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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2269

03/17/2021 Authored by Lee, Reyer, Freiberg and Lillie
The bill was read for the first time and referred to the Committee on Capital Investment

1.1 A bill for an act
1.2 relating to capital investment; authorizing spending to acquire and better public
1.3 land and buildings and other improvements of a capital nature with certain
1.4 conditions; authorizing the issuance of redevelopment appropriation bonds for
1.5 areas damaged by civil unrest; authorizing the issuance of housing infrastructure
1.6 bonds; modifying programs; modifying prior appropriations; appropriating money;
1.7 amending Minnesota Statutes 2020, section 462A.37, subdivisions 2, 5, by adding
1.8 a subdivision; Laws 2009, chapter 93, article 1, section 14, subdivision 3, as
1.9 amended; Laws 2020, Fifth Special Session chapter 3, article 1, sections 16,
1.10 subdivision 36; 20, subdivision 5; article 2, section 2, subdivision 4; proposing
1.11 coding for new law in Minnesota Statutes, chapter 16A.

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

1.13 ARTICLE 1
1.14 APPROPRIATIONS

1.15 Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.

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

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

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

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

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

2.9 **APPROPRIATIONS**

2.10 **Sec. 2. UNIVERSITY OF MINNESOTA** **\$ 56,916,000**

2.11 To the Board of Regents of the University of
2.12 Minnesota, to be spent in accordance with
2.13 Minnesota Statutes, section 135A.046.

2.14 **Sec. 3. MINNESOTA STATE COLLEGES AND**
2.15 **UNIVERSITIES** **\$ 62,422,000**

2.16 To the Board of Trustees of the Minnesota
2.17 State Colleges and Universities, to be spent in
2.18 accordance with Minnesota Statutes, section
2.19 135A.046.

2.20 **Sec. 4. MINNESOTA STATE ACADEMIES** **\$ 1,224,000**

2.21 To the commissioner of administration for
2.22 capital asset preservation improvements and
2.23 betterments on both campuses of the
2.24 Minnesota State Academies, to be spent in
2.25 accordance with Minnesota Statutes, section
2.26 16B.307.

2.27 **Sec. 5. PERPICH CENTER FOR ARTS**
2.28 **EDUCATION** **\$ 777,000**

2.29 To the commissioner of administration for
2.30 capital asset preservation improvements and
2.31 betterments at the Perpich Center for Arts
2.32 Education, to be spent in accordance with
2.33 Minnesota Statutes, section 16B.307.

3.1	Sec. 6. <u>NATURAL RESOURCES</u>		
3.2	<u>Subdivision 1. Total Appropriation</u>	\$	<u>52,762,000</u>
3.3	<u>(a) To the commissioner of natural resources</u>		
3.4	<u>for the purposes specified in this section.</u>		
3.5	<u>(b) The appropriations in this section are</u>		
3.6	<u>subject to the requirements of the natural</u>		
3.7	<u>resources capital improvement program under</u>		
3.8	<u>Minnesota Statutes, section 86A.12, unless</u>		
3.9	<u>this section or the statutes referred to in this</u>		
3.10	<u>section provide more specific standards,</u>		
3.11	<u>criteria, or priorities for projects than</u>		
3.12	<u>Minnesota Statutes, section 86A.12.</u>		
3.13	<u>Subd. 2. Natural Resources Asset Preservation</u>		<u>33,430,000</u>
3.14	<u>For the renovation of state-owned facilities</u>		
3.15	<u>and recreational assets operated by the</u>		
3.16	<u>commissioner of natural resources to be spent</u>		
3.17	<u>in accordance with Minnesota Statutes, section</u>		
3.18	<u>84.946. Notwithstanding Minnesota Statutes,</u>		
3.19	<u>section 84.946, the commissioner may use this</u>		
3.20	<u>appropriation to replace buildings if,</u>		
3.21	<u>considering the embedded energy in the</u>		
3.22	<u>building, that is the most energy-efficient and</u>		
3.23	<u>carbon-reducing method of renovation.</u>		
3.24	<u>Subd. 3. Acquisition and Betterment of</u>		
3.25	<u>Buildings</u>		<u>19,082,000</u>
3.26	<u>For acquisition, design, and construction to</u>		
3.27	<u>improve existing facilities or to replace</u>		
3.28	<u>existing facilities that no longer meet the</u>		
3.29	<u>business needs of the department.</u>		
3.30	<u>Subd. 4. Upper Sioux Agency State Park Bond</u>		
3.31	<u>Defeasance</u>		<u>250,000</u>
3.32	<u>From the general fund in fiscal year 2022 to</u>		
3.33	<u>the commissioner of management and budget</u>		
3.34	<u>to prepay and defease any outstanding state</u>		

