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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 1752

- 05/21/2011 Authored by Howes, Hausman, Lanning, Scalze and Davids
The bill was read for the first time and referred to the Committee on Capital Investment
- 03/22/2012 Adoption of Report: Pass and re-referred to the Committee on Ways and Means
- 04/23/2012 Adoption of Report: Pass as Amended and Read Second Time
- 05/07/2012 Fiscal Calendar, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act
 1.2 relating to capital improvements; authorizing spending to acquire and better
 1.3 public land and buildings and for other improvements of a capital nature with
 1.4 certain conditions; establishing programs; authorizing the sale and issuance of
 1.5 state bonds; modifying previous appropriations; authorizing Cook County to form
 1.6 a district for the construction of water facilities and provision of water service;
 1.7 authorizing the commissioner of natural resources to make certain acquisitions
 1.8 of land or interests in land; appropriating money; amending Minnesota Statutes
 1.9 2010, sections 16A.633, by adding a subdivision; 16A.641, subdivision 9;
 1.10 462A.21, by adding a subdivision; Minnesota Statutes 2011 Supplement,
 1.11 sections 16A.641, subdivision 7; 16A.96, by adding a subdivision; Laws 2006,
 1.12 chapter 258, sections 7, subdivision 23, as amended; 17, subdivision 3; Laws
 1.13 2008, chapter 179, sections 7, subdivision 27, as amended; 17, subdivision 4; 18,
 1.14 subdivision 3, as amended; 19, subdivision 4, as amended; 21, subdivision 15,
 1.15 as amended; Laws 2009, chapter 93, article 1, section 12, subdivision 2; Laws
 1.16 2010, chapter 189, sections 18, subdivision 5; 24, subdivision 3; Laws 2011,
 1.17 First Special Session chapter 12, sections 3, subdivisions 7, 8; 14, subdivision
 1.18 2; 19; 22; proposing coding for new law in Minnesota Statutes, chapters 15B;
 1.19 116J; 462A; repealing Laws 2011, chapter 107, section 101; Minnesota Rules,
 1.20 part 8895.0700, subpart 1.

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

1.22 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

1.23 The sums shown in the column under "Appropriations" are appropriated from the
 1.24 bond proceeds fund, or another named fund, to the state agencies or officials indicated,
 1.25 to be spent for public purposes. Appropriations of bond proceeds must be spent as
 1.26 authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire
 1.27 and better public land and buildings and other public improvements of a capital nature or
 1.28 as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j),
 1.29 or article XIV. Unless otherwise specified, money appropriated in this act for a capital
 1.30 program or project may be used to pay state agency staff costs that are attributed directly
 1.31 to the capital program or project in accordance with accounting policies adopted by the

2.1 commissioner of management and budget. Unless otherwise specified, the appropriations
 2.2 in this act are available until the project is completed or abandoned subject to Minnesota
 2.3 Statutes, section 16A.642.

2.4 **SUMMARY**

2.5	<u>University of Minnesota</u>	\$	<u>64,060,000</u>
2.6	<u>Minnesota State Colleges and Universities</u>		<u>132,126,000</u>
2.7	<u>Education</u>		<u>1,000,000</u>
2.8	<u>Minnesota State Academies</u>		<u>1,000,000</u>
2.9	<u>Perpich Center for Arts Education</u>		<u>263,000</u>
2.10	<u>Natural Resources</u>		<u>46,500,000</u>
2.11	<u>Pollution Control Agency</u>		<u>2,000,000</u>
2.12	<u>Board of Water and Soil Resources</u>		<u>12,000,000</u>
2.13	<u>Agriculture</u>		<u>706,000</u>
2.14	<u>Rural Finance Authority</u>		<u>33,000,000</u>
2.15	<u>Zoological Garden</u>		<u>4,000,000</u>
2.16	<u>Administration</u>		<u>50,555,000</u>
2.17	<u>Amateur Sports</u>		<u>375,000</u>
2.18	<u>Military Affairs</u>		<u>23,500,000</u>
2.19	<u>Transportation</u>		<u>49,400,000</u>
2.20	<u>Metropolitan Council</u>		<u>12,836,000</u>
2.21	<u>Human Services</u>		<u>5,683,000</u>
2.22	<u>Veterans Affairs</u>		<u>7,416,000</u>
2.23	<u>Corrections</u>		<u>9,128,000</u>
2.24	<u>Employment and Economic Development</u>		<u>78,500,000</u>
2.25	<u>Public Facilities Authority</u>		<u>23,500,000</u>
2.26	<u>Housing Finance Agency</u>		<u>5,500,000</u>
2.27	<u>Minnesota Historical Society</u>		<u>3,250,000</u>
2.28	<u>Bond Sale Expenses</u>		<u>560,000</u>
2.29	<u>TOTAL</u>	\$	<u>566,858,000</u>
2.30	<u>Bond Proceeds Fund (General Fund Debt Service)</u>		<u>456,483,000</u>
2.31	<u>Bond Proceeds Fund (User Financed Debt Service)</u>		<u>70,375,000</u>
2.32	<u>State Transportation Fund (General Fund Debt Service)</u>		<u>40,000,000</u>

2.33 **APPROPRIATIONS**

2.34 **Sec. 2. UNIVERSITY OF MINNESOTA**

2.35 **Subdivision 1. Total Appropriation** **\$ 64,060,000**

2.36 To the Board of Regents of the University
 2.37 of Minnesota for the purposes specified in
 2.38 this section.

3.1 **Subd. 2. Higher Education Asset Preservation**
 3.2 **and Replacement (HEAPR)** **50,000,000**

3.3 To be spent in accordance with Minnesota
 3.4 Statutes, section 135A.046.

3.5 Subd. 3. **Twin Cities Campus**

3.6 **Combined Heat and Power Plant** 10,000,000

3.7 To predesign and design and initiate
 3.8 infrastructure improvements for the
 3.9 renovation of the Old Main Steam Plant
 3.10 facility on the Twin Cities campus.

3.11 Subd. 4. **Itasca Biological Station**

3.12 **Itasca Facility Improvements** 4,060,000

3.13 To design, construct, furnish, and equip a new
 3.14 technology-rich biological laboratory and
 3.15 classroom facility, and to design, construct,
 3.16 furnish, and equip the renovation of the
 3.17 historic Lakeside Lab and to remove obsolete
 3.18 single-function buildings at the University of
 3.19 Minnesota facility in Itasca State Park.

3.20 Subd. 5. **University Share**

3.21 Except for Higher Education Asset
 3.22 Preservation and Replacement (HEAPR)
 3.23 under subdivision 2, the appropriations in this
 3.24 section are intended to cover approximately
 3.25 two-thirds of the cost of each project. The
 3.26 remaining costs must be paid from university
 3.27 sources.

3.28 Subd. 6. **Unspent Appropriations**

3.29 Upon substantial completion of a project
 3.30 authorized in this section and after written
 3.31 notice to the commissioner of management
 3.32 and budget, the Board of Regents must use
 3.33 any money remaining in the appropriation
 4.1 for that project for HEAPR under Minnesota
 4.2 Statutes, section 135A.046. The Board

4.3 of Regents must report by February 1 of
 4.4 each even-numbered year to the chairs of
 4.5 the house of representatives and senate
 4.6 committees with jurisdiction over capital
 4.7 investment and higher education finance, and
 4.8 to the chairs of the house of representatives
 4.9 Ways and Means Committee and the senate
 4.10 Finance Committee, on how the remaining
 4.11 money has been allocated or spent.

4.12 **Sec. 3. MINNESOTA STATE COLLEGES**
 4.13 **AND UNIVERSITIES**

4.14 **Subdivision 1. Total Appropriation** **\$ 132,126,000**

4.15 To the Board of Trustees of the Minnesota
 4.16 State Colleges and Universities for the
 4.17 purposes specified in this section.

4.18 **Subd. 2. Higher Education Asset Preservation**
 4.19 **and Replacement (HEAPR)** **20,000,000**

4.20 For the purposes specified in Minnesota
 4.21 Statutes, section 135A.046, including safety
 4.22 and statutory compliance, building envelope
 4.23 integrity, mechanical systems, and space
 4.24 restoration.

4.25 **Subd. 3. Anoka-Ramsey Community College,**
 4.26 **Coon Rapids**

4.27 **Bioscience and Allied Health Addition and**
 4.28 **Renovation** **980,000**

4.29 To complete design for the construction of a
 4.30 Bioscience and Allied Health addition and to
 4.31 design, renovate, and equip classrooms and
 4.32 related space.

4.33 **Subd. 4. Bemidji State University**

4.34 **Business Building Addition, Renovation**
 4.35 **Design, Demolition** **3,303,000**

5.1 To abate and demolish Maple Hall and
 5.2 Sanford Hall, and to complete design for the

- 5.3 renovation of Decker Hall, Hobson Hall,
 5.4 and Memorial Hall into multiuse classrooms
 5.5 and study spaces, including replacing the
 5.6 HVAC system and constructing an addition
 5.7 to Memorial Hall for better accessibility.
- 5.8 **Subd. 5. Century College**
- 5.9 **Classroom Addition** 5,000,000
- 5.10 To complete design of and to construct,
 5.11 renovate, furnish, and equip classrooms and
 5.12 related spaces.
- 5.13 **Subd. 6. Dakota County Technical College**
- 5.14 **Transportation and Emerging Technologies**
 5.15 **Lab Renovation** 7,230,000
- 5.16 To complete design of and to renovate,
 5.17 furnish, and equip transportation and
 5.18 emerging technologies classrooms,
 5.19 laboratories, and related spaces.
- 5.20 **Subd. 7. Minnesota State University, Mankato** 2,065,000
- 5.21 To design a clinical science building at
 5.22 Minnesota State University, Mankato.
- 5.23 **Subd. 8. Minneapolis Community and**
 5.24 **Technical College**
- 5.25 **Workforce Program Renovation** 13,389,000
- 5.26 To complete design of and to renovate,
 5.27 furnish, and equip instructional space,
 5.28 support space, and infrastructure for
 5.29 workforce programs.
- 5.30 **Subd. 9. North Hennepin Community College**
- 5.31 **Bioscience and Health Careers Addition** 26,292,000
- 5.32 To complete design of and to construct,
 5.33 furnish, and equip Bioscience and Health
 6.1 Careers laboratories, classrooms, and related
 6.2 spaces.

6.3 Subd. 10. Northland Community and Technical
 6.4 College

6.5 Aviation Maintenance Facility Expansion 300,000

6.6 To design the expansion and renovation of the
 6.7 aviation maintenance facilities at Northland
 6.8 Community and Technical College.

6.9 Subd. 11. Ridgewater College, Willmar

6.10 Technical Instruction Lab Renovation 13,851,000

6.11 To design, renovate, furnish, and equip
 6.12 classroom, student service, instructional
 6.13 lab, and related spaces and to demolish the
 6.14 Administration Building.

6.15 Subd. 12. St. Cloud Technical and Community
 6.16 College

4,000,000

6.17 To complete the design of, and to construct,
 6.18 renovate, furnish, equip, and demolish space
 6.19 for the medium heavy truck and autobody
 6.20 program on the St. Cloud Technical and
 6.21 Community College campus.

6.22 Subd. 13. St. Paul College

6.23 Health and Science Alliance Center 1,500,000

6.24 To design the Health and Science Alliance
 6.25 Center addition and to design, renovate,
 6.26 furnish, and equip, existing health spaces.

6.27 Subd. 14. Minnesota West Community and
 6.28 Technical College, Worthington

6.29 Renovation and Addition 4,606,000

6.30 To renovate, furnish, and equip existing
 6.31 classroom and lab spaces and to design,
 6.32 construct, furnish, and equip a classroom,
 7.1 lab, and entryway addition, and replace
 7.2 HVAC systems.

7.3 Subd. 15. Northeast Higher Education District
 7.4 - Itasca Community College

7.5 **Renovation, Addition, and Demolition** 4,549,000

7.6 To complete the design of and to renovate,
 7.7 furnish, and equip existing instructional
 7.8 and student services spaces, to design,
 7.9 construct, furnish, and equip an addition with
 7.10 multipurpose classrooms, and to demolish
 7.11 Donovan Hall.

7.12 Subd. 16. Rochester Community and Technical
 7.13 College

7.14 **Work Force Center Colocation** 8,746,000

7.15 To complete the design of and to construct,
 7.16 furnish, and equip an addition to the
 7.17 Heintz Center at Rochester Community
 7.18 and Technical College and to renovate the
 7.19 heating, ventilating, and air conditioning
 7.20 systems. The addition will house the
 7.21 Rochester Area Work Force Center. The
 7.22 board of trustees must consult with the
 7.23 commissioner of employment and economic
 7.24 development on the design of the renovations
 7.25 and addition. The board must enter into a
 7.26 lease agreement with the commissioner of
 7.27 employment and economic development
 7.28 for use of the work force center. The
 7.29 lease agreement must provide that lease
 7.30 payments made by the commissioner will
 7.31 pay for the college's reasonable costs in
 7.32 support of the work force center and the
 7.33 debt service required of the board associated
 7.34 with the work force center portion of the
 7.35 project. Notwithstanding the ten-year lease
 8.1 limit under Minnesota Statutes, section
 8.2 16B.24, subdivision 6, the commissioner

8.3 of administration may enter into a lease
 8.4 agreement of up to 20 years for the space to
 8.5 house the Rochester Area Work Force Center
 8.6 at the Rochester Community and Technical
 8.7 College.

