota Humanities Center** 750,000

10.12 For a grant to the city of St. Paul for asset
 10.13 preservation of the Minnesota Humanities
 10.14 Center's main facility, including capital
 10.15 improvements for building envelope,
 10.16 foundation, and structural integrity, and for
 10.17 mechanical systems upgrades, including
 10.18 heating, ventilation, and cooling, subject to
 10.19 Minnesota Statutes, section 16A.695. This
 10.20 appropriation is not available until the
 10.21 commissioner of management and budget
 10.22 determines that at least an equal amount has
 10.23 been committed to complete the project from
 10.24 nonstate sources.

10.25 **Sec. 11. MINNESOTA HOUSING FINANCE**
 10.26 **AGENCY** \$ 60,000,000

10.27 For transfer to the housing development fund
 10.28 to finance the costs of rehabilitation to
 10.29 preserve public housing under Minnesota
 10.30 Statutes, section 462A.202, subdivision 3a.
 10.31 For purposes of this section, "public housing"
 10.32 means housing for low-income persons and
 10.33 households financed by the federal
 10.34 government and owned and operated by the
 10.35 public housing authorities and agencies formed

11.1 by cities and counties. Public housing
 11.2 authorities receiving a public housing
 11.3 assessment composite score of 80 or above or
 11.4 an equivalent designation are eligible to
 11.5 receive funding. Priority must be given to
 11.6 proposals that maximize federal or local
 11.7 resources to finance the capital costs. The
 11.8 priority in Minnesota Statutes, section
 11.9 462A.202, subdivision 3a, for projects to
 11.10 increase the supply of affordable housing and
 11.11 the restrictions of Minnesota Statutes, section
 11.12 462A.202, subdivision 7, do not apply to this
 11.13 appropriation.

11.14 **Sec. 12. MINNESOTA HISTORICAL**
 11.15 **SOCIETY**

\$ 15,000,000

11.16 To the Minnesota Historical Society for the
 11.17 Historic Fort Snelling Visitor Center and is
 11.18 added to and for the same purposes as in Laws
 11.19 2018, chapter 214, article 1, section 24,
 11.20 subdivision 3.

11.21 **Sec. 13. BOND SALE EXPENSES**

\$ 430,000

11.22 To the commissioner of management and
 11.23 budget for bond sale expenses under
 11.24 Minnesota Statutes, section 16A.641,
 11.25 subdivision 8.

11.26 **Sec. 14. BOND SALE AUTHORIZATION.**

11.27 To provide the money appropriated in this act from the bond proceeds fund, the
 11.28 commissioner of management and budget shall sell and issue bonds of the state in an amount
 11.29 up to \$430,564,000 in the manner, upon the terms, and with the effect prescribed by
 11.30 Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article
 11.31 XI, sections 4 to 7.

12.1 Sec. 15. **BOND SALE SCHEDULE.**

12.2 The commissioner of management and budget shall schedule the sale of state general
 12.3 obligation bonds so that, during the biennium ending June 30, 2021, no more than
 12.4 \$1,225,610,000 will need to be transferred from the general fund to the state bond fund to
 12.5 pay principal and interest due and to become due on outstanding state general obligation
 12.6 bonds. During the biennium, before each sale of state general obligation bonds, the
 12.7 commissioner of management and budget shall calculate the amount of debt service payments
 12.8 needed on bonds previously issued and shall estimate the amount of debt service payments
 12.9 that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the
 12.10 amount of bonds scheduled to be sold so as to remain within the limit set by this section.
 12.11 The amount needed to make the debt service payments is appropriated from the general
 12.12 fund as provided in Minnesota Statutes, section 16A.641.

12.13 Sec. 16. Minnesota Statutes 2018, section 462A.222, subdivision 3, is amended to read:

12.14 Subd. 3. **Allocation procedure.** (a) Projects will be awarded tax credits in two
 12.15 competitive rounds on an annual basis. The date for applications for each round must be
 12.16 determined by the agency. No allocating agency may award tax credits prior to the application
 12.17 dates established by the agency.

12.18 (b) Each allocating agency must meet the requirements of section 42(m) of the Internal
 12.19 Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax
 12.20 credits and the selection of projects.

12.21 (c) For projects that are eligible for an allocation of credits pursuant to section 42(h)(4)
 12.22 of the Internal Revenue Code of 1986, as amended, tax credits may only be allocated if the
 12.23 project satisfies the requirements of the allocating agency's qualified allocation plan. For
 12.24 projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the
 12.25 Internal Revenue Code of 1986, as amended, for which the agency is the issuer of the bonds
 12.26 for the project, or the issuer of the bonds for the project is located outside the jurisdiction
 12.27 of a city or county that has received reserved tax credits, the applicable allocation plan is
 12.28 the agency's qualified allocation plan.

12.29 (d)~~(4)~~ To maximize the resources available for and increase the supply of affordable
 12.30 housing in Minnesota by leveraging the benefits to Minnesota from the use of tax-exempt
 12.31 bonds to finance multifamily housing and to allow local units of government more flexibility
 12.32 to address specific affordable housing needs in their communities, the agency shall make
 12.33 residential rental housing projects financed with an allocation of tax-exempt bonds under

13.1 chapter 474A the highest strategic priority for tax credits under the agency's qualified
13.2 allocation plan under section 42(m)(1)(D) of the Internal Revenue Code of 1986, as amended.