4.1 general obligation bonds used for
 4.2 improvements and betterments at Upper Sioux
 4.3 Agency State Park, and other associated
 4.4 financing costs. This amount may be
 4.5 deposited, invested, and applied to accomplish
 4.6 the purposes of this section as provided in
 4.7 Minnesota Statutes, section 475.67,
 4.8 subdivisions 5 to 10 and 13. Upon the
 4.9 prepayment and defeasance of all associated
 4.10 debt on the real property and improvements,
 4.11 all conditions set forth in Minnesota Statutes,
 4.12 section 16A.695, subdivision 3, shall be
 4.13 deemed to have been satisfied and the real
 4.14 property and improvements shall no longer
 4.15 constitute state bond financed property under
 4.16 Minnesota Statutes, section 16A.695.

4.17 **Sec. 7. ADMINISTRATION**

4.18 **Subdivision 1. Total Appropriation** **\$ 46,133,000**

4.19 To the commissioner of administration for the
 4.20 purposes specified in this section.

4.21 **Subd. 2. Capital Asset Preservation and**
 4.22 **Replacement Account** **3,133,000**

4.23 To be spent in accordance with Minnesota
 4.24 Statutes, section 16A.632.

4.25 **Subd. 3. Capitol Complex - Physical Security**
 4.26 **Upgrades Phase II** **43,000,000**

4.27 For the continuation of the design,
 4.28 construction, and equipping required to
 4.29 upgrade the physical security elements and
 4.30 systems for the Capitol Mall and the buildings
 4.31 listed in this subdivision, their attached tunnel
 4.32 systems, their surrounding grounds, and
 4.33 parking facilities as identified in the 2017
 4.34 Minnesota State Capitol Complex Physical
 4.35 Security Predesign completed by Miller

5.1 Dunwiddie and an updated assessment to be
 5.2 completed in 2021. Work includes but is not
 5.3 limited to the installation of bollards, blast
 5.4 protection, infrastructure security screen walls,
 5.5 door access controls, emergency call stations,
 5.6 surveillance systems, security kiosks, locking
 5.7 devices, and traffic and crowd control devices.

5.8 This appropriation includes money for work
 5.9 associated with the following buildings:
 5.10 Administration, Ag/Health Lab, Bureau of
 5.11 Criminal Apprehension, Capitol, Centennial,
 5.12 Governor's Residence, Judicial Center,
 5.13 Minnesota History Center, Capitol Complex
 5.14 Power Plant and Shops, Stassen, State Office,
 5.15 and Veterans Service. \$12,000,000 of this
 5.16 appropriation is from the general fund in fiscal
 5.17 year 2022 to be used at the Andersen,
 5.18 Freeman, Minnesota Senate, Retirement
 5.19 Systems, and Transportation buildings for the
 5.20 purposes described in this subdivision.

5.21 **Sec. 8. TRANSPORTATION** **\$** **10,000,000**

5.22 To the commissioner of transportation for
 5.23 capital improvements and betterments for the
 5.24 second daily Amtrak train between St. Paul,
 5.25 Milwaukee, and Chicago project.