8.8 **Subd. 17. South Central College, Faribault**

8.9 **Classroom Renovation and Addition** 13,315,000

8.10 To complete design of and to renovate,
 8.11 construct, furnish, and equip classrooms, a
 8.12 learning resource center, and related spaces,
 8.13 and laboratories.

8.14 **Subd. 18. Southwest Minnesota State**
 8.15 **University, Marshall**

8.16 **Science Lab Renovation** 500,000

8.17 To complete design for renovation of the
 8.18 Science and Math building and classroom
 8.19 spaces and an addition to the Plant Science
 8.20 building.

8.21 **Subd. 19. Science, Technology, Engineering,**
 8.22 **and Math Initiatives** 2,500,000

8.23 To design, renovate, furnish, and equip
 8.24 science laboratories at campuses statewide.
 8.25 Campuses may use internal and nonstate
 8.26 funds to increase the size of the projects. This
 8.27 appropriation may be used at the following
 8.28 campuses: Bemidji State University; Century
 8.29 College; Inver Hills Community College;
 8.30 Minnesota State Community and Technical
 8.31 College, Moorhead; Minnesota State
 8.32 University, Moorhead; Hibbing Community
 8.33 College; Itasca Community College; Mesabi
 8.34 Range Community and Technical College,
 8.35 Eveleth; and Pine Technical College.

9.1 **Subd. 20. Debt Service**

9.2 (a) The Board of Trustees shall pay the
9.3 debt service on one-third of the principal
9.4 amount of state bonds sold to finance
9.5 projects authorized by this section, except
9.6 for higher education asset preservation
9.7 and replacement, and except that, where a
9.8 nonstate match is required, the debt service is
9.9 due on a principal amount equal to one-third
9.10 of the total project cost, less the match
9.11 committed before the bonds are sold. After
9.12 each sale of general obligation bonds, the
9.13 commissioner of management and budget
9.14 shall notify the board of the amounts assessed
9.15 for each year for the life of the bonds.

9.16 (b) The commissioner of management and
9.17 budget shall reduce the board's assessment
9.18 each year by one-third of the net income
9.19 from investment of general obligation bond
9.20 proceeds in proportion to the amount of
9.21 principal and interest otherwise required to
9.22 be paid by the board. The board shall pay its
9.23 resulting net assessment to the commissioner
9.24 of management and budget by December
9.25 1 each year. If the board fails to make
9.26 a payment when due, the commissioner
9.27 of management and budget shall reduce
9.28 allotments for appropriations from the
9.29 general fund otherwise available to the board
9.30 and apply the amount of the reduction to
9.31 cover the missed debt service payment. The
9.32 commissioner of management and budget
9.33 shall credit the payments received from the
9.34 board to the bond debt service account in
9.35 the state bond fund each December 1 before
10.1 money is transferred from the general fund

10.2 under Minnesota Statutes, section 16A.641,
 10.3 subdivision 10.

10.4 **Subd. 21. Unspent Appropriations**

10.5 (a) Upon substantial completion of a
 10.6 project authorized in this section and after
 10.7 written notice to the commissioner of
 10.8 management and budget, the board must use
 10.9 any money remaining in the appropriation
 10.10 for that project for Higher Education Asset
 10.11 Preservation and Replacement (HEAPR)
 10.12 under Minnesota Statutes, section 135A.046.
 10.13 The board must report by February 1 of each
 10.14 even-numbered year to the chairs of the house
 10.15 of representatives and senate committees
 10.16 with jurisdiction over capital investments and
 10.17 higher education finance, and to the chairs
 10.18 of the house of representatives Ways and
 10.19 Means Committee and the senate Finance
 10.20 Committee, on how the remaining money
 10.21 has been allocated or spent.

10.22 (b) The unspent portion of an appropriation
 10.23 for a project in this section that is complete
 10.24 is available for Higher Education Asset
 10.25 Preservation and Replacement (HEAPR)
 10.26 under this subdivision at the same campus
 10.27 as the project for which the original
 10.28 appropriation was made, and the debt
 10.29 service requirement under subdivision 20 is
 10.30 reduced accordingly. Minnesota Statutes,
 10.31 section 16A.642, applies from the date of the
 10.32 original appropriation to the unspent amount
 10.33 transferred.

10.34 **Sec. 4. EDUCATION**

\$ 1,000,000

11.1	<u>To the commissioner of education for library</u>		
11.2	<u>accessibility and improvement grants under</u>		
11.3	<u>Minnesota Statutes, section 134.45.</u>		
11.4	Sec. 5. <u>MINNESOTA STATE ACADEMIES</u>	<u>\$</u>	<u>1,000,000</u>
11.5	<u>To the commissioner of administration for</u>		
11.6	<u>asset preservation on both campuses of the</u>		
11.7	<u>academies, to be spent in accordance with</u>		
11.8	<u>Minnesota Statutes, section 16B.307.</u>		
11.9	Sec. 6. <u>PERPICH CENTER FOR ARTS</u>		
11.10	<u>EDUCATION</u>		
11.11	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>263,000</u>
11.12	<u>To the commissioner of administration for</u>		
11.13	<u>the purposes specified in this section.</u>		
11.14	Subd. 2. <u>Loading Dock Repair</u>		<u>64,000</u>
11.15	<u>To complete design of and repair the loading</u>		
11.16	<u>dock and dock steps.</u>		
11.17	Subd. 3. <u>Road Repair</u>		<u>99,000</u>
11.18	<u>To complete design and repair roadway.</u>		
11.19	Subd. 4. <u>Storm Drainage</u>		<u>100,000</u>
11.20	<u>To complete design of and install storm</u>		
11.21	<u>drainage on the northwest corner of campus.</u>		
11.22	Sec. 7. <u>NATURAL RESOURCES</u>		
11.23	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>46,500,000</u>
11.24	<u>To the commissioner of natural resources</u>		
11.25	<u>for the purposes specified in this section.</u>		
11.26	<u>The appropriations in this section are</u>		
11.27	<u>subject to the requirements of the natural</u>		
11.28	<u>resources capital improvement program</u>		
11.29	<u>under Minnesota Statutes, section 86A.12,</u>		
11.30	<u>unless this section or the statutes referred</u>		
11.31	<u>to in this section provide more specific</u>		

- 12.1 standards, criteria, or priorities for projects
- 12.2 than Minnesota Statutes, section 86A.12.
- 12.3 **Subd. 2. Flood Hazard Mitigation Grants** 30,000,000
- 12.4 For the state share of flood hazard
- 12.5 mitigation grants for publicly owned capital
- 12.6 improvements to prevent or alleviate flood
- 12.7 damage under Minnesota Statutes, section
- 12.8 103F.161.
- 12.9 Levee projects, to the extent practicable,
- 12.10 shall meet the state standard of three feet
- 12.11 above the 100-year flood elevation.
- 12.12 Project priorities shall be determined by the
- 12.13 commissioner as appropriate, based on need.
- 12.14 To the extent that the cost of a project
- 12.15 exceeds two percent of the median household
- 12.16 income in the municipality multiplied by the
- 12.17 number of households in the municipality,
- 12.18 this appropriation is also for the local share
- 12.19 of the project.
- 12.20 **Subd. 3. Dam Repair, Reconstruction, and**
- 12.21 **Removal** 3,000,000
- 12.22 To renovate or remove publicly owned dams.
- 12.23 The commissioner shall determine project
- 12.24 priorities as appropriate under Minnesota
- 12.25 Statutes, sections 103G.511 and 103G.515.
- 12.26 **Subd. 4. Roads and Bridges** 2,000,000
- 12.27 For the design, reconstruction, resurfacing,
- 12.28 replacement, and construction of publicly
- 12.29 owned DNR-maintained roads, culverts, and
- 12.30 bridges.
- 12.31 **Subd. 5. State Forest Land Restoration** 2,500,000
- 12.32 To increase reforestation activities to meet
- 12.33 the reforestation requirements of Minnesota
- 12.34 Statutes, section 89.002, subdivision 2,

- 13.1 including planting, seeding, site preparation,
 13.2 and for timber stand improvement.
- 13.3 **Subd. 6. State Parks and Trails Renewal and**
 13.4 **Development** 4,000,000
- 13.5 For renewal, modification, replacement, or
 13.6 development of buildings and recreational
 13.7 infrastructure in state parks, state recreation
 13.8 areas, state trails, small craft harbors/marinas,
 13.9 fishing pier sites, and state forests.
- 13.10 **Subd. 7. Lake Vermillion State Park** 2,000,000
- 13.11 For the development of Lake Vermillion
 13.12 State Park, established under Minnesota
 13.13 Statutes, section 85.012, subdivision 38a.
- 13.14 **Subd. 8. Lake Zumbro** 3,000,000
- 13.15 For a grant to Olmsted County for the
 13.16 removal of sedimentation in Lake Zumbro,
 13.17 including final engineering, dredging, and
 13.18 dredged soil disposal from the sites identified
 13.19 in the Preliminary Engineering Report
 13.20 for Dredging Lake Zumbro. This project
 13.21 is designed to improve the recreational
 13.22 economy, water quality, and habitat, and
 13.23 increase water storage capacity within the
 13.24 lake to achieve renewable energy goals
 13.25 by optimizing long-term hydroelectric
 13.26 operations. This appropriation is not
 13.27 available until the commissioner has
 13.28 determined that at least an equal amount has
 13.29 been committed to the project from nonstate
 13.30 sources.
- 13.31 **Subd. 9. Unspent Appropriations**
- 13.32 The unspent portion of an appropriation,
 13.33 but not to exceed ten percent of the
 13.34 appropriation, for a project in this section

14.1 that is complete, other than an appropriation
 14.2 for flood hazard mitigation, upon written
 14.3 notice to the commissioner of management
 14.4 and budget, is available for asset preservation
 14.5 under Minnesota Statutes, section 84.946.
 14.6 Minnesota Statutes, section 16A.642, applies
 14.7 from the date of the original appropriation
 14.8 to the unspent amount transferred for asset
 14.9 preservation.

14.10 **Sec. 8. POLLUTION CONTROL AGENCY** **\$ 2,000,000**

14.11 To the Pollution Control Agency to design
 14.12 and construct remedial systems and acquire
 14.13 land at landfills throughout the state in
 14.14 accordance with the closed landfill program
 14.15 under Minnesota Statutes, sections 115B.39
 14.16 to 115B.42.

14.17 **Sec. 9. BOARD OF WATER AND SOIL**
 14.18 **RESOURCES**

14.19 **Subdivision 1. Total Appropriation** **\$ 12,000,000**

14.20 To the Board of Water and Soil Resources
 14.21 for the purposes specified in the following
 14.22 subdivisions.

14.23 **Subd. 2. RIM Conservation Reserve** **6,000,000**

14.24 (a) To acquire conservation easements from
 14.25 landowners to preserve, restore, create, and
 14.26 enhance wetlands; restore and enhance rivers
 14.27 and streams, riparian lands, and associated
 14.28 uplands in order to protect soil and water
 14.29 quality; support fish and wildlife habitat;
 14.30 reduce flood damage; and provide other
 14.31 public benefits. The provisions of Minnesota
 14.32 Statutes, section 103F.515, apply to this
 14.33 program. Of this appropriation, up to ten

15.1 percent may be used to implement the
 15.2 program.
 15.3 (b) The board is authorized to enter into
 15.4 new agreements and amend past agreements
 15.5 with landowners as required by Minnesota
 15.6 Statutes, section 103F.515, subdivision 5, to
 15.7 allow for restoration, including overseeding
 15.8 and harvesting of native prairie vegetation for
 15.9 use for energy production in a manner that
 15.10 does not devalue the natural habitat, water
 15.11 quality benefits, or carbon sequestration
 15.12 functions of the area enrolled in the easement.
 15.13 This shall occur after seed production and
 15.14 minimize impacts on wildlife. Of this
 15.15 appropriation, up to five percent may be used
 15.16 for restoration, including overseeding.

15.17 **Subd. 3. Wetland Replacement Due to Public**
 15.18 **Road Projects**

6,000,000

15.19 To acquire land for wetland restoration or
 15.20 preservation to replace wetlands drained
 15.21 or filled as a result of the repair or
 15.22 reconstruction, replacement, or rehabilitation
 15.23 of existing public roads as required by
 15.24 Minnesota Statutes, section 103G.222.
 15.25 The purchase price paid for acquisition
 15.26 of land, fee, or perpetual easement must
 15.27 be the fair market value as determined
 15.28 by the board. The board may enter into
 15.29 agreements with the federal government,
 15.30 other state agencies, political subdivisions,
 15.31 and nonprofit organizations or fee owners to
 15.32 acquire land and restore and create wetlands
 15.33 and to acquire existing wetland banking
 15.34 credits. Acquisition of or the conveyance
 15.35 of land may be in the name of the political
 15.36 subdivision.

