

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 210

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DATE	D-PG	OFFICIAL STATUS
01/19/2017	359	Introduction and first reading Referred to Capital Investment
01/30/2017	431a	Comm report: To pass as amended and re-refer to Finance Rule 21, referred to Rules and Administration
02/02/2017	460a	Comm report: Amend previous comm report Re-referred to Transportation Finance and Policy
02/22/2017		Comm report: To pass as amended and re-refer to Finance

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; modifying previous appropriations; establishing new programs and

1.5 modifying existing programs; authorizing the sale and issuance of state bonds;

1.6 appropriating money; amending Minnesota Statutes 2016, sections 13.6905, by

1.7 adding a subdivision; 13.7411, by adding a subdivision; 16A.967; 85.34,

1.8 subdivision 1; 115E.042; 160.18, by adding a subdivision; 162.145, subdivision

1.9 3; 174.52, subdivision 2; 219.015; 299A.55; 446A.072; 446A.073; 446A.081,

1.10 subdivision 9; 446A.12, subdivision 1; 462A.37, subdivision 5, by adding a

1.11 subdivision; Laws 2012, chapter 293, section 7, subdivision 3; Laws 2014, chapter

1.12 294, article 1, sections 7, subdivision 15; 17, subdivisions 6, 12; Laws 2015, First

1.13 Special Session chapter 5, article 1, section 10, subdivision 3; proposing coding

1.14 for new law in Minnesota Statutes, chapter 219; repealing Minnesota Statutes

1.15 2016, section 123A.446.

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

1.17 **ARTICLE 1**

1.18 **APPROPRIATIONS**

1.19 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

1.20 The sums shown in the column under "Appropriations" are appropriated from the bond

1.21 proceeds fund, or another named fund, to the state agencies or officials indicated, to be

1.22 spent for public purposes. Appropriations of bond proceeds must be spent as authorized by

1.23 the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public

1.24 land and buildings and other public improvements of a capital nature, or as authorized by

1.25 the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless

1.26 otherwise specified, money appropriated in this article for a capital program or project may

1.27 be used to pay state agency staff costs that are attributed directly to the capital program or

1.28 project in accordance with accounting policies adopted by the commissioner of management

2.1 and budget. Unless otherwise specified, the appropriations in this act are available until the
 2.2 project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless
 2.3 otherwise specified in this article, money appropriated in this article for activities under
 2.4 Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects
 2.5 that can be financed within a reasonable time frame under Minnesota Statutes, section
 2.6 16B.322 or 16C.144. Unless otherwise specified, general fund appropriations in this article
 2.7 are onetime and are in fiscal year 2017.

2.8 APPROPRIATIONS

2.9 Sec. 2. UNIVERSITY OF MINNESOTA

2.10 Subdivision 1. Total Appropriation \$ 81,567,000

2.11 To the Board of Regents of the University of
 2.12 Minnesota for the purposes specified in this
 2.13 section.

2.14 Subd. 2. Higher Education Asset Preservation
 2.15 and Replacement (HEAPR) 50,000,000

2.16 To be spent in accordance with Minnesota
 2.17 Statutes, section 135A.046.

2.18 Subd. 3. Chemical Sciences and Advanced
 2.19 Materials Science Building 27,167,000

2.20 To design, construct, furnish, and equip a new
 2.21 laboratory building on the Duluth campus,
 2.22 including classrooms and research and
 2.23 undergraduate instructional laboratories.

2.24 Subd. 4. Twin Cities - Plant Growth Research
 2.25 Facility 4,400,000

2.26 To demolish the existing biological sciences
 2.27 greenhouse and to predesign, design,
 2.28 construct, furnish, and equip a greenhouse to
 2.29 support learning and research on the St. Paul
 2.30 campus.

2.31 Subd. 5. University Share

2.32 Except for the appropriation for HEAPR, the
 2.33 appropriations in this section are intended to
 2.34 cover approximately two-thirds of the cost of

3.1 each project. The remaining costs must be paid
 3.2 from university sources.