5.26 Notwithstanding any law to the contrary, a
 5.27 portion or phase of this intercity passenger rail
 5.28 project may be accomplished with one or more
 5.29 state appropriations and an intercity passenger
 5.30 rail project need not be completed with any
 5.31 one appropriation. Capital improvements and
 5.32 betterments include project administration,
 5.33 design, engineering, acquisition of land and
 5.34 right-of-way, and construction.

5.35 **Sec. 9. HUMAN SERVICES** **\$** **4,213,000**

6.1 To the commissioner of administration for
 6.2 asset preservation improvements and
 6.3 betterments of a capital nature at Department
 6.4 of Human Services facilities statewide, to be
 6.5 spent in accordance with Minnesota Statutes,
 6.6 section 16B.307.

6.7 **Sec. 10. VETERANS AFFAIRS**

6.8 **Subdivision 1. Total Appropriation** **\$** **6,367,000**

6.9 To the commissioner of administration for the
 6.10 purposes specified in this section.

6.11 **Subd. 2. Asset Preservation** **1,867,000**

6.12 For asset preservation improvements and
 6.13 betterments of a capital nature at the veterans
 6.14 homes in Minneapolis, Hastings, Fergus Falls,
 6.15 Silver Bay, and Luverne, and the Little Falls
 6.16 Cemetery, to be spent in accordance with
 6.17 Minnesota Statutes, section 16B.307.

6.18 **Subd. 3. New State Veterans Cemetery** **4,500,000**

6.19 To design, construct, furnish, and equip a new
 6.20 State Veterans Cemetery in Redwood County.

6.21 **Sec. 11. CORRECTIONS** **\$** **9,730,000**

6.22 To the commissioner of administration for
 6.23 asset preservation improvements and
 6.24 betterments of a capital nature at Minnesota
 6.25 correctional facilities statewide, to be spent in
 6.26 accordance with Minnesota Statutes, section
 6.27 16B.307.

6.28 **Sec. 12. MINNESOTA HISTORICAL**
 6.29 **SOCIETY** **\$** **1,466,000**

6.30 To the Minnesota Historical Society for capital
 6.31 improvements and betterments at state historic
 6.32 sites, buildings, landscaping at historic
 6.33 buildings, exhibits, markers, and monuments,

7.1 to be spent in accordance with Minnesota
 7.2 Statutes, section 16B.307. The society shall
 7.3 determine project priorities as appropriate
 7.4 based on need.

7.5 **Sec. 13. BOND SALE EXPENSES** **\$** **240,000**

7.6 To the commissioner of management and
 7.7 budget from the bond proceeds fund for bond
 7.8 sale expenses under Minnesota Statutes,
 7.9 section 16A.641, subdivision 8.

7.10 **Sec. 14. BOND SALE AUTHORIZATION.**

7.11 To provide the money appropriated in this act from the bond proceeds fund, the
 7.12 commissioner of management and budget shall sell and issue bonds of the state in an amount
 7.13 up to \$240,000,000 in the manner, upon the terms, and with the effect prescribed by
 7.14 Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article
 7.15 XI, sections 4 to 7.

7.16 **Sec. 15. BOND SALE SCHEDULE.**

7.17 The commissioner of management and budget shall schedule the sale of state general
 7.18 obligation bonds so that, during the biennium ending June 30, 2023, no more than
 7.19 \$1,263,777,000 will need to be transferred from the general fund to the state bond fund to
 7.20 pay principal and interest due and to become due on outstanding state general obligation
 7.21 bonds. During the biennium, before each sale of state general obligation bonds, the
 7.22 commissioner of management and budget shall calculate the amount of debt service payments
 7.23 needed on bonds previously issued and shall estimate the amount of debt service payments
 7.24 that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the
 7.25 amount of bonds scheduled to be sold so as to remain within the limit set by this section.
 7.26 The amount needed to make the debt service payments is appropriated from the general
 7.27 fund as provided in Minnesota Statutes, section 16A.641.