13.3 ~~(2) For projects eligible for an allocation of tax credits under section 42(h)(4) of the~~
13.4 ~~Internal Revenue Code of 1986, as amended, the agency's qualified allocation plan and~~
13.5 ~~other related agency guidance and requirements:~~

13.6 ~~(i) shall not include any selection criteria other than (A) the criteria of section 42(m)(1)(C)~~
13.7 ~~of the Internal Revenue Code of 1986, as amended, and (B) whether the project has received~~
13.8 ~~an allocation of tax-exempt bonds under chapter 474A, with subitem (B) as the most~~
13.9 ~~important criteria;~~

13.10 ~~(ii) shall grant projects receiving an allocation of tax-exempt bonds under chapter 474A~~
13.11 ~~the highest possible preference and, to the extent applicable, ahead of any preference~~
13.12 ~~described in section 42(m)(1)(B) of the Internal Revenue Code of 1986, as amended;~~

13.13 ~~(iii) shall exclude any per-unit cost limitations, cost reasonableness, or other similar~~
13.14 ~~restrictions for residential rental housing projects financed with an allocation of tax-exempt~~
13.15 ~~bonds under chapter 474A; and~~

13.16 ~~(iv) shall not adopt or impose any additional rules, requirements, regulations, or~~
13.17 ~~restrictions other than those required by section 42 of the Internal Revenue Code of 1986,~~
13.18 ~~as amended, regarding the allocation of credits.~~

13.19 ~~Each developer of a residential rental housing project that has received an allocation of~~
13.20 ~~tax-exempt bonds under chapter 474A and the proposed issuer of such tax-exempt bonds~~
13.21 ~~shall have standing to challenge the agency's qualified allocation plan for failure to comply~~
13.22 ~~with this clause.~~

13.23 ~~In the event of any conflict or inconsistency between this paragraph and section 462A.04,~~
13.24 ~~the provisions of this paragraph shall govern and control. The provisions of paragraph (d)~~
13.25 ~~shall not apply to any allocating agency other than the agency.~~

13.26 (e) For applications submitted for the first round, an allocating agency may allocate tax
13.27 credits only to the following types of projects:

13.28 (1) in the metropolitan area:

13.29 (i) new construction or substantial rehabilitation of projects in which, for the term of the
13.30 extended use period, at least 75 percent of the total tax credit units are single-room
13.31 occupancy, efficiency, or one bedroom units and which are affordable by households whose
13.32 income does not exceed 30 percent of the median income;

14.1 (ii) new construction or substantial rehabilitation family housing projects that are not
14.2 restricted to persons who are 55 years of age or older and in which, for the term of the
14.3 extended use period, at least 75 percent of the tax credit units contain two or more bedrooms
14.4 and at least one-third of the 75 percent contain three or more bedrooms; or

14.5 (iii) substantial rehabilitation projects in neighborhoods targeted by the city for
14.6 revitalization;

14.7 (2) outside the metropolitan area, projects which meet a locally identified housing need
14.8 and which are in short supply in the local housing market as evidenced by credible data
14.9 submitted with the application;

14.10 (3) projects that are not restricted to persons of a particular age group and in which, for
14.11 the term of the extended use period, a percentage of the units are set aside and rented to
14.12 persons:

14.13 (i) with a serious and persistent mental illness as defined in section 245.462, subdivision
14.14 20, paragraph (c);

14.15 (ii) with a developmental disability as defined in United States Code, title 42, section
14.16 6001, paragraph (5), as amended through December 31, 1990;

14.17 (iii) who have been assessed as drug dependent persons as defined in section 254A.02,
14.18 subdivision 5, and are receiving or will receive care and treatment services provided by an
14.19 approved treatment program as defined in section 254A.02, subdivision 2;

14.20 (iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or

14.21 (v) with permanent physical disabilities that substantially limit one or more major life
14.22 activities, if at least 50 percent of the units in the project are accessible as provided under
14.23 Minnesota Rules, chapter 1340;

14.24 (4) projects, whether or not restricted to persons of a particular age group, which preserve
14.25 existing subsidized housing, if the use of tax credits is necessary to prevent conversion to
14.26 market rate use or to remedy physical deterioration of the project which would result in loss
14.27 of existing federal subsidies; or

14.28 (5) projects financed by the Farmers Home Administration, or its successor agency,
14.29 which meet statewide distribution goals.

14.30 (f) Before the date for applications for the final round, the allocating agencies other than
14.31 the agency shall return all uncommitted and unallocated tax credits to a unified pool for
14.32 allocation by the agency on a statewide basis.

15.1 (g) Unused portions of the state ceiling for low-income housing tax credits reserved to
15.2 cities and counties for allocation may be returned at any time to the agency for allocation.

15.3 (h) If an allocating agency determines, at any time after the initial commitment or
15.4 allocation for a specific project, that a project is no longer eligible for all or a portion of the
15.5 low-income housing tax credits committed or allocated to the project, the credits must be
15.6 transferred to the agency to be reallocated pursuant to the procedures established in
15.7 paragraphs (f) to (h); provided that if the tax credits for which the project is no longer eligible
15.8 are from the current year's annual ceiling and the allocating agency maintains a waiting list,
15.9 the allocating agency may continue to commit or allocate the credits until not later than the
15.10 date of applications for the final round, at which time any uncommitted credits must be
15.11 transferred to the agency.