16.1	Sec. 10. <u>AGRICULTURE</u>	<u>\$</u>	<u>706,000</u>
16.2	<u>To the commissioner of administration for</u>		
16.3	<u>design and installation of an emergency</u>		
16.4	<u>power system for the shared Agriculture and</u>		
16.5	<u>Health Lab Building.</u>		
16.6	Sec. 11. <u>RURAL FINANCE AUTHORITY</u>	<u>\$</u>	<u>33,000,000</u>
16.7	<u>For the purposes set forth in the Minnesota</u>		
16.8	<u>Constitution, article XI, section 5, paragraph</u>		
16.9	<u>(h), to the Rural Finance Authority to</u>		
16.10	<u>purchase participation interests in or to</u>		
16.11	<u>make direct agricultural loans to farmers</u>		
16.12	<u>under Minnesota Statutes, chapter 41B.</u>		
16.13	<u>This appropriation is for the beginning</u>		
16.14	<u>farmer program under Minnesota Statutes,</u>		
16.15	<u>section 41B.039; the loan restructuring</u>		
16.16	<u>program under Minnesota Statutes, section</u>		
16.17	<u>41B.04; the seller-sponsored program under</u>		
16.18	<u>Minnesota Statutes, section 41B.042; the</u>		
16.19	<u>agricultural improvement loan program</u>		
16.20	<u>under Minnesota Statutes, section 41B.043;</u>		
16.21	<u>and the livestock expansion loan program</u>		
16.22	<u>under Minnesota Statutes, section 41B.045.</u>		
16.23	<u>All debt service on bond proceeds used to</u>		
16.24	<u>finance this appropriation must be repaid</u>		
16.25	<u>by the Rural Finance Authority under</u>		
16.26	<u>Minnesota Statutes, section 16A.643. Loan</u>		
16.27	<u>participations must be priced to provide full</u>		
16.28	<u>interest and principal coverage and a reserve</u>		
16.29	<u>for potential losses. Priority for loans must</u>		
16.30	<u>be given first to basic beginning farmer loans,</u>		
16.31	<u>second to seller-sponsored loans, and third to</u>		
16.32	<u>agricultural improvement loans.</u>		
16.33	Sec. 12. <u>MINNESOTA ZOOLOGICAL</u>		
16.34	<u>GARDEN</u>	<u>\$</u>	<u>4,000,000</u>

17.1 To the Minnesota Zoological Garden for
 17.2 capital asset preservation and betterments to
 17.3 infrastructure and exhibits at the Minnesota
 17.4 Zoo to be spent in accordance with Minnesota
 17.5 Statutes, section 16B.307.

17.6 Sec. 13. **ADMINISTRATION**

17.7 **Subdivision 1. Total Appropriation** **\$ 50,555,000**

17.8 To the commissioner of administration for
 17.9 the purposes specified in this section.

17.10 **Subd. 2. Asset Preservation** **500,000**

17.11 For asset preservation studies and projects
 17.12 on properties managed by the commissioner.
 17.13 This appropriation must be spent in
 17.14 accordance with Minnesota Statutes, section
 17.15 16B.307. This appropriation includes money
 17.16 to complete design for and to renovate or
 17.17 replace the house of representatives TV
 17.18 control room heating, ventilating, and air
 17.19 conditioning system in the Capitol building.

17.20 **Subd. 3. Capitol Restoration Appropriation** **44,000,000**

17.21 (a) This appropriation may be used for one or
 17.22 more of the following purposes:

17.23 (1) to design, construct, and equip a new
 17.24 tunnel extending from the Capitol building
 17.25 and passing under University Avenue, and
 17.26 associated improvements, in accordance
 17.27 with recommendation number 6 of the
 17.28 Comprehensive Master Plan and the
 17.29 final report of the Committee on Capitol
 17.30 Complex Security, dated April 1, 2011, with
 17.31 construction to be coordinated with light rail
 17.32 construction time frames;

18.1 (2) for predesign and design of the renovation
18.2 and restoration of the State Capitol building,
18.3 including preparation of design guidelines
18.4 and a historic structures report;
18.5 (3) for repairs to exterior stone, window
18.6 replacement, and preparation of mechanical
18.7 space in the attic of the State Capitol
18.8 building;
18.9 (4) for construction to restore and improve
18.10 the Capitol building and grounds, including
18.11 exterior stone repair and the construction
18.12 activities listed as part of sequence A
18.13 in the 2012 Comprehensive Master Plan
18.14 dated February 2012, prepared by MOCA,
18.15 including hazardous materials abatement;
18.16 and
18.17 (5) up to \$5,000,000 of this appropriation
18.18 may be used to predesign, design, conduct
18.19 hazardous materials abatement, construct,
18.20 renovate and remodel, and furnish and equip
18.21 the State Office Building, Administration
18.22 Building, Centennial Office Building, 321
18.23 Grove Street Buildings, and such other
18.24 properties located on the Capitol campus as
18.25 determined by the commissioner to meet
18.26 temporary and permanent office and other
18.27 space needs occasioned by and in furtherance
18.28 of an efficient restoration of the State Capitol
18.29 building and for the efficient and effective
18.30 function of the tenants currently located in
18.31 the Capitol building.
18.32 (b) Money appropriated under paragraph (a),
18.33 clauses (1) to (3), may be spent as of the
18.34 effective date.

19.1 (c) Money appropriated under paragraph
 19.2 (a), clauses (4) and (5), may not be spent
 19.3 unless and until the conditions in Minnesota
 19.4 Statutes, section 15B.15, have been met.

19.5 **Subd. 4. Capital Asset Preservation and**
 19.6 **Replacement Account** 1,000,000

19.7 To be spent in accordance with Minnesota
 19.8 Statutes, section 16A.632.

19.9 **Subd. 5. Hennepin County, Washburn Center**
 19.10 **for Children** 5,000,000

19.11 For a grant to Hennepin County to acquire
 19.12 and prepare a site for and to predesign,
 19.13 design, construct, furnish, and equip a new
 19.14 Washburn Center for Children that will be
 19.15 used to provide mental health services to
 19.16 children. The county is authorized to take
 19.17 actions and enter into agreements needed
 19.18 to perform the functions set forth in this
 19.19 section, and the agreements may include
 19.20 provisions and conditions that the county
 19.21 negotiates. The county may enter into a
 19.22 lease or management contract for the new
 19.23 center with a nonprofit entity. The lease or
 19.24 management contract must comply with the
 19.25 requirements of Minnesota Statutes, section
 19.26 16A.695. This appropriation is not available
 19.27 until the commissioner has determined that
 19.28 at least an equal amount has been committed
 19.29 or expended from nonstate resources.

19.30 **Subd. 6. Peace Officers Memorial** 55,000

19.31 To complete design and renovation of the
 19.32 Peace Officers Memorial on the Capitol
 19.33 grounds.

19.34 **Sec. 14. AMATEUR SPORTS** **\$ 375,000**

20.1 To the Minnesota Amateur Sports
 20.2 Commission to replace HVAC heating and
 20.3 cooling units in the Indoor Sports Hall at the
 20.4 National Sports Center in Blaine.

20.5 Sec. 15. **MILITARY AFFAIRS**

20.6 **Subdivision 1. Total Appropriation** **\$ 23,500,000**

20.7 To the adjutant general for the purposes
 20.8 specified in this section.

20.9 **Subd. 2. Asset Preservation** **4,000,000**

20.10 For asset preservation improvements and
 20.11 betterments of a capital nature at military
 20.12 affairs facilities statewide, to be spent in
 20.13 accordance with Minnesota Statutes, section
 20.14 16B.307.

20.15 **Subd. 3. Camp Ripley Education Center**
 20.16 **Addition** **19,500,000**

20.17 To complete the construction, furnishing, and
 20.18 equipping of an addition to the Camp Ripley
 20.19 Education Center (Building #6-76). The
 20.20 addition will include lodging, classroom, and
 20.21 dining facilities.

20.22 **Subd. 4. Unspent Appropriations**

20.23 The unspent portion of an appropriation for
 20.24 a project in this section that is complete,
 20.25 upon written notice to the commissioner of
 20.26 management and budget, is available for
 20.27 asset preservation under Minnesota Statutes,
 20.28 section 16B.307. Minnesota Statutes, section
 20.29 16A.642, applies from the date of the
 20.30 original appropriation to the unspent amount
 20.31 transferred.

20.32 Sec. 16. **TRANSPORTATION**

20.33 **Subdivision 1. Total Appropriation** **\$ 49,400,000**

21.1 This appropriation is to the commissioner of
 21.2 transportation for the purposes specified in
 21.3 this section.

21.4 **Subd. 2. Local Bridge Replacement and**
 21.5 **Rehabilitation**

30,000,000

21.6 This appropriation is from the bond proceeds
 21.7 account in the state transportation fund
 21.8 to match federal money and to replace
 21.9 or rehabilitate local deficient bridges as
 21.10 provided in Minnesota Statutes, section
 21.11 174.50. To the extent practicable, the
 21.12 commissioner shall expend the funds as
 21.13 provided under Minnesota Statutes, section
 21.14 174.50, subdivisions 6c and 7, paragraph (c).

21.15 Political subdivisions may use grants made
 21.16 under this subdivision to construct or
 21.17 reconstruct bridges, including but not limited
 21.18 to:

21.19 (1) matching federal aid grants to construct
 21.20 or reconstruct key bridges;

21.21 (2) paying the costs of preliminary
 21.22 engineering and environmental studies
 21.23 authorized under Minnesota Statutes, section
 21.24 174.50, subdivision 6a;

21.25 (3) paying the costs to abandon an existing
 21.26 bridge that is deficient and in need of
 21.27 replacement, but where no replacement will
 21.28 be made; and

21.29 (4) paying the costs to construct a road
 21.30 or street to facilitate the abandonment
 21.31 of an existing bridge determined by
 21.32 the commissioner to be deficient, if the
 21.33 commissioner determines that construction
 21.34 of the road or street is more economical than
 21.35 replacement of the existing bridge.

22.1	<u>Subd. 3. Local Road Improvement Fund</u>	
22.2	<u>Grants</u>	<u>10,000,000</u>
22.3	<u>From the bond proceeds account in the state</u>	
22.4	<u>transportation fund as provided in Minnesota</u>	
22.5	<u>Statutes, section 174.50, for construction and</u>	
22.6	<u>reconstruction of local roads with statewide</u>	
22.7	<u>or regional significance under Minnesota</u>	
22.8	<u>Statutes, section 174.52, subdivision 4, or for</u>	
22.9	<u>grants to counties to assist in paying the costs</u>	
22.10	<u>of rural road safety capital improvement</u>	
22.11	<u>projects on county state-aid highways</u>	
22.12	<u>under Minnesota Statutes, section 174.52,</u>	
22.13	<u>subdivision 4a.</u>	
22.14	<u>Subd. 4. Greater Minnesota Transit</u>	<u>6,400,000</u>
22.15	<u>For capital assistance for publicly owned</u>	
22.16	<u>greater Minnesota transit systems to be used</u>	
22.17	<u>to design, construct, and equip transit capital</u>	
22.18	<u>facilities under Minnesota Statutes, section</u>	
22.19	<u>174.24, subdivision 3c.</u>	
22.20	<u>Subd. 5. Railroad Warning Devices</u>	
22.21	<u>Replacement</u>	<u>2,000,000</u>
22.22	<u>To design, construct, and equip the</u>	
22.23	<u>replacement of active highway rail grade</u>	
22.24	<u>crossing warning safety devices that have</u>	
22.25	<u>reached the end of their useful life.</u>	
22.26	<u>Subd. 6. Port Development Assistance</u>	<u>1,000,000</u>
22.27	<u>For grants under Minnesota Statutes, chapter</u>	
22.28	<u>457A, for publicly owned capital projects.</u>	
22.29	<u>Sec. 17. METROPOLITAN COUNCIL</u>	
22.30	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 12,836,000</u>
22.31	<u>To the Metropolitan Council for the purposes</u>	
22.32	<u>specified in this section.</u>	
22.33	<u>Subd. 2. Metropolitan Regional Parks Capital</u>	
22.34	<u>Improvements</u>	<u>4,586,000</u>

23.1 For the cost of improvements and betterments
 23.2 of a capital nature and acquisition by the
 23.3 council and local government units of
 23.4 regional recreational open-space lands in
 23.5 accordance with the council's policy plan
 23.6 as provided in Minnesota Statutes, section
 23.7 473.147. This appropriation must not be
 23.8 used to purchase easements.

23.9 **Subd. 3. Municipal Wastewater Systems -**
 23.10 **Inflow and Infiltration Grants**

4,000,000

23.11 For grants to cities within the metropolitan
 23.12 area, as defined in Minnesota Statutes,
 23.13 section 473.121, subdivision 2, for capital
 23.14 improvements in municipal wastewater
 23.15 collection systems to reduce the amount
 23.16 of inflow and infiltration to the council's
 23.17 metropolitan sanitary sewer disposal system.
 23.18 To be eligible for a grant, a city must be
 23.19 identified by the council as a contributor of
 23.20 excessive inflow or infiltration. Grants from
 23.21 this appropriation are for up to 50 percent of
 23.22 the cost to mitigate inflow and infiltration in
 23.23 the publicly owned municipal wastewater
 23.24 collection systems. The council must
 23.25 award grants based on applications from
 23.26 eligible cities that identify eligible capital
 23.27 costs and include a timeline for inflow and
 23.28 infiltration mitigation construction, pursuant
 23.29 to guidelines established by the council.