3.3 **Subd. 6. Unspent Appropriations**

3.4 Upon substantial completion of a project
 3.5 authorized in this section and after written
 3.6 notice to the commissioner of management
 3.7 and budget, the Board of Regents must use
 3.8 any money remaining in the appropriation for
 3.9 that project for HEAPR under Minnesota
 3.10 Statutes, section 135A.046. The Board of
 3.11 Regents must report by February 1 of each
 3.12 even-numbered year to the chairs of the house
 3.13 of representatives and senate committees with
 3.14 jurisdiction over capital investment and higher
 3.15 education finance, and to the chairs of the
 3.16 house of representatives Ways and Means
 3.17 Committee and the senate Finance Committee,
 3.18 on how the remaining money has been
 3.19 allocated or spent.

3.20 **Sec. 3. MINNESOTA STATE COLLEGES AND**
 3.21 **UNIVERSITIES**

3.22 **Subdivision 1. Total Appropriation** **\$ 107,487,000**

3.23 To the Board of Trustees of the Minnesota
 3.24 State Colleges and Universities for the
 3.25 purposes specified in this section.

3.26 **Subd. 2. Higher Education Asset Preservation**
 3.27 **and Replacement (HEAPR)** **35,000,000**

3.28 To be spent in accordance with Minnesota
 3.29 Statutes, section 135A.046.

3.30 **Subd. 3. Hibbing Community College** **9,958,000**

3.31 To demolish Building G and connecting links
 3.32 or portions thereof, and to construct, renovate,
 3.33 furnish, and equip buildings, links, and entry
 3.34 spaces on the campus.

4.1	<u>Subd. 4. Minnesota State Community and</u>	
4.2	<u>Technical College</u>	
4.3	<u>(a) Fergus Falls campus</u>	<u>978,000</u>
4.4	<u>To design, renovate, furnish, and equip a new</u>	
4.5	<u>Center for Student and Workforce Success</u>	
4.6	<u>(CSWS) that integrates the Regional</u>	
4.7	<u>Workforce Center. The board must enter into</u>	
4.8	<u>a lease agreement with the commissioner of</u>	
4.9	<u>employment and economic development, or</u>	
4.10	<u>partners of the commissioner, for use of the</u>	
4.11	<u>workforce center subject to Minnesota</u>	
4.12	<u>Statutes, section 16A.695. The board must use</u>	
4.13	<u>nonstate money for the remainder of the cost</u>	
4.14	<u>of the renovation.</u>	
4.15	<u>(b) Wadena campus</u>	<u>820,000</u>
4.16	<u>To design, renovate, furnish, and equip the</u>	
4.17	<u>relocation of the current library to</u>	
4.18	<u>underutilized space and converting the vacated</u>	
4.19	<u>space into a centralized student services center.</u>	
4.20	<u>Subd. 5. Northland Community and Technical</u>	
4.21	<u>College, East Grand Forks</u>	<u>826,000</u>
4.22	<u>To design, renovate, furnish, and equip science</u>	
4.23	<u>and radiological lab space on the East Grand</u>	
4.24	<u>Forks campus.</u>	
4.25	<u>Subd. 6. Riverland Community College, Albert</u>	
4.26	<u>Lea</u>	<u>7,427,000</u>
4.27	<u>To design, construct, furnish, and equip the</u>	
4.28	<u>renovation and expansion of the Trade and</u>	
4.29	<u>Industrial Education Center on the Albert Lea</u>	
4.30	<u>campus of Riverland Community College.</u>	
4.31	<u>Subd. 7. South Central College, North Mankato</u>	<u>8,600,000</u>
4.32	<u>To design, renovate, renew, furnish, and equip</u>	
4.33	<u>laboratory, classroom and office spaces on the</u>	
4.34	<u>North Mankato campus.</u>	
4.35	<u>Subd. 8. St. Cloud State University</u>	<u>18,572,000</u>

5.1 To construct, renovate, furnish, and equip
 5.2 Eastman Hall for the relocation of
 5.3 consolidated student health services and
 5.4 academic programs.