15.12 Sec. 17. Minnesota Statutes 2018, section 462A.37, is amended by adding a subdivision
15.13 to read:

15.14 Subd. 2f. **Additional authorization.** In addition to the amount authorized in subdivisions
15.15 2, 2a, 2b, 2c, 2d, and 2e, the agency may issue up to \$90,000,000 in housing infrastructure
15.16 bonds in one or more series to which the payments under this section may be pledged.

15.17 Sec. 18. Minnesota Statutes 2018, section 462A.37, subdivision 5, is amended to read:

15.18 **Subd. 5. **Additional appropriation.**** (a) The agency must certify annually to the
15.19 commissioner of management and budget the actual amount of annual debt service on each
15.20 series of bonds issued under subdivisions 2a, 2b, 2c, 2d, ~~and 2e,~~ and 2f.

15.21 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
15.22 bonds issued under subdivision 2a remain outstanding, the commissioner of management
15.23 and budget must transfer to the housing infrastructure bond account established under section
15.24 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000
15.25 annually. The amounts necessary to make the transfers are appropriated from the general
15.26 fund to the commissioner of management and budget.

15.27 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
15.28 bonds issued under subdivision 2b remain outstanding, the commissioner of management
15.29 and budget must transfer to the housing infrastructure bond account established under section
15.30 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000
15.31 annually. The amounts necessary to make the transfers are appropriated from the general
15.32 fund to the commissioner of management and budget.

16.1 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
 16.2 bonds issued under subdivision 2c remain outstanding, the commissioner of management
 16.3 and budget must transfer to the housing infrastructure bond account established under section
 16.4 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000
 16.5 annually. The amounts necessary to make the transfers are appropriated from the general
 16.6 fund to the commissioner of management and budget.

16.7 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
 16.8 bonds issued under ~~subdivision~~ subdivisions 2d and 2e remain outstanding, the commissioner
 16.9 of management and budget must transfer to the housing infrastructure bond account
 16.10 established under section 462A.21, subdivision 33, the amount certified under paragraph
 16.11 (a). The amounts necessary to make the transfers are appropriated from the general fund to
 16.12 the commissioner of management and budget.

16.13 (f) Each July 15, beginning in ~~2020~~ 2021 and through ~~2041~~ 2042, if any housing
 16.14 infrastructure bonds issued under subdivision ~~2e~~ 2f remain outstanding, the commissioner
 16.15 of management and budget must transfer to the housing infrastructure bond account
 16.16 established under section 462A.21, subdivision 33, the amount certified under paragraph
 16.17 (a). The amounts necessary to make the transfers are appropriated from the general fund to
 16.18 the commissioner of management and budget.

16.19 (g) The agency may pledge to the payment of the housing infrastructure bonds the
 16.20 payments to be made by the state under this section.

16.21 Sec. 19. **EFFECTIVE DATE.**

16.22 Except as otherwise provided, this article is effective the day following final enactment.

16.23 **ARTICLE 2**

16.24 **TRUST FUND APPROPRIATION BONDING**
 16.25 **CONVERTED TO GO BONDING**

16.26 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

16.27 The sums shown in the column under "Appropriations" are appropriated from the bond
 16.28 proceeds fund, or another named fund, to the state agencies or officials indicated, to be
 16.29 spent for public purposes. Appropriations of bond proceeds must be spent as authorized by
 16.30 the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public
 16.31 land and buildings and other public improvements of a capital nature, or as authorized by
 16.32 the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless
 16.33 otherwise specified, money appropriated in this act:

17.1 (1) may be used to pay state agency staff costs that are attributed directly to the capital
 17.2 program or project in accordance with accounting policies adopted by the commissioner of
 17.3 management and budget;

17.4 (2) is available until the project is completed or abandoned subject to Minnesota Statutes,
 17.5 section 16A.642;

17.6 (3) for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046,
 17.7 should not be used for projects that can be financed within a reasonable time frame under
 17.8 Minnesota Statutes, section 16B.322 or 16C.144; and

17.9 (4) is available for a grant to a political subdivision after the commissioner of management
 17.10 and budget determines that an amount sufficient to complete the project as described in this
 17.11 act has been committed to the project, as required by Minnesota Statutes, section 16A.502.

17.12 **APPROPRIATIONS**

17.13 **Sec. 2. NATURAL RESOURCES.**

17.14 **Subdivision 1. Total Appropriation** **\$ 13,000,000**

17.15 (a) To the commissioner of natural resources
 17.16 for the purposes specified in this section.

17.17 (b) The appropriations in this section are
 17.18 subject to the requirements of the natural
 17.19 resources capital improvement program under
 17.20 Minnesota Statutes, section 86A.12, unless
 17.21 this section or the statutes referred to in this
 17.22 section provide more specific standards,
 17.23 criteria, or priorities for projects than
 17.24 Minnesota Statutes, section 86A.12.