23.30 **Subd. 4. Phillips Community Center**

1,750,000

23.31 For a grant to the Minneapolis Park and
 23.32 Recreation Board to predesign, design,
 23.33 engineer, reconstruct, renovate, furnish,
 23.34 and equip the Phillips Community Center
 23.35 indoor competitive swimming pool and to

24.1	<u>predesign, design, engineer, and construct</u>	
24.2	<u>an additional indoor multipurpose family</u>	
24.3	<u>pool and facilities associated with an aquatic</u>	
24.4	<u>center in the community center, subject to</u>	
24.5	<u>Minnesota Statutes, section 16A.695.</u>	
24.6	<u>This appropriation is not available until</u>	
24.7	<u>the commissioner determines that at least</u>	
24.8	<u>\$350,000 is committed from nonstate</u>	
24.9	<u>sources.</u>	
24.10	Subd. 5. <u>Minneapolis Transportation</u>	
24.11	<u>Interchange</u>	<u>2,500,000</u>
24.12	<u>For a grant to Hennepin County or the</u>	
24.13	<u>Hennepin County Regional Railroad</u>	
24.14	<u>Authority for environmental analysis,</u>	
24.15	<u>engineering, design, acquisition of real</u>	
24.16	<u>property or interests in real property, and</u>	
24.17	<u>site preparation for and construction of the</u>	
24.18	<u>Minneapolis Transportation Interchange</u>	
24.19	<u>Facility located in the vicinity of the</u>	
24.20	<u>confluence of the Hiawatha Light Rail</u>	
24.21	<u>Transit line and the Northstar Commuter Rail</u>	
24.22	<u>line.</u>	
24.23	Sec. 18. <u>HUMAN SERVICES</u>	
24.24	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 5,683,000</u>
24.25	<u>To the commissioner of administration for</u>	
24.26	<u>the purposes specified in this section.</u>	
24.27	Subd. 2. <u>Asset Preservation</u>	<u>2,000,000</u>
24.28	<u>For asset preservation improvements and</u>	
24.29	<u>betterments of a capital nature at Department</u>	
24.30	<u>of Human Services facilities statewide, to be</u>	
24.31	<u>spent in accordance with Minnesota Statutes,</u>	
24.32	<u>section 16B.307.</u>	
24.33	Subd. 3. <u>Minnesota Security Hospital - Phase I</u>	<u>3,683,000</u>

25.1 For predesign and design of the first phase
 25.2 of a two-phase project to remodel existing
 25.3 facilities and develop new residential,
 25.4 program, activity, and ancillary facilities for
 25.5 the Minnesota Security Hospital on the upper
 25.6 campus of the St. Peter Regional Treatment
 25.7 Center.

25.8 Sec. 19. **VETERANS AFFAIRS**

25.9 **Subdivision 1. Total Appropriation** **\$ 7,416,000**

25.10 To the commissioner of administration
 25.11 for the purposes specified in this section.
 25.12 The commissioner must allocate money
 25.13 appropriated in this section so as to maximize
 25.14 the use of all available federal funding.

25.15 **Subd. 2. Asset Preservation** **3,000,000**

25.16 For asset preservation improvements and
 25.17 betterments of a capital nature at veterans
 25.18 homes and cemeteries statewide, to be spent
 25.19 in accordance with Minnesota Statutes,
 25.20 section 16B.307.

25.21 **Subd. 3. Minneapolis Veterans Home Building**
 25.22 **17 South** **3,050,000**

25.23 For predesign and design for demolition of
 25.24 the south wing of Building 17 and adjoining
 25.25 facilities, and designing the south wing
 25.26 of Building 17 as a new skilled nursing
 25.27 building. This appropriation may also be
 25.28 used to design a new distribution service
 25.29 tunnel on the Minneapolis campus.

25.30 **Subd. 4. Minneapolis Veterans Home**
 25.31 **Centralized Pharmacy** **1,366,000**

25.32 To predesign, design, remodel, and furnish
 25.33 historic Building 13 to be used as the veterans
 25.34 homes' central pharmacy.

26.1	Sec. 20. <u>CORRECTIONS</u>		
26.2	<u>Subdivision 1. Total Appropriation</u>	\$	<u>9,128,000</u>
26.3	<u>To the commissioner of administration for</u>		
26.4	<u>the purposes specified in this section.</u>		
26.5	<u>Subd. 2. Asset Preservation</u>		<u>5,000,000</u>
26.6	<u>For improvements and betterments of a</u>		
26.7	<u>capital nature at Minnesota correctional</u>		
26.8	<u>facilities statewide, in accordance with</u>		
26.9	<u>Minnesota Statutes, section 16B.307.</u>		
26.10	<u>Subd. 3. Minnesota Correctional Facility -</u>		
26.11	<u>Stillwater</u>		
26.12	<u>Well and Water Treatment Facility</u>		<u>3,391,000</u>
26.13	<u>To complete design; cap an old well; install</u>		
26.14	<u>a new well; replace piping between wells,</u>		
26.15	<u>water tower, and facility intake; replace water</u>		
26.16	<u>treatment equipment; and design, construct,</u>		
26.17	<u>furnish, and equip a new building to house</u>		
26.18	<u>water treatment equipment.</u>		
26.19	<u>Subd. 4. Northeast Regional Correctional</u>		
26.20	<u>Center (NERCC)</u>		<u>737,000</u>
26.21	<u>For a grant to the Arrowhead Regional</u>		
26.22	<u>Corrections Joint Powers Board for asset</u>		
26.23	<u>preservation improvements and betterments</u>		
26.24	<u>of a capital nature at the Northeast Regional</u>		
26.25	<u>Correctional Center (NERCC).</u>		
26.26	<u>Subd. 5. Unspent Appropriations</u>		
26.27	<u>The unspent portion of an appropriation for</u>		
26.28	<u>a project in this section that is complete,</u>		
26.29	<u>upon written notice to the commissioner of</u>		
26.30	<u>management and budget, is available for</u>		
26.31	<u>asset preservation under Minnesota Statutes,</u>		
26.32	<u>section 16B.307, at the same correctional</u>		
26.33	<u>facility as the project for which the original</u>		
26.34	<u>appropriation was made. Minnesota Statutes,</u>		

27.1 section 16A.642, applies from the date of the
 27.2 original appropriation to the unspent amount
 27.3 transferred.

27.4 **Sec. 21. EMPLOYMENT AND ECONOMIC**
 27.5 **DEVELOPMENT**

27.6 **Subdivision 1. Total Appropriation** **\$ 78,500,000**

27.7 To the commissioner of employment and
 27.8 economic development for the purposes
 27.9 specified in this section.

27.10 **Subd. 2. Greater Minnesota Business**
 27.11 **Development Public Infrastructure Grant**
 27.12 **Program** **6,000,000**

27.13 For grants under Minnesota Statutes, section
 27.14 116J.431.

27.15 This appropriation may be used for a grant
 27.16 to the Lake Superior-Poplar River Water
 27.17 District to acquire property interests for,
 27.18 engineer, design, permit, and construct works
 27.19 and systems to transport and treat water
 27.20 from Lake Superior through the Poplar River
 27.21 Valley to serve domestic and irrigation water
 27.22 users and commercial, stock watering, and
 27.23 industrial users. Notwithstanding Minnesota
 27.24 Statutes, section 116J.431, a grant to the
 27.25 district is not subject to any limit in grant
 27.26 amount or match requirement, but a grant
 27.27 to the district is not available until at least
 27.28 \$1,200,000 has been committed to the project
 27.29 from nonstate sources. Expenditures made
 27.30 on or after October 1, 2011, shall count
 27.31 towards the nonstate match.

27.32 **Subd. 3. Redevelopment Account** **3,000,000**

27.33 For purposes of the redevelopment account
 27.34 under Minnesota Statutes, sections 116J.571
 27.35 to 116J.575.

28.1	<u>Subd. 4. Transportation Economic</u>		
28.2	<u>Development Program</u>		<u>3,000,000</u>
28.3	<u>For grants under Minnesota Statutes, section</u>		
28.4	<u>116J.436.</u>		
28.5	<u>Subd. 5. Business Development Through</u>		
28.6	<u>Capital Project Grants</u>		<u>50,000,000</u>
28.7	<u>For grants under Minnesota Statutes, section</u>		
28.8	<u>116J.433.</u>		
28.9	<u>Subd. 6. Austin Port Authority - Research and</u>		
28.10	<u>Technology Center</u>		<u>13,500,000</u>
28.11	<u>For a grant to the Austin Port Authority to</u>		
28.12	<u>design and construct a new building addition</u>		
28.13	<u>to the Hormel Institute, including research</u>		
28.14	<u>labs, research technology space, and support</u>		
28.15	<u>offices. This appropriation is not available</u>		
28.16	<u>until the commissioner has determined that</u>		
28.17	<u>at least an equal amount has been committed</u>		
28.18	<u>to the project from nonstate sources.</u>		
28.19	<u>Subd. 7. Bemidji Regional Public Television</u>		
28.20	<u>Station</u>		<u>3,000,000</u>
28.21	<u>For a grant to the city of Bemidji to construct,</u>		
28.22	<u>furnish, and equip a regional public</u>		
28.23	<u>television station in the city of Bemidji.</u>		
28.24	<u>This appropriation is not available until the</u>		
28.25	<u>commissioner determines that a 25 percent</u>		
28.26	<u>match has been committed to the project</u>		
28.27	<u>from nonstate sources.</u>		
28.28	<u>Sec. 22. PUBLIC FACILITIES AUTHORITY</u>		
28.29	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>23,500,000</u>
28.30	<u>To the Public Facilities Authority for the</u>		
28.31	<u>purposes specified in this section.</u>		
28.32	<u>Subd. 2. State Match for Federal Grants</u>		<u>8,500,000</u>
28.33	<u>To match federal grants for the clean water</u>		
28.34	<u>revolving fund under Minnesota Statutes,</u>		

29.1 section 446A.07, and the drinking water
 29.2 revolving fund under Minnesota Statutes,
 29.3 section 446A.081.

29.4 This appropriation must be used for qualified
 29.5 capital projects.

29.6 **Subd. 3. Wastewater Infrastructure Funding**
 29.7 **Program**

15,000,000

29.8 For grants to eligible municipalities under the
 29.9 wastewater infrastructure funding program
 29.10 under Minnesota Statutes, section 446A.072.

29.11 If a grant is made from this appropriation
 29.12 to the Central Iron Range Sanitary Sewer
 29.13 District to supplement previous wastewater
 29.14 infrastructure funding grants to design,
 29.15 construct, furnish, and equip new wastewater
 29.16 treatment facilities, lift stations, and
 29.17 forcemains, it is not subject to the limitations
 29.18 on the availability or amount of the grant in
 29.19 Minnesota Statutes, section 446A.072, but
 29.20 the grant must not exceed \$5,000,000.

29.21 **Sec. 23. HOUSING FINANCE AGENCY**

\$ 5,500,000

29.22 To the Housing Finance Agency to finance
 29.23 the rehabilitation of public housing under
 29.24 Minnesota Statutes, section 462A.202,
 29.25 subdivision 3a. For purposes of this
 29.26 section, "public housing" means housing for
 29.27 low-income persons and households financed
 29.28 by the federal government and owned and
 29.29 operated by public housing authorities and
 29.30 agencies formed by cities and counties.
 29.31 Eligible public housing authorities must
 29.32 have a public housing assessment system
 29.33 rating of standard or above. Priority must be
 29.34 given to proposals that maximize federal or

30.1 local resources to finance the capital costs.
 30.2 The priority in Minnesota Statutes, section
 30.3 462A.202, subdivision 3a, for projects to
 30.4 increase the supply of affordable housing and
 30.5 the restrictions of Minnesota Statutes, section
 30.6 462A.202, subdivision 7, do not apply to this
 30.7 appropriation.

30.8 **Sec. 24. MINNESOTA HISTORICAL**
 30.9 **SOCIETY**

30.10 **Subdivision 1. Total Appropriation** **\$ 3,250,000**

30.11 To the Minnesota Historical Society for the
 30.12 purposes in this section.

30.13 **Subd. 2. Historic Sites Asset Preservation** **2,500,000**

30.14 For capital improvements and betterments
 30.15 at state historic sites, buildings, landscaping
 30.16 at historic buildings, exhibits, markers, and
 30.17 monuments, to be spent in accordance with
 30.18 Minnesota Statutes, section 16B.307. The
 30.19 society shall determine project priorities as
 30.20 appropriate based on need.

30.21 **Subd. 3. County and Local Preservation**
 30.22 **Grants** **750,000**

30.23 To be allocated to county and local
 30.24 jurisdictions as matching money for historic
 30.25 preservation projects of a capital nature,
 30.26 as provided in Minnesota Statutes, section
 30.27 138.0525.

30.28 **Sec. 25. BOND SALE EXPENSES** **\$ 560,000**

30.29 To the commissioner of management
 30.30 and budget for bond sale expenses under
 30.31 Minnesota Statutes, section 16A.641,
 30.32 subdivision 8.

30.33 **Sec. 26. BOND SALE AUTHORIZATION.**

31.1 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act
31.2 from the bond proceeds fund, the commissioner of management and budget shall sell and
31.3 issue bonds of the state in an amount up to \$526,858,000 in the manner, upon the terms,
31.4 and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and
31.5 by the Minnesota Constitution, article XI, sections 4 to 7.

31.6 Subd. 2. **Transportation fund.** To provide the money appropriated in this act from
31.7 the state transportation fund, the commissioner of management and budget shall sell and
31.8 issue bonds of the state in an amount up to \$40,000,000 in the manner, upon the terms, and
31.9 with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by
31.10 the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except
31.11 accrued interest and any premium received on the sale of the bonds, must be credited to
31.12 a bond proceeds account in the state transportation fund.

31.13 Sec. 27. **[15B.155] CAPITOL RESTORATION PROJECT.**

31.14 Subdivision 1. **Consultation and collaboration.** The commissioner shall consult
31.15 and collaborate with representatives designated by the governor, the majority leader of
31.16 the senate, the speaker of the house, the chief justice of the Minnesota Supreme Court,
31.17 the attorney general, Capitol Area and Architectural Planning Board, and the director of
31.18 the Minnesota Historical Society regarding the design and construction process for the
31.19 restoration of the Capitol building.