5.5 **Subd. 9. Winona State University, Education**
 5.6 **Village, Phase 2**

25,306,000

5.7 To complete design, construct, renovate,
 5.8 furnish, and equip Phase 2 of the Education
 5.9 Village project, including the renovation of
 5.10 Cathedral and Wabasha Halls and Wabasha
 5.11 Rec, and remove obsolete portions of Wabasha
 5.12 Rec and the Annex building between
 5.13 Cathedral School and Wabasha Rec.

5.14 **Subd. 10. Debt Service**

5.15 (a) Except as provided in paragraph (b), the
 5.16 Board of Trustees shall pay the debt service
 5.17 on one-third of the principal amount of state
 5.18 bonds sold to finance projects authorized by
 5.19 this section. After each sale of general
 5.20 obligation bonds, the commissioner of
 5.21 management and budget shall notify the board
 5.22 of the amounts assessed for each year for the
 5.23 life of the bonds.

5.24 (b) The board need not pay debt service on
 5.25 bonds sold to finance HEAPR. Where a
 5.26 nonstate match is required, the debt service is
 5.27 due on a principal amount equal to one-third
 5.28 of the total project cost, less the match
 5.29 committed before the bonds are sold.

5.30 (c) The commissioner of management and
 5.31 budget shall reduce the board's assessment
 5.32 each year by one-third of the net income from
 5.33 investment of general obligation bond
 5.34 proceeds in proportion to the amount of
 5.35 principal and interest otherwise required to be

6.1 paid by the board. The board shall pay its
6.2 resulting net assessment to the commissioner
6.3 of management and budget by December 1
6.4 each year. If the board fails to make a payment
6.5 when due, the commissioner of management
6.6 and budget shall reduce allotments for
6.7 appropriations from the general fund otherwise
6.8 available to the board and apply the amount
6.9 of the reduction to cover the missed debt
6.10 service payment. The commissioner of
6.11 management and budget shall credit the
6.12 payments received from the board to the bond
6.13 debt service account in the state bond fund
6.14 each December 1 before money is transferred
6.15 from the general fund under Minnesota
6.16 Statutes, section 16A.641, subdivision 10.

6.17 **Subd. 11. Unspent Appropriations**

6.18 (a) Upon substantial completion of a project
6.19 authorized in this section and after written
6.20 notice to the commissioner of management
6.21 and budget, the board must use any money
6.22 remaining in the appropriation for that project
6.23 for HEAPR under Minnesota Statutes, section
6.24 135A.046. The Board of Trustees must report
6.25 by February 1 of each even-numbered year to
6.26 the chairs of the house of representatives and
6.27 senate committees with jurisdiction over
6.28 capital investment and higher education
6.29 finance, and to the chairs of the house of
6.30 representatives Ways and Means Committee
6.31 and the senate Finance Committee, on how
6.32 the remaining money has been allocated or
6.33 spent.

6.34 (b) The unspent portion of an appropriation
6.35 for a project in this section that is complete is

7.1 available for HEAPR under this subdivision,
 7.2 at the same campus as the project for which
 7.3 the original appropriation was made and the
 7.4 debt service requirement under subdivision
 7.5 10 is reduced accordingly. Minnesota Statutes,
 7.6 section 16A.642, applies from the date of the
 7.7 original appropriation to the unspent amount
 7.8 transferred.