7.28 **Sec. 16. EFFECTIVE DATE.**

7.29 This article is effective the day following final enactment.

8.1 **ARTICLE 2**

8.2 **APPROPRIATION AND HOUSING INFRASTRUCTURE BONDS**

8.3 Section 1. **PURPOSE.**

8.4 The financing provided by Minnesota Statutes, section 16A.962, is for the public purpose
 8.5 of redeveloping the areas in Minneapolis and St. Paul damaged in May and June of 2020,
 8.6 by civil unrest which led to severe damage or destruction to small businesses, private
 8.7 property, and public property in Minneapolis and St. Paul. The public purpose of the
 8.8 redevelopment is to create or retain jobs, preserve the tax base and support enterprise
 8.9 development and wealth creation for persons adversely affected by long-standing structural
 8.10 racial discrimination and poverty and prevent displacement of small businesses owned by
 8.11 people of color and indigenous people.

8.12 Sec. 2. **[16A.962] REDEVELOPMENT APPROPRIATION BONDS.**

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

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

8.16 (1) money appropriated by law from the general fund in any biennium for debt service
 8.17 due with respect to obligations described in subdivision 2, paragraph (a);

8.18 (2) proceeds of the sale of obligations described in subdivision 2, paragraph (a);

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

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

8.22 (c) "City" means Minneapolis or St. Paul, or an agency of Minneapolis or St. Paul.

8.23 (d) "Debt service" means the amount payable in any biennium of principal, premium,
 8.24 if any, and interest on appropriation bonds, and the fees, charges, and expenses related to
 8.25 the bonds.

8.26 (e) "Eligible area" means an area in Minneapolis or St. Paul adversely affected by civil
 8.27 unrest during the events leading up to and surrounding the peacetime emergency declared
 8.28 in Emergency Executive Order 20-64.

8.29 (f) "Redevelopment" may include the acquisition of real property; site preparation;
 8.30 predesign, design, engineering, repair, or renovation of facilities damaged during the civil
 8.31 unrest and construction of buildings, infrastructure, and related site amenities; landscaping;

9.1 street-scaping; land-banking for future development or redevelopment; or financing any of
9.2 these activities taken on by a private party pursuant to an agreement with the city.

9.3 Redevelopment does not include project costs eligible for compensation or assistance
9.4 available through insurance policies or from other organizations or government agencies.

9.5 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of
9.6 this subdivision, the commissioner may sell and issue appropriation bonds of the state under
9.7 this section for public purposes as provided by law, including for the purposes of capitalizing
9.8 an account in the city of Minneapolis' commercial property development fund and an account
9.9 in the St. Paul Housing and Redevelopment Authority's funds to pay for redevelopment in
9.10 the eligible areas. Appropriation bonds may be sold and issued in amounts that, in the
9.11 opinion of the commissioner, are necessary to provide sufficient money to the commissioner
9.12 of employment and economic development under subdivision 7, not to exceed \$150,000,000
9.13 net of costs of issuance, for the purposes as provided under this subdivision; to pay debt
9.14 service including capitalized interest, costs of issuance, and costs of credit enhancement;
9.15 or to make payments under other agreements entered into under paragraph (d).

9.16 (b) Proceeds of the appropriation bonds must be credited to a special appropriation
9.17 redevelopment bond proceeds fund in the state treasury. All income from investment of the
9.18 bond proceeds is appropriated to the commissioner for the payment of principal and interest
9.19 on the appropriation bonds.

9.20 (c) Appropriation bonds may be issued in one or more issues or series on the terms and
9.21 conditions the commissioner determines to be in the best interests of the state, but the term
9.22 on any series of appropriation bonds may not exceed 21 years. The appropriation bonds of
9.23 each issue and series thereof shall be dated and bear interest from the date of issuance, and
9.24 may be includable in or excludable from the gross income of the owners for federal income
9.25 tax purposes.