31.20 Subd. 2. **Changes to space allocation.** No changes shall be made to the current
31.21 amount and location of space in the Capitol building for the house of representatives,
31.22 senate, Supreme Court, and constitutional officers, unless approved as follows:

31.23 (1) for space currently allocated to the house of representatives, by the chief clerk
31.24 of the house of representatives;

31.25 (2) for space currently allocated to the senate, by the secretary of the senate;

31.26 (3) for space currently allocated to the judicial branch, by the court administrator; and

31.27 (4) for space currently allocated to the attorney general's office, by the attorney
31.28 general.

31.29 Subd. 3. **Sequencing.** Construction work shall be sequenced to maintain occupancy
31.30 in the house of representatives and senate chambers during regular legislative sessions,
31.31 unless otherwise approved by the speaker of the house and the majority leader of the
31.32 senate for respective chambers.

31.33 Subd. 4. **Duties of commissioner.** (a) By January 15, 2013, the commissioner
31.34 of administration shall submit a space recommendation report to the majority leader
31.35 of the senate, the speaker of the house, and the chairs of the legislative committees

32.1 with primary jurisdiction over the Capitol Area Architectural and Planning Board. The
32.2 space recommendation report shall identify appropriate and required functions of the
32.3 Capitol building and make recommendations to address space requirements for the
32.4 tenants currently located in the Capitol building for the effective and efficient function
32.5 of state government. In preparing the report, the commissioner shall consult with the
32.6 Capitol Preservation Commission and representatives designated by the governor, the
32.7 secretary of the senate, the chief clerk of the house of representatives, the director of the
32.8 Minnesota Historical Society, and the state court administrator. Before the appropriations
32.9 in subdivision 2, clauses (4) and (5), may be spent, the recommendations in the report
32.10 must be approved by the governor, the secretary of the senate, and the chief clerk of the
32.11 house of representatives.

32.12 (b) By July 15, 2013, the commissioner shall submit a report describing final plans
32.13 and specifications for the restoration of the Capitol building to the majority leader of the
32.14 senate, the speaker of the house, and to the chairs of the committees in the senate and
32.15 house of representatives with primary jurisdiction over the Capitol Area Architectural and
32.16 Planning Board. Before the appropriations in subdivision 2, clauses (4) and (5), may be
32.17 spent, the plans and specifications must be approved by the governor, the secretary of the
32.18 senate, and the chief clerk of the house of representatives.

32.19 (c) Notwithstanding sections 16C.05, subdivision 2, paragraph (b); and 16C.08,
32.20 subdivision 3, clause (5), the commissioner of administration may enter into consultant
32.21 and construction contracts on the Capitol restoration and repair project with a term of
32.22 up to ten years.

32.23 (d) Notwithstanding section 16B.31, subdivision 2, the commissioner of
32.24 administration may proceed with the Capitol restoration and repair project before
32.25 obtaining an appropriation to complete the entire project.

32.26 (e) On or before December 1 of each year until final completion of the restoration
32.27 project, the commissioner of administration shall submit in writing to the governor, chairs
32.28 of the senate Finance and Capital Investment Committees, and chairs of the house of
32.29 representatives Ways and Means and Capital Investment Committees the estimated annual
32.30 amount needed for the restoration project for the upcoming fiscal year. The construction
32.31 manager and the commissioner shall enter into a guaranteed maximum price contract. In
32.32 the absence of an appropriation sufficient for the continued performance of work on
32.33 an annual basis as determined by the commissioner of administration, the construction
32.34 manager shall not be bound to complete the remaining work within the guaranteed
32.35 maximum price in the contract.

33.1 (f) With the approval of the commissioner of administration, the construction
33.2 manager may bid trade work in accordance with section 16C.34, subdivision 3, before
33.3 the enactment of an appropriation sufficient to fully fund the trade work for completion
33.4 of the full project described in the Comprehensive Master Plan. The construction
33.5 manager shall enter into guaranteed maximum price contracts with subcontractors for
33.6 the trade work. In the event the legislature fails to appropriate money sufficient for the
33.7 continued performance of work on an annual basis as determined by the commissioner
33.8 of administration, the subcontractors shall not be bound to complete the remaining work
33.9 within the guaranteed maximum price in the contract. Contracts with subcontractors for
33.10 trade work under this paragraph must include terms consistent with this paragraph.

33.11 Sec. 28. Minnesota Statutes 2010, section 16A.633, is amended by adding a
33.12 subdivision to read:

33.13 Subd. 4. **Report on jobs created or retained.** By September 1 of each
33.14 odd-numbered year, the commissioner must report to legislative committees with
33.15 jurisdiction over capital investment on the jobs created or retained as a result of capital
33.16 project funding by the state, whether with state general obligation bond proceeds or other
33.17 state funding sources, during the previous biennium. Each state agency must provide the
33.18 commissioner the information necessary, and must require its capital project grantees to
33.19 provide the information necessary, for the commissioner to make the report. The report
33.20 must include, but is not limited to, the following information: the number and types of
33.21 jobs for each project, whether the jobs are new or retained, where the jobs are located,
33.22 and pay ranges of the jobs. The Board of Regents of the University of Minnesota, the
33.23 Board of Trustees of the Minnesota State Colleges and Universities, and each state agency
33.24 receiving an appropriation for a capital project shall collect and provide the information at
33.25 the time and in the manner required by the commissioner.

33.26 Sec. 29. Minnesota Statutes 2011 Supplement, section 16A.641, subdivision 7, is
33.27 amended to read:

33.28 Subd. 7. **Credit of proceeds.** (a) Proceeds of bonds issued under each law must be
33.29 credited by the commissioner to a special fund, as provided in this subdivision. For the
33.30 purpose of this subdivision, "proceeds of bonds" means and includes the principal amount
33.31 of the bonds and any premium and accrued interest received on the sale of the bonds.

33.32 (b) Accrued interest received on sale of the bonds must be credited to the state bond
33.33 fund created by the Constitution, article XI, section 7. Any premium received on the sale
33.34 of the bonds on or prior to December 1, 2012, must be credited to the state bond fund. Any

34.1 premium received on the sale of the bonds, except for refunding bonds, after December 1,
34.2 2012, must be credited to either the bond proceeds fund where it is used to reduce the par
34.3 amount of the bonds issued or the state bond fund or used to reduce the par amount of the
34.4 bond issue at the time of sale. Any premium received on the sale of the refunding bonds,
34.5 after December 1, 2012, must be used or credited in accordance with paragraph (f).

34.6 (c) Except as otherwise provided by law, proceeds of state bonds issued under the
34.7 Constitution, article XI, section 5, clause (a), must be credited to the bond proceeds fund
34.8 established by section 16A.631.

34.9 (d) Proceeds of state highway bonds must be credited to the trunk highway fund
34.10 under the Constitution, article XIV, section 6.

34.11 (e) Proceeds of bonds issued for programs of grants or loans to political subdivisions
34.12 must be credited to special accounts in the bond proceeds fund or to special funds
34.13 established by laws stating the purposes of the grants or loans, and the standards and
34.14 criteria under which an executive agency is authorized to make them.

34.15 (f) Proceeds of refunding bonds must be either: (1) credited to the state bond fund
34.16 as provided in section 16A.66, subdivision 1; or (2) in the case of premium received on
34.17 the sale of the refunding bonds, used to reduce the par amount of the bond issue at the
34.18 time of the bond sale.

34.19 (g) Proceeds of other bonds must be credited as provided in the law authorizing
34.20 their issuance.

34.21 Sec. 30. Minnesota Statutes 2010, section 16A.641, subdivision 9, is amended to read:

34.22 Subd. 9. **Special accounts; appropriation.** (a) The commissioner shall establish
34.23 separate accounts in the state bond fund for:

34.24 (1) state building bonds, and for other state bonds issued for each program of
34.25 grants to political subdivisions for a particular class of capital expenditures, to record
34.26 debt service payments and receipts of amounts appropriated from the general fund under
34.27 subdivision 10;

34.28 (2) state highway bonds, to record debt service payments, receipts of amounts
34.29 appropriated for debt service from the trunk highway fund pursuant to the Constitution,
34.30 article XIV, section 6, and additional receipts, if any, of amounts appropriated from the
34.31 general fund under subdivision 10;

34.32 (3) state bonds issued for each capital loan and for each program of capital loans
34.33 to agencies or political subdivisions, to record debt service payments, receipts of loan
34.34 repayments appropriated for debt service or reimbursement of debt service by the law

35.1 authorizing the loan or program, and any additional receipts of amounts appropriated from
35.2 the general fund under subdivision 10; and

35.3 (4) refunding bonds, as provided in section 16A.66, subdivision 1.

35.4 (b) All money credited, transferred, or appropriated to the state bond fund and all
35.5 income from the investment of that money is appropriated to the commissioner for the
35.6 payment of principal and interest on state bonds or, in the case of premium received on the
35.7 sale of refunding bonds, as provided by subdivision 7, paragraph (f).

35.8 Sec. 31. Minnesota Statutes 2011 Supplement, section 16A.96, is amended by adding a
35.9 subdivision to read:

35.10 Subd. 10. **Validation.** (a) Appropriation bonds issued under this section may be
35.11 validated in the manner provided by this subdivision. If comparable appropriation bonds
35.12 are judicially determined to be valid, nothing in this subdivision shall be construed to
35.13 prevent sale or delivery of any appropriation bonds or notes after entry of a judgment of
35.14 validation by the Minnesota Supreme Court as provided in this subdivision with respect
35.15 to the appropriation bonds authorized under this section.

35.16 (b) Any appropriation bonds issued under this section that are validated shall be
35.17 validated in the manner provided by this subdivision.

35.18 (c) The Minnesota Supreme Court shall have original jurisdiction to determine the
35.19 validation of appropriation bonds and all matters connected with the issuance of the bonds.

35.20 (d) The commissioner may determine the commissioner's authority to issue
35.21 appropriation bonds and the legality of all proceedings in connection with issuing bonds.
35.22 For this purpose, a complaint shall be filed by the commissioner in the Minnesota Supreme
35.23 Court against the state and the taxpayers and citizens.

35.24 (e) As a condition precedent to filing of a complaint for the validation of
35.25 appropriation bonds, the commissioner shall take action providing for the issuance of
35.26 appropriation bonds in accordance with law.

35.27 (f) The complaint shall set out the state's authority to issue appropriation bonds, the
35.28 action or proceeding authorizing the issue and its adoption, all other essential proceedings
35.29 had or taken in connection with issuing bonds, the amount of the appropriation bonds to
35.30 be issued and the maximum interest they are to bear, and all other pertinent matters.

35.31 (g) The Minnesota Supreme Court shall issue an order directed against the state and
35.32 taxpayers, citizens, and others having or claiming any right, title, or interest affected by
35.33 the issuance of appropriation bonds, or to be affected by the bonds, allowing all persons,
35.34 in general terms and without naming them, and the state through its attorney general to
35.35 appear before the Minnesota Supreme Court at a designated time and place and show

36.1 why the complaint should not be granted and the proceedings and appropriation bonds
36.2 validated. A copy of the complaint and order shall be served on the attorney general at
36.3 least 20 days before the time fixed for hearing. The attorney general shall examine the
36.4 complaint, and, if it appears or there is reason to believe that it is defective, insufficient, or
36.5 untrue, or if in the opinion of the attorney general the issuance of the appropriation bonds
36.6 in question has not been duly authorized, defense shall be made by the attorney general as
36.7 the attorney general deems appropriate.

36.8 (h) Before the date set for hearing, as directed by the Minnesota Supreme Court,
36.9 either the clerk of the Minnesota Appellate Courts or the commissioner shall publish a
36.10 copy of the order in a legal newspaper of general circulation in Ramsey County and
36.11 the state, at least once each week for two consecutive weeks, commencing with the
36.12 first publication, which shall not be less than 20 days before the date set for hearing.
36.13 By this publication, all taxpayers, citizens, and others having or claiming any right,
36.14 title, or interest in the state, are made parties defendant to the action and the Minnesota
36.15 Supreme Court has jurisdiction of them to the same extent as if named as defendants in the
36.16 complaint and personally served with process.

36.17 (i) Any taxpayer, citizen, or person interested may become a party to the action by
36.18 moving against or pleading to the complaint at or before the time set for hearing. The
36.19 Minnesota Supreme Court shall determine all questions of law and fact and make orders
36.20 that will enable it to properly try and determine the action and render a final judgment
36.21 within 30 days of the hearing with the least possible delay.

36.22 (j) If the judgment validates appropriation bonds, the judgment is forever conclusive
36.23 as to all matters adjudicated and as against all parties affected and all others having or
36.24 claiming any right, title, or interest affected by the issuance of appropriation bonds, or to
36.25 be affected in any way by issuing the bonds, and the validity of appropriation bonds or of
36.26 any revenues pledged for the payment of the bonds, or of the proceedings authorizing the
36.27 issuance of the bonds, including any remedies provided for their collection, shall never
36.28 be called in question in any court by any person or party.

36.29 (k)(1) Appropriation bonds, when validated under this section, shall have stamped
36.30 or written on the bonds, by the proper officers of the state issuing them, a statement in
36.31 substantially the following form: "This bond is one of a series of appropriation bonds,
36.32 which were validated by judgment of the Supreme Court of the State of Minnesota,
36.33 rendered on, (year)"

36.34 (2) A certified copy of the judgment or decree shall be received as evidence in any
36.35 court in this state.

37.1 (l) The costs shall be paid by the state, except when a taxpayer, citizen, or other
37.2 person contests the action or intervenes, the court may tax the whole or any part of the
37.3 costs against the person that is equitable.

37.4 (m) A justice of the Minnesota Supreme Court is not disqualified in any validation
37.5 action because the justice is a landowner or taxpayer of the state.