7.9 **Sec. 4. EDUCATION**

7.10 **Subdivision 1. Total Appropriation** **\$ 18,070,000**

7.11 To the commissioner of education for the
 7.12 purposes specified in this section.

7.13 **Subd. 2. Library Construction Grants** **2,000,000**

7.14 For library construction grants under
 7.15 Minnesota Statutes, section 134.45.

7.16 **Subd. 3. Red Lake - Independent School District**
 7.17 **No. 38 Facility Projects** **14,070,000**

7.18 (a) This appropriation is from the maximum
 7.19 effort school loan fund for a capital loan to
 7.20 Independent School District No. 38, Red Lake,
 7.21 as provided in Minnesota Statutes, sections
 7.22 126C.60 to 126C.72. This appropriation is to
 7.23 complete design and construction of a
 7.24 connection structure between the Red Lake
 7.25 Early Learning Childhood Center and Red
 7.26 Lake Elementary School; renovations to
 7.27 various classrooms, labs, and support rooms;
 7.28 updating of mechanical systems; and
 7.29 expansion of the cafeteria. Before any capital
 7.30 loan contract is approved under this
 7.31 subdivision, the district must provide
 7.32 documentation acceptable to the commissioner
 7.33 of education on how the capital loan will be
 7.34 used.

8.1 (b) The commissioner of administration may
 8.2 provide project management services to assist
 8.3 the Department of Education with oversight
 8.4 of the project. No money for construction may
 8.5 be distributed by the commissioner of
 8.6 education to the recipient school district until
 8.7 bids have been received on 100 percent of the
 8.8 construction documents and satisfactory
 8.9 documentation has been submitted to the
 8.10 commissioner of education indicating the
 8.11 project can be fully completed with money
 8.12 available for the project.

8.13 (c) Notwithstanding the timelines in Minnesota
 8.14 Statutes, section 126C.69, subdivision 11,
 8.15 Independent School District No. 38, Red Lake,
 8.16 must submit the question authorizing the
 8.17 borrowing of money for the facilities to voters
 8.18 of the district at the first general election after
 8.19 the effective date of this section.

8.20 Subd. 4. **Grand Rapids - Myles Reif Center** 500,000

8.21 From the general fund for a grant to
 8.22 Independent School District No. 318, Grand
 8.23 Rapids, to cover cost overruns for the Myles
 8.24 Reif Center for the Performing Arts project in
 8.25 Grand Rapids. This appropriation is added to
 8.26 and is for the same purposes as the project in
 8.27 Laws 2014, chapter 294, article 1, section 21,
 8.28 subdivision 8. This appropriation does not
 8.29 require a nonstate contribution.

8.30 Subd. 5. **Olmsted County - Dyslexia Institute of**
 8.31 Minnesota 1,500,000

8.32 For a grant to Olmsted County to acquire land
 8.33 for and to predesign, design, construct, furnish,
 8.34 and equip a facility in Olmsted County to
 8.35 support the local, regional, and national

9.1 literacy work of the Dyslexia Institute of
 9.2 Minnesota, subject to Minnesota Statutes,
 9.3 section 16A.695. This appropriation is not
 9.4 available until the commissioner of
 9.5 management and budget determines that an
 9.6 equal amount is committed from nonstate
 9.7 sources.

9.8 **Sec. 5. MINNESOTA STATE ACADEMIES**

9.9 **Subdivision 1. Total Appropriation** **\$ 2,050,000**

9.10 To the commissioner of administration for the
 9.11 purposes specified in this section.

9.12 **Subd. 2. Asset Preservation** **2,000,000**

9.13 For capital asset preservation improvements
 9.14 and betterments on both campuses of the
 9.15 Minnesota State Academies, to be spent in
 9.16 accordance with Minnesota Statutes, section
 9.17 16B.307.