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

10.1 commissioner, included in an interest exchange agreement, that the agreement relates to an
10.2 appropriation bond, shall be conclusive.

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

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

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

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

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

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

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

10.23 Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds for the
10.24 purpose of refunding any appropriation bonds issued under subdivision 2 then outstanding,
10.25 including the payment of any redemption premiums on the bonds, any interest accrued or
10.26 to accrue to the redemption date, and costs related to the issuance and sale of the refunding
10.27 bonds. The proceeds of any refunding bonds may, at the discretion of the commissioner,
10.28 be applied to the purchase or payment at maturity of the appropriation bonds to be refunded,
10.29 to the redemption of the outstanding appropriation bonds on any redemption date, or to pay
10.30 interest on the refunding bonds and may, pending application, be placed in escrow to be
10.31 applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds,
10.32 pending such use, may be invested and reinvested in obligations that are authorized
10.33 investments under section 11A.24. The income earned or realized on the investment may

11.1 also be applied to the payment of the appropriation bonds to be refunded or interest or
 11.2 premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds.
 11.3 After the terms of the escrow have been fully satisfied, any balance of the proceeds and any
 11.4 investment income may be returned to the general fund or, if applicable, the special
 11.5 appropriation redevelopment bond proceeds fund for use in any lawful manner. All refunding
 11.6 bonds issued under this subdivision must be prepared, executed, delivered, and secured by
 11.7 appropriations in the same manner as the appropriation bonds to be refunded.

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

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

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

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

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

11.30 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under
 11.31 subdivision 2, paragraph (a), and interest credited to the special appropriation redevelopment
 11.32 bond proceeds fund are appropriated as follows:

12.1 (1) to the commissioner of employment and economic development for a grant of
 12.2 \$100,000,000 to the city of Minneapolis and a grant of \$50,000,000 to the St. Paul Housing
 12.3 and Redevelopment Authority, and as further specified in subdivision 2, paragraph (a); and

12.4 (2) to the commissioner of management and budget for debt service on the bonds
 12.5 including capitalized interest, nonsalary costs of issuance of the bonds, costs of credit
 12.6 enhancement of the bonds, and payments under any agreements entered into under
 12.7 subdivision 2, paragraph (d), as permitted by state and federal law.

12.8 Subd. 8. **Appropriation for debt service and other purposes.** An amount needed to
 12.9 pay principal and interest on appropriation bonds issued under subdivision 2, paragraph (a),
 12.10 is appropriated each fiscal year from the general fund to the commissioner, subject to repeal,
 12.11 unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6,
 12.12 for deposit into the bond payments account established for such purpose in the special
 12.13 appropriation redevelopment bond proceeds fund. The appropriation is available beginning
 12.14 in fiscal year 2022 and remains available through fiscal year 2043.

12.15 Subd. 9. **Waiver of immunity.** The waiver of immunity by the state provided for by
 12.16 section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary
 12.17 contracts to which the commissioner is a party.

12.18 Subd. 10. **Grant requirements.** In addition to any other terms in a grant agreement with
 12.19 the commissioner of employment and economic development, a grant of special appropriation
 12.20 redevelopment bonds proceeds must:

12.21 (1) require the city to segregate the grant money in a separate account;

12.22 (2) in the event that projects funded through appropriation bonds issued under this section
 12.23 materially change in a manner that a city determines the money must be repaid, or in the
 12.24 event that project money is repaid to a city, require the city to deposit any returned money
 12.25 in a segregated account in the city of Minneapolis' commercial property development fund
 12.26 or a segregated account in the St. Paul Housing and Redevelopment Authority's funds, to
 12.27 be reused for redevelopment in the eligible areas;

12.28 (3) require each grant recipient in subdivision 7 to solicit community input on funding
 12.29 needs for the purposes identified in this section, to prioritize businesses owned or operated
 12.30 by a minority person as defined in section 116M.14, and to prioritize the retention and
 12.31 rebuilding of impacted businesses and infrastructure in the eligible area; and

12.32 (4) require a biannual report to the commissioner of employment and economic
 12.33 development from each grant recipient in subdivision 7 on the expenditures made from the

13.1 accounts funded with a grant made under this section in the form that the commissioner
 13.2 prescribes and include any documentation of and supporting information regarding the
 13.3 expenditures that the commissioner prescribes.