37.6 Sec. 32. **[116J.433] BUSINESS DEVELOPMENT THROUGH CAPITAL**
37.7 **PROJECTS GRANT PROGRAM.**

37.8 Subdivision 1. **Creation of account.** A business development through capital
37.9 projects account is created in the bond proceeds fund. Money in the account may only be
37.10 used for capital costs for eligible projects and public infrastructure.

37.11 Subd. 2. **Definitions.** For purposes of this section:

37.12 (1) "local governmental unit" means a county, city, town, special district, public
37.13 higher education institution, or other political subdivision or public corporation;

37.14 (2) "governing body" means the city council, board of county commissioners, town
37.15 board of supervisors, board of trustees, board of regents, or other body charged with
37.16 governing a political subdivision of the state;

37.17 (3) "public infrastructure" means publicly owned physical infrastructure in this state,
37.18 including, but not limited to, wastewater collection and treatment systems, drinking water
37.19 systems, storm sewers, utility extensions, telecommunications infrastructure, streets,
37.20 roads, bridges, and parking ramps; and

37.21 (4) "eligible project" means any project for which general obligation bonds of
37.22 the state may be issued. Eligible projects must be capital projects for acquisition or
37.23 improvement of publicly owned fixed assets having a useful life of at least ten years.

37.24 Subd. 3. **Grant program established.** The commissioner shall make competitive
37.25 grants to local governmental units for eligible projects and public infrastructure required
37.26 to support an eligible project, which may include: predesign, design, acquisition of land or
37.27 buildings, construction, furnishing, and equipping a new or renovated building. The local
37.28 government unit may employ or contract with persons, firms, or corporations to perform
37.29 one or more or all of the functions of architect, engineer, or construction manager with
37.30 respect to all or any part of an eligible project and related public infrastructure. The local
37.31 government unit may deliver the eligible project and related public infrastructure through
37.32 either a design-build or construction manager at-risk method. To the extent practicable
37.33 and at the discretion of the local government unit, the local government unit may have
37.34 rights and exercise powers with respect to the acquisition, construction, use, and operation
37.35 of an eligible project, as are granted under section 473.756. No consent or approval of

38.1 another political subdivision is required for the effectiveness or the exercise by a local
38.2 government unit of the rights or powers.

38.3 Subd. 4. **Application.** (a) A local governmental unit must apply to the commissioner
38.4 for a grant under this section. At a minimum, a local governmental unit must include the
38.5 following information in its application:

38.6 (1) a resolution of its governing body certifying that the money required to be
38.7 supplied by the local governmental unit to complete the project is available and committed;

38.8 (2) a detailed estimate, along with necessary supporting evidence, of the total costs
38.9 of the eligible project;

38.10 (3) an assessment of the potential or likely use of the site for innovative business
38.11 activities after completion of the eligible project;

38.12 (4) a timeline indicating the major milestones for the eligible project, including
38.13 anticipated completion dates;

38.14 (5) an estimate of the operating costs for the project for ten years following
38.15 completion; and

38.16 (6) any additional information or material the commissioner prescribes.

38.17 (b) The determination of whether to make a grant under subdivision 3 is within the
38.18 discretion of the commissioner, subject to this section.

38.19 Subd. 5. **Match.** An amount granted under this program must be matched with at
38.20 least an equal amount from nonstate sources. Any contribution to a project from nonstate
38.21 sources made before a grant award is made under this section shall count towards the
38.22 match requirement.

38.23 Subd. 6. **Priorities.** (a) If applications for grants exceed the available appropriation,
38.24 grants must be made for projects that, in the commissioner's judgment, provide the
38.25 highest return in public benefits for the public costs incurred. In making this judgment,
38.26 the commissioner shall evaluate and prioritize eligible projects on the following
38.27 characteristics:

38.28 (1) creation of new jobs, retention of existing jobs, or improvements in the quality of
38.29 existing jobs as measured by the wages, skills, or education associated with those jobs;

38.30 (2) improvement in the quality of existing jobs, based on increases in wages or
38.31 improvements in the job duties, training, or education associated with those jobs;

38.32 (3) increase in the local tax base, based on demonstrated measurable outcomes;

38.33 (4) demonstration that investment of public dollars in the project will induce private
38.34 investment;

38.35 (5) whether the project provides necessary repair or replacement of existing capital
38.36 assets;

39.1 (6) whether the project reduces operating expenses of or increases revenue from
39.2 existing capital asset, thereby offsetting at least a portion of project costs;

39.3 (7) whether the project provides health or safety benefits;

39.4 (8) the number of residents served by or who will benefit from the project;

39.5 (9) demonstration of local support;

39.6 (10) the capacity of the project to attract revenue from out of state; and

39.7 (11) objective cost benefit analysis and return on investment.

39.8 (b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the
39.9 commissioner may weigh each factor, depending upon the facts and circumstances, as the
39.10 commissioner considers appropriate. In prioritizing projects, the commissioner shall make
39.11 an appropriate balance between the metropolitan area and greater Minnesota.

39.12 Subd. 7. **Sunset.** This section expires June 30, 2016.

39.13 Sec. 33. **[116J.436] TRANSPORTATION ECONOMIC DEVELOPMENT**
39.14 **INFRASTRUCTURE PROGRAM.**

39.15 Subdivision 1. **Grant program established; purpose.** The transportation economic
39.16 development infrastructure program is created to foster interagency coordination between
39.17 the Departments of Transportation and Employment and Economic Development to
39.18 finance infrastructure to create economic development opportunities, jobs, and improve all
39.19 types of transportation systems statewide.

39.20 Subd. 2. **Eligible projects.** Funds appropriated for the program must be used to
39.21 fund predesign, design, acquisition of land, construction, reconstruction, and infrastructure
39.22 improvements that will promote economic development, increase employment, and
39.23 improve transportation systems to accommodate private investment and job creation.

39.24 Subd. 3. **Trunk highway projects.** Money in the program shall not be used on
39.25 trunk highway improvements, but can be used for needed infrastructure improvements
39.26 and nontrunk highway improvements in coordination with trunk highway improvement
39.27 projects undertaken by the Department of Transportation.

39.28 Subd. 4. **Application.** The commissioners of transportation and employment and
39.29 economic development shall design an application process and selection process to
39.30 distribute funding to local units of government for publicly owned infrastructure using
39.31 criteria that take into account: job creation; increase in local tax base; level of private
39.32 investment; leverage of nonstate funds; improvement to the transportation system to serve
39.33 the project area; and appropriate geographic balance between the metropolitan area and
39.34 greater Minnesota.

40.1 Sec. 34. Minnesota Statutes 2010, section 462A.21, is amended by adding a
40.2 subdivision to read:

40.3 Subd. 33. **Housing infrastructure bonds account.** The agency may establish a
40.4 housing infrastructure bond account as a separate account within the housing development
40.5 fund. Proceeds of housing infrastructure bonds and payments made by the state under
40.6 section 462A.37 may be credited to the account. The agency may transfer the proceeds of
40.7 housing infrastructure bonds to other accounts within the housing development fund that it
40.8 determines appropriate to accomplish the purposes for which the bonds are authorized
40.9 under section 462A.37.

40.10 Sec. 35. [462A.37] HOUSING INFRASTRUCTURE BONDS;
40.11 AUTHORIZATION; STANDING APPROPRIATION.

40.12 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
40.13 have the meanings given.

40.14 (b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

40.15 (c) "Community land trust" means an entity that meets the requirements of section
40.16 462A.31, subdivisions 1 and 2.

40.17 (d) "Debt service" means the amount payable in any fiscal year of principal,
40.18 premium, if any, and interest on housing infrastructure bonds and the fees, charges, and
40.19 expenses related to the bonds.

40.20 (e) "Foreclosed property" means residential property where foreclosure proceedings
40.21 have been initiated or have been completed and title transferred or where title is transferred
40.22 in lieu of foreclosure.

40.23 (f) "Housing infrastructure bonds" means bonds issued by the agency under chapter
40.24 462A that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the
40.25 Internal Revenue Code, or are tax-exempt bonds that are not private activity bonds, within
40.26 the meaning of Section 141(a) of the Internal Revenue Code, for the purpose of financing
40.27 or refinancing affordable housing authorized under this chapter.

40.28 (g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

40.29 (h) "Supportive housing" means housing that is not time-limited and provides or
40.30 coordinates with linkages to services necessary for residents to maintain housing stability
40.31 and maximize opportunities for education and employment.

40.32 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
40.33 principal amount of housing infrastructure bonds in one or more series to which the
40.34 payment made under this section may be pledged. The housing infrastructure bonds

41.1 authorized in this subdivision may be issued to fund loans, on terms and conditions the
41.2 agency deems appropriate, made for one or more of the following purposes:

41.3 (1) to finance the costs of the construction, acquisition, and rehabilitation of
41.4 supportive housing for individuals and families who are without a permanent residence;

41.5 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or
41.6 abandoned housing to be used for affordable rental housing and the costs of new
41.7 construction of rental housing on abandoned or foreclosed property where the existing
41.8 structures will be demolished or removed;

41.9 (3) to finance that portion of the costs of acquisition of abandoned or foreclosed
41.10 property that is attributable to the land to be leased by community land trusts to low-
41.11 and moderate-income homebuyers; and

41.12 (4) to finance the costs of acquisition and rehabilitation of federally assisted rental
41.13 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
41.14 of federally assisted rental housing, including providing funds to refund, in whole or in
41.15 part, outstanding bonds previously issued by the agency or another governmental unit to
41.16 finance or refinance such costs.

41.17 (b) Among comparable proposals for permanent supportive housing, preference
41.18 shall be given to permanent supportive housing for individuals or families who: (1) either
41.19 have been without a permanent residence for at least 12 months or at least four times in
41.20 the last three years; or (2) are at significant risk of lacking a permanent residence for 12
41.21 months or at least four times in the last three years.

41.22 Subd. 3. **No full faith and credit.** The housing infrastructure bonds are not public
41.23 debt of the state, and the full faith and credit and taxing powers of the state are not pledged
41.24 to the payment of the housing infrastructure bonds or to any payment that the state agrees
41.25 to make under this section. The bonds must contain a conspicuous statement to that effect.

41.26 Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must
41.27 certify annually to the commissioner of management and budget the actual amount of
41.28 annual debt service on each series of bonds issued under subdivision 2.

41.29 (b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure
41.30 bonds issued under subdivision 2 remain outstanding, the commissioner of management
41.31 and budget must transfer to the affordable housing bond account established under
41.32 section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed
41.33 \$2,200,000 annually. The amounts necessary to make the transfers are appropriated from
41.34 the general fund to the commissioner of management and budget.

41.35 (c) The agency may pledge to the payment of the housing infrastructure bonds the
41.36 payments to be made by the state under this section.

42.1 Sec. 36. Laws 2006, chapter 258, section 7, subdivision 23, as amended by Laws 2010,
 42.2 chapter 399, section 2, is amended to read:

42.3 Subd. 23. **Trail connections** 2,010,000

42.4 For matching grants under Minnesota
 42.5 Statutes, section 85.019, subdivision 4c.

42.6 \$500,000 is for a grant to Carlton County
 42.7 to predesign, design, and construct a
 42.8 nonmotorized pedestrian trail connection
 42.9 to the Willard Munger State Trail from the
 42.10 city of Carlton through the city of Scanlon
 42.11 continuing to the city of Cloquet, along the
 42.12 St. Louis River in Carlton County.

42.13 \$260,000 is to provide the state match for the
 42.14 cost of the Soo Line Multiuse Recreational
 42.15 Bridge project over marked Trunk Highway
 42.16 169 in Mille Lacs County.

42.17 \$175,000 is for a grant to the city of Bowlus
 42.18 in Morrison County to design, construct,
 42.19 furnish, and equip a trailhead center at the
 42.20 head of the Soo Line Recreational Trail.

42.21 \$125,000 is for a grant to Morrison
 42.22 County to predesign, design, construct,
 42.23 furnish, and equip a park-and-ride lot and
 42.24 restroom building adjacent to the Soo Line
 42.25 Recreational Trail at U.S. Highway 10.

42.26 \$950,000 is for a grant to the St. Louis
 42.27 and Lake Counties Regional Railroad
 42.28 Authority for land acquisition, engineering,
 42.29 construction, furnishing, and equipping of
 42.30 a ~~19-mile "Boundary Waters Connection"~~
 42.31 ~~of the Mesabi Trail from Bearhead State~~
 42.32 ~~Park to the International Wolf Center in~~
 42.33 ~~Ely. This appropriation is contingent upon~~
 42.34 ~~a matching contribution of \$950,000 from~~

43.1 ~~other sources, public or private~~ segment of
 43.2 the Mesabi Trail from County Road 697 in
 43.3 Breitung Township east through Vermilion
 43.4 State Park. Notwithstanding Minnesota
 43.5 Statutes, section 85.019, no local match shall
 43.6 be required for this grant. Notwithstanding
 43.7 Minnesota Statutes, section 16A.642, the
 43.8 bond authorization and appropriation of bond
 43.9 proceeds for this project are available until
 43.10 June 30, 2014.

43.11 Sec. 37. Laws 2006, chapter 258, section 17, subdivision 3, is amended to read:

43.12 Subd. 3. **Cedar Avenue Bus Rapid Transit**
 43.13 **(BRT)** 5,000,000

43.14 To the Metropolitan Council or to the council
 43.15 to grant to Dakota County, the Dakota
 43.16 County Regional Railroad Authority, or
 43.17 the Minnesota Valley Transit Authority
 43.18 for environmental studies, preliminary
 43.19 engineering, bus lane improvements, and
 43.20 transit station construction and improvements
 43.21 in the Cedar Avenue Bus Rapid Transit
 43.22 Corridor.