17.25 **Subd. 2. Natural Resources Asset Preservation** **3,419,000**

17.26 For the renovation of state-owned facilities
 17.27 and recreational assets operated by the
 17.28 commissioner of natural resources to be spent
 17.29 in accordance with Minnesota Statutes, section
 17.30 84.946. Notwithstanding Minnesota Statutes,
 17.31 section 84.946, the commissioner may use this
 17.32 appropriation to replace buildings if,
 17.33 considering the embedded energy in the

- 18.1 building, that is the most energy-efficient and
 18.2 carbon-reducing method of renovation.
- 18.3 **Subd. 3. Elk River - Lake Orono** 1,500,000
- 18.4 For a grant to the city of Elk River to dredge
 18.5 Lake Orono.
- 18.6 **Subd. 4. South St. Paul - Seidl's Lake** 781,000
- 18.7 For a grant to the city of South St. Paul for
 18.8 capital improvements to improve the water
 18.9 quality of Seidl's Lake. The capital
 18.10 improvements include design, engineering,
 18.11 construction, and equipping of a storm water
 18.12 lift station to discharge excess storm water
 18.13 into the city of South St. Paul's storm sewer
 18.14 system to minimize the fluctuating water
 18.15 levels of the lake. This project may be
 18.16 implemented jointly by the cities of South St.
 18.17 Paul, Inver Grove Heights, and West St. Paul.
- 18.18 **Subd. 5. Lake Redwood Reclamation** 7,300,000
- 18.19 For a grant to the Redwood-Cottonwood
 18.20 Rivers Control Area, a joint powers entity, to
 18.21 predesign, design, construct, and equip the
 18.22 reservoir reclamation and enhancement of the
 18.23 66-acre Lake Redwood Reservoir, to remove
 18.24 approximately 650,000 cubic yards of
 18.25 sediment and increase its depth from
 18.26 approximately 2.8 feet to 20 feet in order to
 18.27 secure renewable energy capacity of the
 18.28 hydroelectric dam which is impeded by lack
 18.29 of water capacity, reduce the flow of pollutants
 18.30 to the Minnesota River, and increase fish
 18.31 habitat and enhance recreational opportunities.
- 18.32 **Sec. 3. POLLUTION CONTROL AGENCY** **\$ 6,000,000**
- 18.33 To the Pollution Control Agency to design
 18.34 and construct remedial systems, including

19.1 cleanup and removal of a leaking hazardous
 19.2 waste pit and protection of groundwater, at
 19.3 the Waste Disposal Engineering site in Anoka
 19.4 County in accordance with the closed landfill
 19.5 program under Minnesota Statutes, sections
 19.6 115B.39 to 115B.42.

19.7 **Sec. 4. BOARD OF WATER AND SOIL**
 19.8 **RESOURCES**

\$ 10,000,000

19.9 (a) To the Board of Water and Soil Resources
 19.10 to acquire conservation easements from
 19.11 landowners to preserve, restore, create, and
 19.12 enhance wetlands and associated uplands of
 19.13 prairie and grasslands, and restore and enhance
 19.14 rivers and streams, riparian lands, and
 19.15 associated uplands of prairie and grasslands
 19.16 in order to protect soil and water quality,
 19.17 support fish and wildlife habitat, reduce flood
 19.18 damage, and provide other public benefits.
 19.19 The provisions of Minnesota Statutes, section
 19.20 103F.515, apply to this program.

19.21 (b) The board shall give priority to leveraging
 19.22 federal money by enrolling targeted new lands
 19.23 or enrolling environmentally sensitive lands
 19.24 that have expiring federal conservation
 19.25 agreements.

19.26 (c) The board is authorized to enter into new
 19.27 agreements and amend past agreements with
 19.28 landowners as required by Minnesota Statutes,
 19.29 section 103F.515, subdivision 5, to allow for
 19.30 restoration.

19.31 (d) Of this appropriation, up to five percent
 19.32 may be used for restoration, rehabilitation, and
 19.33 enhancement; and no more than \$1,000,000
 19.34 may be used to acquire working lands
 19.35 easements.

20.1	Sec. 5. <u>METROPOLITAN COUNCIL</u>	<u>\$</u>	<u>10,000,000</u>
20.2	<u>To the Metropolitan Council for the cost of</u>		
20.3	<u>improvements and betterments of a capital</u>		
20.4	<u>nature and acquisition by the council and local</u>		
20.5	<u>government units of regional recreational</u>		
20.6	<u>open-space lands in accordance with the</u>		
20.7	<u>council's policy plan as provided in Minnesota</u>		
20.8	<u>Statutes, section 473.147. This appropriation</u>		
20.9	<u>must not be used to purchase easements.</u>		
20.10	Sec. 6. <u>PUBLIC FACILITIES AUTHORITY</u>		
20.11	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>59,000,000</u>
20.12	<u>To the Public Facilities Authority for the</u>		
20.13	<u>purposes specified in this section.</u>		
20.14	Subd. 2. <u>State Match for Federal Grants</u>		<u>6,000,000</u>
20.15	<u>To match federal grants for the clean water</u>		
20.16	<u>revolving fund for wastewater treatment under</u>		
20.17	<u>Minnesota Statutes, section 446A.07. This</u>		
20.18	<u>appropriation must be used for qualified</u>		
20.19	<u>capital projects.</u>		
20.20	Subd. 3. <u>Water Infrastructure Funding Program</u>		<u>14,652,000</u>
20.21	<u>For grants to eligible municipalities under the</u>		
20.22	<u>wastewater infrastructure funding program</u>		
20.23	<u>under Minnesota Statutes, section 446A.072,</u>		
20.24	<u>for wastewater projects listed on the Pollution</u>		
20.25	<u>Control Agency's project priority list in the</u>		
20.26	<u>fundable range under the clean water revolving</u>		
20.27	<u>fund program.</u>		
20.28	Subd. 4. <u>Point Source Implementation Grants</u>		
20.29	<u>Program</u>		<u>38,348,000</u>
20.30	<u>For grants to eligible municipalities under the</u>		
20.31	<u>point source implementation grants program</u>		
20.32	<u>under Minnesota Statutes, section 446A.073.</u>		

21.1 This appropriation must be used for qualified
 21.2 capital projects.

21.3 Sec. 7. **BOND SALE EXPENSES** **\$** **98,000**

21.4 To the commissioner of management and
 21.5 budget for bond sale expenses under
 21.6 Minnesota Statutes, section 16A.641,
 21.7 subdivision 8.