13.4 Subd. 11. **Audit.** The commissioner of employment and economic development must
 13.5 review the report of expenditures made by the cities.

13.6 Subd. 12. **Prevailing wage requirement.** During the construction, installation,
 13.7 remodeling, and repair of any project funded by bonds sold under this section, laborers and
 13.8 mechanics at the site must be paid the prevailing wage rate as defined in section 177.42,
 13.9 subdivision 6, and the project is subject to the requirements of sections 177.30 and 177.41
 13.10 to 177.44.

13.11 Sec. 3. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

13.12 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
 13.13 principal amount of housing infrastructure bonds in one or more series to which the payment
 13.14 made under this section may be pledged. The housing infrastructure bonds authorized in
 13.15 this subdivision may be issued to fund loans, or grants for the purposes of clause (4), on
 13.16 terms and conditions the agency deems appropriate, made for one or more of the following
 13.17 purposes:

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

13.20 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
 13.21 housing to be used for affordable rental housing and the costs of new construction of rental
 13.22 housing on abandoned or foreclosed property where the existing structures will be demolished
 13.23 or removed;

13.24 (3) to finance that portion of the costs of acquisition of property that is attributable to
 13.25 the land to be leased by community land trusts to low- and moderate-income home buyers;

13.26 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
 13.27 parks under section 462A.2035, subdivision 1b;

13.28 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
 13.29 of senior housing;

13.30 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental
 13.31 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
 13.32 of federally assisted rental housing, including providing funds to refund, in whole or in part,

14.1 outstanding bonds previously issued by the agency or another government unit to finance
14.2 or refinance such costs; ~~and~~

14.3 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
14.4 of single-family housing-; and

14.5 (8) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
14.6 of multifamily rental housing for households with incomes at or below 50 percent of the
14.7 area median income. Among comparable proposals, the agency shall give priority to requests
14.8 for projects that serve households at the lowest incomes.

14.9 (b) Among comparable proposals for permanent supportive housing, preference shall
14.10 be given to permanent supportive housing for veterans and other individuals or families
14.11 who:

14.12 (1) either have been without a permanent residence for at least 12 months or at least four
14.13 times in the last three years; or

14.14 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
14.15 times in the last three years.

14.16 (c) Among comparable proposals for senior housing, the agency must give priority to
14.17 requests for projects that:

14.18 (1) demonstrate a commitment to maintaining the housing financed as affordable to
14.19 seniors;

14.20 (2) leverage other sources of funding to finance the project, including the use of
14.21 low-income housing tax credits;

14.22 (3) provide access to services to residents and demonstrate the ability to increase physical
14.23 supports and support services as residents age and experience increasing levels of disability;

14.24 (4) provide a service plan containing the elements of clause (3) reviewed by the housing
14.25 authority, economic development authority, public housing authority, or community
14.26 development agency that has an area of operation for the jurisdiction in which the project
14.27 is located; and

14.28 (5) include households with incomes that do not exceed 30 percent of the median
14.29 household income for the metropolitan area.

14.30 To the extent practicable, the agency shall balance the loans made between projects in the
14.31 metropolitan area and projects outside the metropolitan area. Of the loans made to projects
14.32 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans

15.1 made between projects in counties or cities with a population of 20,000 or less, as established
15.2 by the most recent decennial census, and projects in counties or cities with populations in
15.3 excess of 20,000.