43.23 This appropriation may not be spent for
 43.24 capital improvements within a trunk highway
 43.25 right-of-way.

43.26 **EFFECTIVE DATE.** This section is effective retroactively from June 2, 2006.

43.27 Sec. 38. Laws 2008, chapter 179, section 7, subdivision 27, as amended by Laws 2010,
 43.28 chapter 189, section 56, and Laws 2010, chapter 399, section 4, is amended to read:

43.29 Subd. 27. **State Trail Acquisition,**
 43.30 **Rehabilitation, and Development** 15,320,000

43.31 To acquire land for and to construct and
 43.32 renovate state trails under Minnesota
 43.33 Statutes, section 85.015.

- 44.1 \$970,000 is for the Chester Woods Trail
44.2 from Rochester to Dover. Notwithstanding
44.3 Minnesota Statutes, section 16A.642, the
44.4 bond authorization and appropriation of bond
44.5 proceeds for this project are available until
44.6 June 30, 2016.
- 44.7 \$700,000 is for the Casey Jones Trail.
- 44.8 \$750,000 is for the Gateway Trail, to replace
44.9 an at-grade crossing of the Gateway Trail
44.10 at Highway 120 with a grade-separated
44.11 crossing.
- 44.12 \$1,600,000 is for the Gitchi-Gami Trail
44.13 between Silver Bay and Tettegouche State
44.14 Park.
- 44.15 \$1,500,000 is for the Great River Ridge Trail
44.16 from Plainview to Elgin to Eyota.
- 44.17 \$1,500,000 is for the Heartland Trail.
- 44.18 \$500,000 is for the Mill Towns Trail from
44.19 Lake Byllesby Park to Cannon Falls.
44.20 Notwithstanding Minnesota Statutes,
44.21 section 16A.642, the bond authorization
44.22 and appropriation of bond proceeds for this
44.23 project are available until December 30,
44.24 2014.
- 44.25 \$150,000 is for the Mill Towns Trail within
44.26 the city of Faribault.
- 44.27 \$1,500,000 is for the Minnesota River
44.28 Trail from Appleton to Milan and to
44.29 the Marsh Lake Dam. Notwithstanding
44.30 Minnesota Statutes, section 16A.642, the
44.31 bond authorization and appropriation of bond
44.32 proceeds for this project are available until
44.33 December 30, 2014.

45.1 \$2,000,000 is for the Paul Bunyan Trail from
 45.2 Walker to Guthrie.

45.3 \$250,000 is for the Root River Trail from
 45.4 Preston to Forestville State Park.

45.5 \$100,000 is for the Root River Trail, the
 45.6 eastern extension.

45.7 \$250,000 is for the Root River Trail, the
 45.8 eastern extension Wagon Wheel.

45.9 \$550,000 is to connect the Stagecoach Trail
 45.10 with the Douglas Trail in Olmsted County.

45.11 Notwithstanding Minnesota Statutes,
 45.12 section 16A.642, the bond authorization
 45.13 and appropriation of bond proceeds for this
 45.14 project are available until June 30, 2014.

45.15 \$3,000,000 is to rehabilitate state trails.

45.16 For any project listed in this subdivision that
 45.17 the commissioner determines is not ready to
 45.18 proceed, the commissioner may allocate that
 45.19 project's money to another state trail project
 45.20 in this subdivision. The chairs of the house
 45.21 and senate committees with jurisdiction
 45.22 over environment and natural resources
 45.23 and legislators from the affected legislative
 45.24 districts must be notified of any changes.

45.25 Sec. 39. Laws 2008, chapter 179, section 17, subdivision 4, is amended to read:

45.26 Subd. 4. **Cedar Avenue Bus Rapid Transit** 4,000,000

45.27 To the Metropolitan Council or to the
 45.28 Council to grant to Dakota County, the
 45.29 Dakota County Regional Railroad Authority,
 45.30 or the Minnesota Valley Transit Authority to
 45.31 acquire land, or an interest in land, and ~~to~~ for
 45.32 design, environmental studies, preliminary
 45.33 engineering, bus lane improvements, layover

46.1 and maintenance facilities, and transit station
 46.2 construction and improvements in the Cedar
 46.3 Avenue Bus Rapid Transit corridor in Dakota
 46.4 County. This appropriation may not be spent
 46.5 for capital improvements within a trunk
 46.6 highway right-of-way. This appropriation
 46.7 is added to the appropriation in Laws 2006,
 46.8 chapter 258, section 17, subdivision 3.

46.9 **EFFECTIVE DATE.** This section is effective retroactively from April 8, 2008.

46.10 Sec. 40. Laws 2008, chapter 179, section 18, subdivision 3, as amended by Laws 2011,
 46.11 First Special Session chapter 12, section 32, is amended to read:

46.12 **Subd. 3. Systemwide Campus Redevelopment,**
 46.13 **Reuse, or Demolition**

3,400,000

46.14 To demolish surplus, nonfunctional, or
 46.15 deteriorated facilities and infrastructure
 46.16 or to renovate surplus, nonfunctional, or
 46.17 deteriorated facilities and infrastructure
 46.18 at Department of Human Services
 46.19 campuses. These projects must facilitate the
 46.20 redevelopment or reuse of these campuses
 46.21 consistent with redevelopment plan concepts
 46.22 developed and approved under Laws
 46.23 2003, First Special Session chapter 14,
 46.24 article 6, section 64, subdivision 2. If
 46.25 a surplus campus is sold or transferred
 46.26 to a local unit of government, unspent
 46.27 portions of this appropriation may be
 46.28 granted to that local unit of government
 46.29 for the purposes stated in this subdivision.
 46.30 Unspent portions of this appropriation may
 46.31 be used to design, construct, furnish, and
 46.32 equip a maintenance and storage facility to
 46.33 support the maintenance and operation of
 46.34 the Brainerd campus if the commissioner
 46.35 determines that it is less expensive than

47.1 renovating existing space. Notwithstanding
 47.2 Minnesota Statutes, section 16A.642, the
 47.3 bond authorization and appropriation of bond
 47.4 proceeds for this project are available until
 47.5 December 30, 2014.

47.6 Up to \$125,000 is for preparation and
 47.7 site development, including demolition of
 47.8 buildings and infrastructure, to implement
 47.9 the redevelopment and reuse of the Ah Gwah
 47.10 Ching Regional Treatment Center. This
 47.11 amount may be granted to Cass County for
 47.12 the purposes stated in this subdivision. If the
 47.13 campus is sold or transferred by Cass County
 47.14 to the city of Walker, unspent portions of
 47.15 this appropriation may be granted to the city
 47.16 of Walker for the purposes stated in this
 47.17 subdivision.

47.18 Sec. 41. Laws 2008, chapter 179, section 19, subdivision 4, as amended by Laws 2011,
 47.19 First Special Session chapter 12, section 34, is amended to read:

47.20 Subd. 4. **Minneapolis Veterans Home Campus**

47.21 **Building 17 HVAC Replacement** 1,155,000

47.22 To predesign, design, and construct
 47.23 improvements to heating, ventilation, air
 47.24 conditioning, and lighting systems and
 47.25 associated areas serving the south wing of
 47.26 Building 17. Any unspent funds from this
 47.27 appropriation may be used for the purposes
 47.28 provided under Laws 2010, chapter 189,
 47.29 section 19, subdivision 4, as amended by
 47.30 Laws 2010, chapter 399, section 8, and
 47.31 Laws 2011, First Special Session chapter 12,
 47.32 section 46.

48.1 Sec. 42. Laws 2008, chapter 179, section 21, subdivision 15, as amended by Laws
 48.2 2008, chapter 365, section 22, and Laws 2008, chapter 370, section 6, is amended to read:

48.3 **Subd. 15. St. Cloud State University - National**
 48.4 **Hockey Center; HEAPR** 6,500,000

48.5 To the Board of Trustees of the Minnesota
 48.6 State Colleges and Universities to predesign,
 48.7 design, construct, furnish, and equip the
 48.8 renovation of and addition to the National
 48.9 Hockey Center or for higher education asset
 48.10 preservation and replacement (HEAPR)
 48.11 pursuant to Minnesota Statutes, section
 48.12 135A.046, at St. Cloud State University or
 48.13 systemwide. The board may use university
 48.14 and nonstate money for the remainder of
 48.15 the cost of the construction of the National
 48.16 Hockey Center project. Notwithstanding
 48.17 Minnesota Statutes, section 16A.642, the
 48.18 bond authorization and appropriation of bond
 48.19 proceeds in this subdivision are available
 48.20 until June 30, 2016.

48.21 Sec. 43. Laws 2009, chapter 93, article 1, section 12, subdivision 2, is amended to read:

48.22 **Subd. 2. Transit Capital Improvement**
 48.23 **Program** 21,000,000

48.24 (a) To the Metropolitan Council. \$8,500,000
 48.25 is for the state's share of costs for the Central
 48.26 Corridor light rail line for one or more of the
 48.27 following activities: preliminary engineering,
 48.28 final design, property acquisition, including
 48.29 improvements and betterments of a capital
 48.30 nature, relocation of utilities owned by public
 48.31 entities, and construction.

48.32 (b) Any remaining money from this
 48.33 appropriation is to implement one or more of
 48.34 the following capital improvements, which
 48.35 are not listed in a ranked order of priority.

49.1 The council shall determine project priorities
49.2 after consultation with the Counties Transit
49.3 Improvement Board, and other stakeholders,
49.4 as appropriate. The council shall seek
49.5 geographic balance in the allotment of this
49.6 appropriation where possible and maximize
49.7 the use of all available federal money from
49.8 the American Recovery and Reinvestment
49.9 Act of 2009, Public Law 111-5, and any
49.10 other available federal money.

49.11 (1) Bottineau Boulevard Transit Way

49.12 For a grant to the Hennepin County Regional
49.13 Railroad Authority for environmental work
49.14 for Bottineau Transit Way corridor from the
49.15 Hiawatha light rail and Northstar intermodal
49.16 transit station in downtown Minneapolis to
49.17 the vicinity of the Target development in
49.18 northern Brooklyn Park or the Arbor Lakes
49.19 retail area in Maple Grove.

49.20 (2) Cedar Avenue Bus Rapid Transit

49.21 To the Metropolitan Council or to the council
49.22 for a grant to Dakota County, the Dakota
49.23 County Regional ~~Rail~~ Railroad Authority,
49.24 or the Minnesota Valley Transit Authority
49.25 to acquire real property ~~and construct,~~ for
49.26 preliminary engineering, and to design
49.27 and construct transit stations, layover
49.28 and maintenance facilities, and roadway
49.29 improvements for shoulder running bus lanes
49.30 on County State-Aid Highway 23 in Apple
49.31 Valley and Lakeville for the Cedar Avenue
49.32 Bus Rapid Transit Way (BRT) in Dakota
49.33 County.

49.34 (3) I-94 Corridor Transit Way

50.1 (i) For a grant to Washington County
50.2 Regional Rail Authority for environmental
50.3 work and preliminary engineering of
50.4 transportation and transit improvements,
50.5 including busways, park-and-rides, or rail
50.6 transit, in the marked Interstate Highway 94
50.7 corridor.

50.8 (ii) To acquire property and construct
50.9 transportation and transit improvements,
50.10 including busways, park-and-rides, or rail
50.11 transit, in the marked Interstate Highway 94
50.12 corridor.

50.13 (4) Red Rock Corridor Transit Way

50.14 To design, construct, and furnish
50.15 park-and-ride lots for the Red Rock
50.16 Corridor Transit Way between Hastings and
50.17 Minneapolis via St. Paul, and any extension
50.18 between Hastings and Red Wing.

50.19 (5) Riverview Corridor Transit Way

50.20 For a grant to the Ramsey County Regional
50.21 Railroad Authority for environmental work
50.22 and preliminary engineering for bus rapid
50.23 transit in the Riverview corridor between the
50.24 east side of St. Paul and the Minneapolis-St.
50.25 Paul International Airport and the Mall of
50.26 America.

50.27 (6) Robert Street Corridor Transit Way

50.28 To design and construct new passenger
50.29 shelters and a bus layover facility, including
50.30 rest rooms, break areas, and a passenger
50.31 shelter, in the Robert Street Corridor Transit
50.32 Way along or parallel to U.S. Highway
50.33 52 and Robert Street from within the city

51.1 of St. Paul to Dakota County Road 42 in
51.2 Rosemount.

51.3 (7) Rush Line Corridor Transit Way

51.4 For a grant to the Ramsey County Regional
51.5 Railroad Authority to acquire land for,
51.6 design, and construct park-and-ride or
51.7 park-and-pool lots located along the Rush
51.8 Line Corridor along I-35E/I-35 and Highway
51.9 61 from the Union Depot in downtown St.
51.10 Paul to Hinckley.

51.11 (8) Southwest Corridor Transit Way

51.12 To prepare an environmental impact
51.13 statement (EIS) and for preliminary
51.14 engineering for the Southwest Transit Way
51.15 Corridor, from the Hiawatha light rail in
51.16 downtown Minneapolis to the vicinity of the
51.17 Southwest Station transit hub in Eden Prairie.
51.18 The Metropolitan Council may grant a
51.19 portion of this appropriation to the Hennepin
51.20 County Regional Railroad Authority for the
51.21 EIS work.

51.22 (9) Union Depot

51.23 For a grant to the Ramsey County Regional
51.24 Railroad Authority to acquire land and
51.25 structures, to renovate structures, and
51.26 for design, engineering, and construction
51.27 to revitalize Union Depot for use as a
51.28 multimodal transit center in St. Paul. The
51.29 center must be designed so that it facilitates a
51.30 potential future connection of high-speed rail
51.31 to Minneapolis.