21.8 Sec. 8. **BOND SALE AUTHORIZATION.**

21.9 To provide the money appropriated in this article from the bond proceeds fund, the
 21.10 commissioner of management and budget shall sell and issue bonds of the state in an amount
 21.11 up to \$98,098,000 in the manner, upon the terms, and with the effect prescribed by Minnesota
 21.12 Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI,
 21.13 sections 4 to 7.

21.14 Sec. 9. Minnesota Statutes 2018, section 116P.08, subdivision 1, is amended to read:

21.15 Subdivision 1. **Expenditures.** (a) Money in the trust fund may be spent only for:

21.16 (1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

21.17 (2) research that contributes to increasing the effectiveness of protecting or managing
 21.18 the state's environment or natural resources;

21.19 (3) collection and analysis of information that assists in developing the state's
 21.20 environmental and natural resources policies;

21.21 (4) enhancement of public education, awareness, and understanding necessary for the
 21.22 protection, conservation, restoration, and enhancement of air, land, water, forests, fish,
 21.23 wildlife, and other natural resources;

21.24 (5) capital projects for the preservation and protection of unique natural resources;

21.25 (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural
 21.26 resources that otherwise may be substantially impaired or destroyed in any area of the state;

21.27 (7) administrative and investment expenses incurred by the State Board of Investment
 21.28 in investing deposits to the trust fund; and

21.29 (8) administrative expenses subject to the limits in section 116P.09; ~~and~~.

22.1 ~~(9) to pay principal and interest on special appropriation trust fund bonds issued pursuant~~
22.2 ~~to section 16A.969 and other law.~~

22.3 (b) In making recommendations for expenditures from the trust fund, the commission
22.4 shall give priority to funding programs and projects under paragraph (a), clauses (1) and
22.5 (6). Any requests for proposals issued by the commission shall clearly indicate these
22.6 priorities.

22.7 Sec. 10. **REPEALER.**

22.8 Minnesota Statutes 2018, section 16A.969, and Laws 2018, chapter 214, article 6, section
22.9 4, are repealed.

22.10 Sec. 11. **EFFECTIVE DATE.**

22.11 This article is effective the day following final enactment.

22.12 **ARTICLE 3**

22.13 **CORRECTIONS, CHANGES TO PRIOR ACTS**

22.14 Section 1. Laws 2014, chapter 294, article 1, section 17, subdivision 12, as amended by
22.15 Laws 2017, First Special Session chapter 8, article 2, section 29, is amended to read:

22.16 Subd. 12. **West St. Paul - River to River Regional**
22.17 **Greenway** 2,000,000

22.18 For a grant to the city of West St. Paul to
22.19 predesign, design, and construct a grade
22.20 separated crossing of Robert Street in the area
22.21 near Wentworth Avenue in West St. Paul for
22.22 the River to River Regional Greenway. This
22.23 appropriation may also be used to acquire
22.24 property or purchase rights-of-way needed for
22.25 construction. A nonstate match is not required.
22.26 Notwithstanding Minnesota Statutes, section
22.27 16A.642, the bond sale authorization and
22.28 appropriation of bond proceeds for this project
22.29 are available until December 31, 2021.

22.30 Sec. 2. Laws 2018, chapter 214, article 1, section 16, subdivision 2, is amended to read:

22.31 Subd. 2. **Local Road Improvement Fund Grants** 78,600,000

23.1 (a) From the bond proceeds account in the
23.2 state transportation fund as provided in
23.3 Minnesota Statutes, section 174.50, for trunk
23.4 highway corridor projects under Minnesota
23.5 Statutes, section 174.52, subdivision 2, for
23.6 construction and reconstruction of local roads
23.7 with statewide or regional significance under
23.8 Minnesota Statutes, section 174.52,
23.9 subdivision 4, or for grants to counties to assist
23.10 in paying the costs of rural road safety capital
23.11 improvement projects on county state-aid
23.12 highways under Minnesota Statutes, section
23.13 174.52, subdivision 4a.

23.14 (b) Of this amount, \$13,500,000 is for a grant
23.15 to the city of Dayton for design, engineering,
23.16 environmental analysis, property and easement
23.17 acquisition, construction, and reconstruction
23.18 of local roads in conjunction with an
23.19 interchange on marked Interstate Highway 94
23.20 near Hennepin County State-Aid Highway
23.21 101, known as Brockton Lane, in Dayton.