15.4 Sec. 4. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision to
15.5 read:

15.6 Subd. 2h. **Additional authorization.** In addition to the amount authorized in subdivisions
15.7 2 to 2g, the agency may issue up to \$100,000,000 in housing infrastructure bonds in one or
15.8 more series to which the payments under this section may be pledged.

15.9 Sec. 5. Minnesota Statutes 2020, section 462A.37, subdivision 5, is amended to read:

15.10 Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the
15.11 commissioner of management and budget the actual amount of annual debt service on each
15.12 series of bonds issued under this section.

15.13 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
15.14 bonds issued under subdivision 2a remain outstanding, the commissioner of management
15.15 and budget must transfer to the housing infrastructure bond account established under section
15.16 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000
15.17 annually. The amounts necessary to make the transfers are appropriated from the general
15.18 fund to the commissioner of management and budget.

15.19 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
15.20 bonds issued under subdivision 2b remain outstanding, the commissioner of management
15.21 and budget must transfer to the housing infrastructure bond account established under section
15.22 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000
15.23 annually. The amounts necessary to make the transfers are appropriated from the general
15.24 fund to the commissioner of management and budget.

15.25 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
15.26 bonds issued under subdivision 2c remain outstanding, the commissioner of management
15.27 and budget must transfer to the housing infrastructure bond account established under section
15.28 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000
15.29 annually. The amounts necessary to make the transfers are appropriated from the general
15.30 fund to the commissioner of management and budget.

15.31 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
15.32 bonds issued under subdivision 2d remain outstanding, the commissioner of management

16.1 and budget must transfer to the housing infrastructure bond account established under section
16.2 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
16.3 to make the transfers are appropriated from the general fund to the commissioner of
16.4 management and budget.

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

16.11 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
16.12 bonds issued under subdivision 2f remain outstanding, the commissioner of management
16.13 and budget must transfer to the housing infrastructure bond account established under section
16.14 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
16.15 to make the transfers are appropriated from the general fund to the commissioner of
16.16 management and budget.

16.17 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
16.18 bonds issued under subdivision 2g remain outstanding, the commissioner of management
16.19 and budget must transfer to the housing infrastructure bond account established under section
16.20 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
16.21 to make the transfers are appropriated from the general fund to the commissioner of
16.22 management and budget.

16.23 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
16.24 bonds issued under subdivision 2h remain outstanding, the commissioner of management
16.25 and budget must transfer to the housing infrastructure bond account established under section
16.26 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
16.27 to make the transfers are appropriated from the general fund to the commissioner of
16.28 management and budget.

16.29 ~~(j)~~ (j) The agency may pledge to the payment of the housing infrastructure bonds the
16.30 payments to be made by the state under this section.

16.31 Sec. 6. **EFFECTIVE DATE.**

16.32 This article is effective the day following final enactment.

17.1

ARTICLE 3

17.2

MISCELLANEOUS

17.3 Section 1. Laws 2009, chapter 93, article 1, section 14, subdivision 3, as amended by Laws
 17.4 2011, First Special Session chapter 12, section 37, and Laws 2018, chapter 214, article 2,
 17.5 section 23, is amended to read:

17.6 **Subd. 3. Veterans Cemeteries** 1,500,000

17.7 Of this amount, up to \$500,000 is to acquire
 17.8 land located in southeastern, southwestern,
 17.9 and northeastern Minnesota for publicly
 17.10 owned veterans cemeteries, to be operated by
 17.11 the commissioner of veterans affairs. The
 17.12 commissioner also must seek donations of
 17.13 land for the cemeteries. The balance of the
 17.14 appropriation is to predesign and, design,
 17.15 construct, and equip the cemeteries. Federal
 17.16 reimbursement of design, construction, and
 17.17 equipping costs for each cemetery must be
 17.18 deposited in the state treasury and is
 17.19 appropriated to the commissioner of veterans
 17.20 affairs to design, construct, and equip the
 17.21 remaining cemeteries. Following completion
 17.22 ~~of design~~ of the legislatively authorized
 17.23 Minnesota state veterans cemeteries in
 17.24 Redwood, St. Louis, and Fillmore Counties,
 17.25 final federal reimbursement of predesign and,
 17.26 design, construction, and equipping costs is
 17.27 appropriated to the commissioner for asset
 17.28 preservation of veterans homes statewide, to
 17.29 be spent in accordance with Minnesota
 17.30 Statutes, section 16B.307. Federal
 17.31 reimbursement may be sought for each
 17.32 cemetery and must be spent to acquire land
 17.33 for, to predesign and, design, construct, and
 17.34 equip additional cemeteries, or for asset
 17.35 preservation as provided in this subdivision.