51.32 (c) Of this amount, \$313,000 is for
51.33 preliminary engineering and final design for
51.34 betterments in the State Capitol area related

52.1 to the Central Corridor light rail transit
 52.2 project. This money is not included in the
 52.3 Central Corridor light rail transit project
 52.4 budget.

52.5 **EFFECTIVE DATE.** This section is effective retroactively from May 17, 2009.

52.6 Sec. 44. Laws 2010, chapter 189, section 18, subdivision 5, is amended to read:

52.7 Subd. 5. **Minnesota Sex Offender Program**
 52.8 **Treatment Facilities - Moose Lake** 47,500,000

52.9 To complete design for and to construct,
 52.10 furnish, and equip phase 2 of the Minnesota
 52.11 sex offender treatment program at Moose
 52.12 Lake. Upon substantial completion
 52.13 of this project, the unspent portion of
 52.14 this appropriation is available for asset
 52.15 preservation projects for the Moose Lake
 52.16 campus of the Minnesota sex offender
 52.17 program, including design and construction
 52.18 of a replacement water tower, abatement
 52.19 of hazardous materials, and the demolition
 52.20 of the existing water tower serving the
 52.21 Moose Lake sex offender program and the
 52.22 Department of Corrections Moose Lake
 52.23 facility. The water tower project must
 52.24 be cost-shared with the Department of
 52.25 Corrections.

52.26 Sec. 45. Laws 2010, chapter 189, section 24, subdivision 3, is amended to read:

52.27 Subd. 3. **County and Local Preservation**
 52.28 **Grants** 1,000,000

52.29 To be allocated to county and local
 52.30 jurisdictions as matching money for historic
 52.31 preservation projects of a capital nature,
 52.32 as provided in Minnesota Statutes, section
 52.33 138.0525.

53.1 ~~\$150,000 is for a grant to the city of South St.~~
 53.2 ~~Paul to renovate the historically significant~~
 53.3 ~~1941 Navy Hangar at 310 Airport Road at~~
 53.4 ~~Fleming Field in the city to meet life safety~~
 53.5 ~~and building code requirements, subject to~~
 53.6 ~~Minnesota Statutes, section 16A.695. No~~
 53.7 ~~local match is required for this grant.~~

53.8 Sec. 46. Laws 2011, First Special Session chapter 12, section 3, subdivision 7, is
 53.9 amended to read:

53.10 Subd. 7. **Normandale Community College**

53.11 **Academic Partnership Center and Student**
 53.12 **Services**

21,984,000

53.13 To design, construct, furnish, and equip a
 53.14 new building for classrooms and offices ~~and~~
 53.15 ~~to design, construct, furnish, and equip the~~
 53.16 ~~renovation of the Student Services Building.~~

53.17 Sec. 47. Laws 2011, First Special Session chapter 12, section 3, subdivision 8, is
 53.18 amended to read:

53.19 Subd. 8. **NHED Mesabi Range Community**
 53.20 **and Technical College, Virginia**

53.21 **Iron Range Engineering Program Facilities**

3,000,000

53.22 To predesign, design, construct, furnish,
 53.23 and equip an addition to and renovation of
 53.24 existing space for the Iron Range engineering
 53.25 program, including laboratory spaces, other
 53.26 learning spaces, and improvements to the
 53.27 entrance, ~~and to acquire a privately owned~~
 53.28 ~~housing facility on the campus.~~

53.29 Sec. 48. Laws 2011, First Special Session chapter 12, section 14, subdivision 2,
 53.30 is amended to read:

53.31 Subd. 2. **Transit Capital Improvement**
 53.32 **Program**

20,000,000

54.1 To the Metropolitan Council or for the
 54.2 Council to grant to Anoka County Regional
 54.3 Railroad Authority, Dakota County, Dakota
 54.4 County Regional Railroad Authority,
 54.5 Hennepin County, Hennepin County
 54.6 Regional Railroad Authority, Minnesota
 54.7 Valley Transit Authority, Ramsey County
 54.8 Regional Railroad Authority, or Washington
 54.9 County Regional Railroad Authority to
 54.10 perform environmental studies, preliminary
 54.11 engineering, acquire property or an interest
 54.12 in property, design or construct transitway
 54.13 facilities and infrastructure, including
 54.14 roadways, for the following transitway
 54.15 projects: Northstar Ramsey station,
 54.16 Gateway (I-94 East) corridor, Minneapolis
 54.17 Interchange facility, Red Rock corridor,
 54.18 Newport park-and-ride and station, Rush
 54.19 Line corridor, Robert Street corridor, 35W
 54.20 South Bus Rapid Transit, and Cedar Avenue
 54.21 Bus Rapid Transit.

54.22 Sec. 49. Laws 2011, First Special Session chapter 12, section 19, is amended to read:

54.23 **Sec. 19. PUBLIC FACILITIES AUTHORITY** **\$ 20,000,000**

54.24 **Wastewater Infrastructure Funding Program**

54.25 To the Public Facilities Authority for
 54.26 grants to eligible municipalities under the
 54.27 wastewater infrastructure funding program
 54.28 under Minnesota Statutes, section 446A.072.

54.29 Notwithstanding the criteria and requirements
 54.30 of Minnesota Statutes, section 446A.072,
 54.31 up to \$1,000,000 of this appropriation is for
 54.32 a grant to the city of Albert Lea to design,
 54.33 construct, and equip water and sewer utilities
 54.34 in the area of Broadway Avenue and Main

55.1 Street. This project may include demolition
 55.2 of deteriorating concrete curbs, gutters,
 55.3 sidewalks, and streets above the utilities,
 55.4 and the construction costs to replace and
 55.5 rehabilitate the infrastructure.

55.6 Sec. 50. Laws 2011, First Special Session chapter 12, section 22, is amended to read:

55.7 Sec. 22. **BOND SALE SCHEDULE.**

55.8 The commissioner of management and budget shall schedule the sale of state
 55.9 general obligation bonds so that, during the biennium ending June 30, 2013, no more than
 55.10 ~~\$1,200,858,000~~ \$1,088,452,000 will need to be transferred ~~from the general fund~~ to the
 55.11 state bond fund to pay principal and interest due and to become due on outstanding state
 55.12 general obligation bonds. Of the amount transferred, \$452,708,000 is from the general
 55.13 fund and \$635,745,000 is from the tobacco settlement bond proceeds fund. During
 55.14 the biennium, before each sale of state general obligation bonds, the commissioner of
 55.15 management and budget shall calculate the amount of debt service payments needed on
 55.16 bonds previously issued and shall estimate the amount of debt service payments that will
 55.17 be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount
 55.18 of bonds scheduled to be sold so as to remain within the limit set by this section. The
 55.19 amount needed to make the debt service payments is appropriated from the general fund
 55.20 as provided in Minnesota Statutes, section 16A.641.

55.21 Sec. 51. **LAKE SUPERIOR-POPLAR RIVER WATER DISTRICT.**

55.22 Subdivision 1. Establishment. The Lake Superior-Poplar River Water District is
 55.23 created as a municipal corporation, having the powers provided under Minnesota Statutes,
 55.24 chapters 110A; 429, notwithstanding any provision of chapter 110A to the contrary; and
 55.25 444. Notwithstanding any law to the contrary, the district shall not have the power to issue
 55.26 general obligation bonds. Minnesota Statutes, sections 110A.04, 110A.07, and 110A.09 to
 55.27 110A.18, shall not apply to the district or to the board created by this act.

55.28 Subd. 2. Definitions. For purposes of applying Minnesota Statutes, chapter 110A,
 55.29 to this act, "works" and "systems" shall include irrigation purposes, "court" is deemed to
 55.30 refer to the board of county commissioners; and "secretary of state" is deemed to refer to
 55.31 the county auditor.

55.32 Subd. 3. Territory included in district. The territory of the district shall include
 55.33 all lands within Sections 20, 21, 28, 29, 32, and 33 of Township 60 North, Range 3 West

56.1 of the Fourth Principal Meridian. Additional territory may be added as provided in
56.2 Minnesota Statutes, sections 110A.19 to 110A.22.

56.3 Subd. 4. **Payment of costs.** No person shall be obligated to purchase or be entitled
56.4 to receive water from the district unless that person is a party to a contract to purchase
56.5 water from the district. Excluding any initial capital investment funded by the state, all
56.6 capital and operating expenses of the district shall be paid by the users in proportion to
56.7 their use of water. The cost of distribution lines: (1) departing from the main water pipe
56.8 from Lake Superior to the domestic water treatment plant to any user; or (2) from the
56.9 water treatment plant to any user, shall be paid for by the user of the water either at the
56.10 time of installation or by user charges that allow the district to recoup the full cost of the
56.11 distribution lines and the cost of financing. Subject to this subdivision and the availability
56.12 of water under any applicable permit with a state or federal agency, any owner of land
56.13 within the district may contract with the district for the purchase of water.

56.14 Subd. 5. **Board of directors; elections.** (a) The district shall be governed by a
56.15 board of directors which shall have not less than three nor more than 13 members. The
56.16 district's initial directors shall be appointed by the Cook County Board of Commissioners,
56.17 with one director representing the domestic water users to serve for three years; up to two
56.18 directors representing the irrigation water users, one to serve for two years and one to
56.19 serve for three years; and up to two directors representing the commercial, stock watering,
56.20 and industrial users, one to serve for one year and one to serve for two years.

56.21 (b) The district's establishment shall take effect upon the Cook County Board of
56.22 Commissioners' appointment of the initial directors. The initial directors shall meet for
56.23 the purposes of organization within 30 days of their appointment. Thereafter, except
56.24 as otherwise provided in this subdivision, directors shall be elected in accordance with
56.25 Minnesota Statutes, section 110A.24, from election divisions comprised of domestic water
56.26 users; irrigation water users, and commercial, stock watering, and industrial users. Each
56.27 use classification shall be entitled to elect one director, plus one additional director if its
56.28 expected water usage for the following fiscal year exceeds ten percent of total water
56.29 usage. Each water user within each use classification shall be entitled to cast one vote for
56.30 each one percent of expected water usage for the following fiscal year. A homeowner's
56.31 association shall vote on behalf of its members if duly authorized by appropriate action by
56.32 the association's members. Prior to each election, the board of directors shall determine
56.33 the use classifications entitled to vote, the expected water use percentage of each user and
56.34 of use classification for the following fiscal year, and the number of directors each such
56.35 use classification is entitled to elect. The elections shall be conducted and supervised by
56.36 the board of directors and ratified by the Cook County Board of Commissioners.

57.1 **Subd. 6. Termination of appropriation of water from Poplar River.**

57.2 Notwithstanding any law to the contrary, 30 days after the works and systems to transport
57.3 water from Lake Superior to Lutsen Mountains Corporation's snowmaking systems first
57.4 become fully permitted and operational, the water district shall notify the commissioner of
57.5 natural resources and all permits issued by the Department of Natural Resources to Lutsen
57.6 Mountains Corporation to use or appropriate water from the Poplar River shall terminate.
57.7 For the purposes of section 53, paragraph (b), the commissioner of natural resources shall
57.8 notify the revisor of statutes in writing when the permits have been terminated.

57.9 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after
57.10 the governing body of Cook County and its chief clerical officer comply with Minnesota
57.11 Statutes, section 645.021, subdivisions 2 and 3.

57.12 **Sec. 52. ACQUISITIONS FOR CANISTEO PROJECT.**

57.13 The commissioner of natural resources shall acquire, without undue delay, the land
57.14 or interests in land that are needed to construct a conveyance system and other betterments
57.15 to accommodate the water level and outflow of water level from the Canisteo mine pit.
57.16 The commissioner may acquire the land or interests in land by eminent domain, including
57.17 use of the possession procedures under Minnesota Statutes, section 117.042.

57.18 **Sec. 53. REPEALER.**

57.19 (a) Minnesota Rules, part 8895.0700, subpart 1, is repealed.

57.20 (b) Laws 2011, chapter 107, section 101, is repealed effective the day the permits
57.21 have been terminated under section 51, subdivision 6. The commissioner of natural
57.22 resources shall notify the revisor of statutes in writing when the permits have been
57.23 terminated.

57.24 **Sec. 54. EFFECTIVE DATE.**

57.25 Except as otherwise provided, this act is effective the day following final enactment.

APPENDIX
Repealed Minnesota Session Laws: H1752-2

Laws 2011, chapter 107, section 101

Sec. 101. CONSUMPTIVE USE OF WATER.

Pursuant to Minnesota Statutes, section 103G.265, subdivision 3, the legislature approves of the consumptive use of water under a permit of more than 2,000,000 gallons per day average in a 30-day period in Cook County, in connection with snowmaking and potable water. Notwithstanding any other law to the contrary, the permit for the consumptive use of water approved under this section shall be issued, subject to the fees specified under Minnesota Statutes, section 103G.271, without any additional administrative process to withdraw up to 150,000,000 gallons of water annually for snowmaking and potable water purposes. The permit authorized under this section shall be suspended if the flow of the Poplar River falls below 15 cubic feet per second for more than five consecutive days. The permit authorized under this section shall be reinstated when the flow of the Poplar River resumes to 15 cubic feet per second or greater. The permit shall be for a term of five years.

APPENDIX
Repealed Minnesota Rule: H1752-2

8895.0700 STATE PARTICIPATION, LIMITATIONS.

Subpart 1. **State participation, limitations.** The state's share of project costs must not exceed 50 percent of the nonfederal share of the eligible costs to be incurred by the applicant for the project.