23.22 (c) Of this amount, \$6,100,000 is for a grant
23.23 to the city of Inver Grove Heights to
23.24 predesign, design, engineer, acquire
23.25 right-of-way property and temporary and
23.26 permanent easements, inspect, and construct
23.27 or reconstruct: (1) realignment of Dakota
23.28 County State-Aid Highway 63, known as
23.29 Argenta Trail, in Inver Grove Heights, from
23.30 northerly of its intersection with Amana Trail
23.31 to the anticipated future alignment of 65th
23.32 Street, then west to the existing Argenta Trail
23.33 alignment, and in anticipation of the
23.34 development of an interchange of Argenta
23.35 Trail and marked Interstate Highway 494; and

24.1 (2) expansion from two lanes to four lanes of
 24.2 Dakota County State-Aid Highway 26, known
 24.3 as 70th Street West, in Inver Grove Heights,
 24.4 from the border with Eagan ~~to~~ through the
 24.5 intersection with Argenta Trail as realigned,
 24.6 to the intersection of Highway 26 with Trunk
 24.7 Highway 3, known as Robert Street.

24.8 (d) Of this amount, \$9,000,000 is for a grant
 24.9 to Carver County following a jurisdictional
 24.10 transfer to Carver County of the affected
 24.11 segment of marked Trunk Highway 101. The
 24.12 appropriation may be used for design,
 24.13 right-of-way acquisition, engineering, and
 24.14 reconstruction of the segment transferred to
 24.15 the county that is between Pioneer Trail and
 24.16 Flying Cloud Drive, including grade
 24.17 separation of a multipurpose pedestrian and
 24.18 bicycle trail from the segment for the
 24.19 Minnesota River Bluffs Regional Trail and a
 24.20 regional trail along marked Trunk Highway
 24.21 101.

24.22 Sec. 3. Laws 2018, chapter 214, article 1, section 16, subdivision 7, is amended to read:

24.23	Subd. 7. Brooklyn Park - Trunk Highway 169	
24.24	and 101st Avenue Interchange Project	4,000,000

24.25 \$4,000,000 is from the bond proceeds account
 24.26 in the state transportation fund for a grant to
 24.27 the city of Brooklyn Park for preliminary and
 24.28 final design, engineering, environmental
 24.29 analysis, right-of-way acquisition, and
 24.30 construction of an interchange located at
 24.31 Trunk Highway 169 and 101st Avenue in the
 24.32 city of Brooklyn Park.

- 25.1 Sec. 4. Laws 2018, chapter 214, article 1, section 17, subdivision 7, is amended to read:
- 25.2 Subd. 7. **White Bear Lake Trail and Route** 4,000,000
- 25.3 (a) To the Metropolitan Council for grants to
- 25.4 complete design and construction of a multiuse
- 25.5 paved trail and route for pedestrians, bicycles,
- 25.6 and wheelchairs around White Bear Lake in
- 25.7 Ramsey and Washington Counties.
- 25.8 (b) \$2,600,000 of this appropriation is for a
- 25.9 grant to Ramsey County to design and
- 25.10 construct trail improvements, consistent with
- 25.11 the completed preliminary engineering, along
- 25.12 South Shore Boulevard between White Bear
- 25.13 Avenue and marked Trunk Highway 120 and
- 25.14 to pave an existing dirt path within the Ramsey
- 25.15 County Beach and Water Park from the
- 25.16 entrance to the park at Highway 96 to the
- 25.17 northeast edge of the park.
- 25.18 (c) \$1,400,000 of this appropriation is for a
- 25.19 grant to the city of Mahtomedi to ~~design and~~
- 25.20 ~~construct and~~ design, construct, and equip
- 25.21 elements of the trail and route along or
- 25.22 proximate to Birchwood Road, Wildwood
- 25.23 Beach Road, and on or in the proximity of
- 25.24 Briarwood Road, consistent with the
- 25.25 completed preliminary engineering, and final
- 25.26 design and specification, subject to approval
- 25.27 of the commissioner of transportation with
- 25.28 regard to elements of the trail and route that
- 25.29 are within or adjacent to the right-of-way of
- 25.30 marked Trunk Highway 244.

26.1 Sec. 5. Laws 2018, chapter 214, article 1, section 21, subdivision 28, is amended to read:

26.2 **Subd. 28. St. Paul - Southeast Asian Language**
 26.3 **Job Training Facilities**

5,500,000

26.4 For a grant to the city of St. Paul to predesign,
 26.5 design, renovate, construct, furnish, and equip
 26.6 a bus driver and mechanics training facility
 26.7 on ~~Aeker~~ Sycamore Street in St. Paul for
 26.8 training drivers and mechanics through
 26.9 programming primarily in the Southeast Asian
 26.10 languages, and to predesign, design, renovate,
 26.11 construct, furnish, and equip a training facility
 26.12 on Plato Avenue in St. Paul ~~to be used during~~
 26.13 ~~renovation of the Aeker Street facility and for~~
 26.14 use as a training facility for health care,
 26.15 manufacturing, and information technology
 26.16 jobs through programming primarily in the
 26.17 Southeast Asian languages. This appropriation
 26.18 may be used to acquire property for these
 26.19 purposes. The city of St. Paul may enter into
 26.20 a lease or management agreement with a
 26.21 nonprofit corporation for either or both of
 26.22 these facilities under Minnesota Statutes,
 26.23 section 16A.695.