18.1 Notwithstanding Minnesota Statutes, section
 18.2 16A.642, the bond sale authorization and
 18.3 appropriation of bond proceeds for this project
 18.4 are available until December 31, ~~2022~~ 2024.

18.5 Sec. 2. Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 36,
 18.6 is amended to read:

18.7 **Subd. 36. Olmsted County; Trunk Highway 14**
 18.8 **and County Road 104 Interchange Construction** 6,000,000

18.9 For a grant to Olmsted County for the county's
 18.10 share of general obligation bond eligible
 18.11 portions of a project to conduct environmental
 18.12 analysis, and to predesign, design, and
 18.13 engineer, construct, furnish, and equip an
 18.14 interchange at marked Trunk Highway 14 and
 18.15 County Road 104, including a flyover at 7th
 18.16 Street NW, in ~~Olmsted~~ Olmsted County, and
 18.17 associated infrastructure and road work to
 18.18 accommodate the interchange. Any amount
 18.19 remaining after substantial completion of
 18.20 environmental analysis, predesign, design, and
 18.21 engineering work may be applied to the
 18.22 county's share to acquire right-of-way for, and
 18.23 to construct, furnish, and equip, this
 18.24 interchange and associated infrastructure and
 18.25 road work to accommodate the interchange.

18.26 Sec. 3. Laws 2020, Fifth Special Session chapter 3, article 1, section 20, subdivision 5, is
 18.27 amended to read:

18.28 **Subd. 5. Minnesota Correctional Facility - St.**
 18.29 **Cloud** 800,000

18.30 To design, renovate, construct, equip, and
 18.31 install a new fire suppression system in Living
 18.32 Units ~~A, B, and C~~ D and E at the Minnesota
 18.33 Correctional Facility - St. Cloud. This
 18.34 installation includes but is not limited to cells,

19.1 common areas, and control areas and must
 19.2 comply with all applicable codes.

19.3 Sec. 4. Laws 2020, Fifth Special Session chapter 3, article 2, section 2, subdivision 4, is
 19.4 amended to read:

19.5 **Subd. 4. Flood Mitigation** **23,000,000**

19.6 From the bond proceeds account in the trunk
 19.7 highway fund for environmental analysis,
 19.8 predesign, design, engineering, and
 19.9 reconstruction of trunk highways that
 19.10 experience frequent flooding in Sibley County
 19.11 and Le Sueur County, to modify the elevation
 19.12 of the roadways and reduce closures due to
 19.13 river flooding, for portions of the projects that
 19.14 are eligible for trunk highway bond proceeds.

19.15 **Sec. 5. STATE PARKING ACCOUNT.**

19.16 Notwithstanding Laws 2013, chapter 136, section 3, subdivision 5, and Minnesota
 19.17 Statutes, section 16A.643, for fiscal year 2022, the state parking account is not required to
 19.18 make the transfer to the state bond fund mandated by Laws 2013, chapter 136, section 3,
 19.19 subdivision 5. The application of this section shall not otherwise affect the schedule of
 19.20 amounts assessed under Minnesota Statutes, section 16A.643, for the related capital project
 19.21 for the remaining life of the bonds.

19.22 **Sec. 6. EFFECTIVE DATE.**

19.23 This article is effective the day following final enactment.