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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2185

02/09/2012 Authored by Scalze, Runbeck, Mahoney, Falk, Murphy, M. and others

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance

1.1 A bill for an act  
1.2 relating to capital investment; appropriating money for economic development;  
1.3 establishing the transportation economic development program; authorizing the  
1.4 sale and issuance of state bonds; proposing coding for new law in Minnesota  
1.5 Statutes, chapter 116J.

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

1.7 Section 1. **ECONOMIC DEVELOPMENT.**

1.8 Subdivision 1. **Appropriation.** \$20,000,000 is appropriated from the bond proceeds  
1.9 fund to the commissioner of employment and economic development for the purposes  
1.10 specified in this section.

1.11 Subd. 2. **Greater Minnesota business development public infrastructure grant**  
1.12 program. \$5,000,000 is for grants under Minnesota Statutes, section 116J.431.

1.13 Subd. 3. **Redevelopment account.** \$5,000,000 is for purposes of the redevelopment  
1.14 account under Minnesota Statutes, sections 116J.571 to 116J.575.

1.15 Subd. 4. **Transportation economic development program.** \$10,000,000 is for  
1.16 grants under Minnesota Statutes, section 116J.436.

1.17 Subd. 5. **Bond sale.** To provide the money appropriated in this section from the  
1.18 bond proceeds fund, the commissioner of management and budget shall sell and issue  
1.19 bonds of the state in an amount up to \$20,000,000 in the manner, upon the terms, and with  
1.20 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the  
1.21 Minnesota Constitution, article XI, sections 4 to 7.

1.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.1       Sec. 2. **[116J.436] TRANSPORTATION ECONOMIC DEVELOPMENT**  
2.2 **INFRASTRUCTURE PROGRAM.**

2.3       Subdivision 1. **Grant program established; purpose.** The transportation economic  
2.4 development infrastructure program is created to foster interagency coordination between  
2.5 the Departments of Transportation and Employment and Economic Development to  
2.6 finance infrastructure to create economic development opportunities, jobs, and improve all  
2.7 types of transportation systems statewide.

2.8       Subd. 2. **Eligible projects.** Funds appropriated for the program must be used to  
2.9 fund construction, reconstruction, and infrastructure improvements that will promote  
2.10 economic development, increase employment, and improve transportation systems to  
2.11 accommodate private investment and job creation.

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

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