26.24 Sec. 6. Laws 2018, chapter 214, article 1, section 22, subdivision 4, is amended to read:

26.25 **Subd. 4. Arden Hills - Water Main**

500,000

26.26 For a grant to the city of Arden Hills to install
 26.27 a water main extending along Highway ~~96~~ 10,
 26.28 from Highway ~~10~~ 96 to Interstate Highway
 26.29 35W.

26.30 Sec. 7. Laws 2018, chapter 214, article 3, section 7, subdivision 1, is amended to read:

26.31 Subdivision 1. **Appropriation.** \$2,000,000 is appropriated from the bond proceeds
 26.32 account in the state transportation fund to the commissioner of transportation for a grant to
 26.33 the city of Ramsey for engineering, design, and right-of-way acquisition required for

27.1 construction of an underpass on Anoka County State-Aid Highway 56, otherwise known
27.2 as Ramsey Boulevard, under the Burlington Northern Santa Fe Railroad in the city of Ramsey
27.3 and associated improvements on U.S. Trunk Highway 10/169 in the city of Ramsey.

27.4 Sec. 8. Laws 2018, chapter 214, article 3, section 14, is amended to read:

27.5 Sec. 14. **APPLICATION.**

27.6 Appropriations in this article are subject to article 1, section 1. The appropriation in
27.7 section ~~9~~8 is from the local road improvement fund.

27.8 Sec. 9. Laws 2018, chapter 214, article 3, section 15, is amended to read:

27.9 Sec. 15. **REDUCTIONS.**

27.10 The following appropriations are reduced in article 1:

27.11 (1) \$2,900,000 from the Merit Center;

27.12 (2) \$2,000,000 from TED;

27.13 (3) \$2,000,000 from Corrections Asset Prevention; and

27.14 (4) \$15,000,000 from ~~Local Road and Bridge~~ the appropriation in article 1, section 16,
27.15 subdivision 2.

27.16 Sec. 10. **EFFECTIVE DATE.**

27.17 This article is effective the day following final enactment.

16A.969 ENVIRONMENT AND NATURAL RESOURCES TRUST FUND APPROPRIATION BONDS.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Appropriation bond" or "bond" means a bond, note, or other similar instrument of the state payable during a biennium from one or more of the following sources:

(1) money appropriated by law from the environment and natural resources trust fund in any biennium for debt service due with respect to obligations described in subdivision 2;

(2) proceeds of the sale of obligations described in subdivision 2;

(3) payments received for that purpose under agreements and ancillary arrangements described in subdivision 2, paragraph (d); and

(4) investment earnings on amounts in clauses (1) to (3).

(c) "Debt service" means the amount payable in any biennium of principal, premium, if any, and interest on appropriation bonds.

(d) "Environment and natural resources trust fund" or "trust fund" means the fund established under the Minnesota Constitution, article XI, section 14, and governed by that section and chapter 116P.

Subd. 2. **Authorization to issue appropriation bonds; accounts.** (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes and in amounts as provided by law. This authorization meets the public purposes established by the Minnesota Constitution, article XI, section 14, and chapter 116P and shall be a supplement to the traditional sources of funding for environment and natural resources activities.

(b) The special appropriation trust fund bond proceeds fund is established in the state treasury. Proceeds of the appropriation bonds issued and sold must be credited to the special appropriation trust fund bond proceeds fund. A bond payments account is established in the special appropriation trust fund bond proceeds fund. All income from investment of the bond proceeds, as estimated by the commissioner, must be deposited into the account and is appropriated to the commissioner for the payment of principal and interest on the appropriation bonds.

(c) Appropriation bonds may be issued in one or more issues or series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of appropriation bonds may not exceed 20 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

(e) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

(f) The appropriation bonds are not subject to chapter 16C.

Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds, notes, or other similar instruments, and in the manner provided in section 16A.672. In the event that any provision of section 16A.672 conflicts with this section, this section shall control.

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(b) Every appropriation bond shall include a conspicuous statement of the limitation established in subdivision 6.

(c) Appropriation bonds may be sold at either public or private sale upon such terms as the commissioner shall determine are not inconsistent with this section and may be sold at any price or percentage of par value. Any bid received may be rejected.

(d) Appropriation bonds must bear interest at a fixed or variable rate.

(e) Notwithstanding any other law, appropriation bonds issued under this section shall be fully negotiable.

Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding appropriation bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the appropriation bonds to be refunded or interest or premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the trust fund or, if applicable, the special appropriation trust fund bond proceeds fund for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the appropriation bonds to be refunded.

Subd. 5. **Appropriation bonds as legal investments.** Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any appropriation bonds issued under this section:

(1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies;

(2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and

(3) personal representatives, guardians, trustees, and other fiduciaries.

Subd. 6. **No full faith and credit; state not required to make appropriations.** The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate money sufficient to make debt service payments with respect to the appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for debt service, or (2) the date of final payment of the principal of and interest on the appropriation bonds.

Subd. 7. **Appropriation for debt service and other purposes.** Notwithstanding section 116P.05, subdivision 2, paragraph (b), the amount needed to pay principal and interest on appropriation bonds issued under this section and as authorized by other law is appropriated each fiscal year from legally available amounts in the environment and natural resources trust fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special appropriation trust fund bond proceeds fund. Investment income earned on proceeds of the appropriation bonds issued under this section shall be deposited in the bond payments account and is appropriated to the commissioner.

Subd. 8. **Waiver of immunity.** The waiver of immunity by the state provided for by section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary contracts to which the commissioner is a party.

Laws 2018, chapter 214, article 6, section 4

Sec. 4. SPECIAL APPROPRIATION TRUST FUND BONDS; AUTHORIZATION; APPROPRIATIONS.

Subdivision 1. **Appropriations; general.** The sums shown in the column under "Appropriations" are appropriated from the special appropriation trust fund bond proceeds fund to the state agencies or officials indicated, to be spent for public purposes. Money appropriated in this section must be spent as authorized by the Minnesota Constitution, article XI, section 14, Minnesota Statutes, section 16A.969, and unless otherwise specified, as authorized by and subject to the requirements of Minnesota Statutes, chapter 116P. Unless otherwise specified, money appropriated in this section is available until June 30, 2022. Money remaining from an appropriation for a project that is completed or abandoned cancels to the bond payments account established for such purpose in the special appropriation trust fund bond proceeds fund, or if not needed for debt service, to the environment and natural resources trust fund.

Subd. 2. **Legislative findings; appropriations supplement other sources of funding for projects.** The legislature finds that the appropriations in this section are consistent with the requirement in Minnesota Statutes, section 116P.03, that expenditures of money from the environment and natural resources trust fund are for public purposes that supplement traditional sources of money to pay for expenditures authorized by Minnesota Statutes, section 116P.08, subdivision 1. Further, the legislature finds that notwithstanding any limitation on use of trust fund money in Minnesota Statutes, chapter 116P, the appropriations in this section are for a public purpose and supplement other sources of money to help pay for projects that are consistent with the purposes of the trust fund.

Subd. 3. **Bond sale authorization.** To provide the money appropriated in this section, and to pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under Minnesota Statutes, section 16A.969, the commissioner of management and budget shall sell and issue up to \$98,000,000, net of costs of issuance, of special appropriation trust fund bonds, in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, section 16A.969.

Subd. 4. **Management and budget; bond sale expenses; annual debt service.** Up to \$2,940,000 is appropriated in fiscal year 2019 and up to \$7,840,000 is appropriated each fiscal year beginning in fiscal year 2020 and through fiscal year 2039, from the environment and natural resources trust fund to the commissioner of management and budget to pay principal and interest on appropriation bonds issued under this section, as provided in Minnesota Statutes, section 16A.969, subdivision 7.

Subd. 5. **Natural Resources**

To the commissioner of natural resources for the purposes specified in this section.

(1) Natural Resources Asset Preservation 3,419,000

For the renovation of state-owned facilities and recreational assets within units of the outdoor recreation system classified under Minnesota Statutes, section 86A.05, operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946, the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation.

(2) Elk River - Lake Orono 1,500,000

For a grant to the city of Elk River to dredge Lake Orono.

(3) South St. Paul - Seidl's Lake

781,000

For a grant to the city of South St. Paul for capital improvements to improve the water quality of Seidl's Lake. The capital improvements include design, engineering, construction, and equipping of a storm water lift station to discharge excess storm water into the city of South St. Paul's storm sewer system to minimize the fluctuating water levels of the lake. This project would be implemented jointly by the cities of South St. Paul, Inver Grove Heights, and West St. Paul.

Subd. 6. Pollution Control Agency

To the Pollution Control Agency for the purposes specified in this section.

(1) Anoka County-Waste Disposal Engineering Closed Landfill

6,000,000

Notwithstanding Minnesota Statutes, section 116P.08, subdivision 2, to design and construct remedial systems, including cleanup and removal of a leaking hazardous waste pit and protection of groundwater, at the Waste Disposal Engineering site in Anoka County in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42.

(2) Lake Redwood Reclamation

7,300,000

For a grant to the Redwood-Cottonwood Rivers Control Area, a joint powers entity, to predesign, design, construct, and equip the reservoir reclamation and enhancement of the 66-acre Lake Redwood Reservoir, to remove approximately 650,000 cubic yards of sediment and increase its depth from approximately 2.8 feet to 20 feet in order to secure renewable energy capacity of the hydroelectric dam which is impeded by lack of water capacity, reduce the flow of pollutants to the Minnesota River, and increase fish habitat and enhance recreational opportunities.

Subd. 7. Board of Water and Soil Resources

To the Board of Water and Soil Resources for the purposes specified in this section.

Reinvest in Minnesota (RIM) Reserve Program

10,000,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

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(b) The board shall give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements.

(c) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration.

(d) Of this appropriation, up to five percent may be used for restoration, rehabilitation, and enhancement; and no more than \$1,000,000 may be used to acquire working lands easements.

Subd. 8. Public Facilities Authority

Notwithstanding Minnesota Statutes, section 116P.08, subdivision 2, to the Public Facilities Authority for the purposes specified in this section.

(1) State Match for Federal Grants

6,000,000

To match federal grants for the clean water revolving fund for wastewater treatment under Minnesota Statutes, section 446A.07. This appropriation must be used for qualified capital projects.

(2) Water Infrastructure Funding Program

14,652,000

For grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072, for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(3) Point Source Implementation Grants Program

38,348,000

For grants to eligible municipalities under the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation must be used for qualified capital projects.

Subd. 9. Metropolitan Council

To the Metropolitan Council for the purposes specified in this section.

Metropolitan Regional Parks and Trails Capital Improvements

10,000,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. This appropriation must not be used to purchase easements.