9.18 **Subd. 3. Security Corridor** **50,000**

9.19 For predesign for a safety corridor on the
 9.20 Minnesota State Academy for the Deaf
 9.21 campus.

9.22 **Sec. 6. NATURAL RESOURCES**

9.23 **Subdivision 1. Total Appropriation** **\$ 63,211,000**

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

9.26 (b) The appropriations in this section are
 9.27 subject to the requirements of the natural
 9.28 resources capital improvement program under
 9.29 Minnesota Statutes, section 86A.12, unless
 9.30 this section or the statutes referred to in this
 9.31 section provide more specific standards,

10.1 criteria, or priorities for projects than

10.2 Minnesota Statutes, section 86A.12.

10.3 **Subd. 2. Natural Resources Asset Preservation**

25,866,000

10.4 For the renovation of state-owned facilities

10.5 and recreational assets operated by the

10.6 commissioner of natural resources to be spent

10.7 in accordance with Minnesota Statutes, section

10.8 84.946. Notwithstanding Minnesota Statutes,

10.9 section 84.946: (1) the commissioner may use

10.10 this appropriation to replace buildings if,

10.11 considering the embedded energy in the

10.12 building, that is the most energy-efficient and

10.13 carbon-reducing method of renovation; and

10.14 (2) this appropriation may be used for projects

10.15 to remove life safety hazards such as building

10.16 code violations or structural defects.

10.17 **Subd. 3. Flood Hazard Mitigation**

11,555,000

10.18 (a) For the state share of flood hazard

10.19 mitigation grants for publicly owned capital

10.20 improvements to prevent or alleviate flood

10.21 damage under Minnesota Statutes, section

10.22 103F.161.

10.23 (b) Levee projects, to the extent practical, shall

10.24 meet the state standard of three feet above the

10.25 100-year flood elevation.

10.26 (c) Project priorities shall be determined by

10.27 the commissioner as appropriate and based on

10.28 need.

10.29 (d) This appropriation includes \$1,700,000 for

10.30 the Cedar River Watershed District, \$750,000

10.31 for the city of Browns Valley project, and

10.32 \$1,800,000 for the city of Ortonville project.

10.33 (e) For any project listed in this subdivision

10.34 that the commissioner determines is not ready

11.1 to proceed or does not expend all the money
 11.2 allocated to it, the commissioner may allocate
 11.3 that project's money to a project on the
 11.4 commissioner's priority list.

11.5 (f) To the extent that the cost of a project
 11.6 exceeds two percent of the median household
 11.7 income in a municipality or township
 11.8 multiplied by the number of households in the
 11.9 municipality or township, this appropriation
 11.10 is also for the local share of the project.

11.11 (g) To the extent practicable and consistent
 11.12 with the project, recipients of appropriations
 11.13 for flood damage reduction projects in this
 11.14 subdivision shall create wetlands that are
 11.15 eligible for wetland replacement credit to
 11.16 replace wetlands drained or filled as a result
 11.17 of repair, reconstruction, replacement, or
 11.18 rehabilitation of an existing public road under
 11.19 Minnesota Statutes, section 103G.222,
 11.20 subdivision 1, paragraphs (l) and (m).

11.21 (h) Wetlands established by flood control
 11.22 projects funded in this subdivision that are not
 11.23 needed for replacement credit as part of a
 11.24 flood damage project funded in this
 11.25 subdivision, are eligible for wetland
 11.26 replacement credit under Minnesota Statutes,
 11.27 sections 103G.222 to 103G.2243.

11.28 **Subd. 4. Dam Renovation, Repair, Removal**

9,000,000

11.29 For design, engineering, and construction to
 11.30 repair, reconstruct, or remove dams and
 11.31 respond to dam safety emergencies. The
 11.32 commissioner shall determine project priorities
 11.33 as appropriate under Minnesota Statutes,
 11.34 sections 103G.511 and 103G.515. Of this
 11.35 appropriation:

- 12.1 \$500,000 is for emergencies on state-owned
 12.2 dams;
- 12.3 \$3,600,000 is for a grant to the city of
 12.4 Lanesboro for repair of the Lanesboro dam
 12.5 and notwithstanding the match requirements
 12.6 in Minnesota Statutes, section 103G.511, does
 12.7 not require a nonstate contribution. This
 12.8 includes funding for repairs of the hydropower
 12.9 system;
- 12.10 \$2,500,000 is for repairs of the Lake Bronson
 12.11 dam;
- 12.12 \$500,000 is for a grant to the city of Pelican
 12.13 Rapids for engineering work for the Pelican
 12.14 Rapids dam;
- 12.15 \$200,000 is for a grant to the city of Pine
 12.16 River for engineering work on the Norway
 12.17 Lake dam;
- 12.18 \$200,000 is for a grant to Yellow Medicine
 12.19 County for the Canby R-6 impoundment dam;
- 12.20 \$100,000 is for a grant to St. Louis County for
 12.21 the Little Stone Lake dam; and
- 12.22 \$1,400,000 is for state dams at Brawner, West
 12.23 Leaf Lake, Collinwood, Grindstone River, and
 12.24 Sullivan.
- 12.25 If the commissioner determines that a project
 12.26 is not ready to proceed, this appropriation may
 12.27 be used for other projects on the
 12.28 commissioner's priority list.
- 12.29 **Subd. 5. Reforestation and Stand Improvement**
- 12.30 To provide for reforestation and stand
 12.31 improvement on state forest lands to meet the
 12.32 reforestation requirements of Minnesota
 12.33 Statutes, section 89.002, subdivision 2,

1,000,000

13.1 including purchasing native seeds and native
 13.2 seedlings, planting, seeding, site preparation,
 13.3 and protection on state lands administered by
 13.4 the commissioner.

13.5 **Subd. 6. State Trail and Recreation Area**
 13.6 **Development**

11,490,000

13.7 \$2,000,000 is for acquisition and development
 13.8 of the Gitchi-Gami State Trail, Grand Marais
 13.9 to Cascade State Park, and through the town
 13.10 of Tofte.

13.11 \$2,590,000 is for the Glacial Lakes Trail, to
 13.12 complete an approximately 6-1/4 mile trail
 13.13 connection between New London and Sibley
 13.14 State Park, and repair of the bicycle trail in
 13.15 Sibley State Park.

13.16 \$3,300,000 is to design, develop, and complete
 13.17 the Heartland State Trail from Detroit Lakes
 13.18 to Frazee and, to the extent there is sufficient
 13.19 money, for work on the spur from Park Rapids
 13.20 to Itasca State Park.

13.21 \$3,600,000 is for acquisition and development
 13.22 in the Cuyuna Country State Recreation Area,
 13.23 including the Cuyuna Mountain Bike System.

13.24 **Subd. 7. Champlin - Mill Pond**

3,300,000

13.25 For a grant to the city of Champlin to dredge
 13.26 and remove sediment and for other capital
 13.27 improvements of the Champlin Mill Pond
 13.28 necessary to improve water quality, restore
 13.29 fish habitat, and provide other public benefits.

13.30 **Subd. 8. Lake County - Prospectors ATV Trail**
 13.31 **System**

1,000,000

13.32 For a grant to Lake County for construction,
 13.33 including bridges, of the Prospectors ATV
 13.34 Trail System linking the communities of Ely,

14.1 Babbitt, Embarrass, and Tower; Bear Head
 14.2 Lake and Lake Vermilion-Soudan
 14.3 Underground Mine State Parks; the Taconite
 14.4 State Trail; and the Lake County Regional
 14.5 ATV Trail System. This appropriation is not
 14.6 available until the commissioner of
 14.7 management and budget determines that an
 14.8 equal amount is committed from other sources.

14.9 **Subd. 9. Unspent Appropriations**

14.10 The unspent portion of an appropriation for a
 14.11 project in this section that is complete, upon
 14.12 written notice to the commissioner of
 14.13 management and budget, is available for asset
 14.14 preservation under Minnesota Statutes, section
 14.15 84.946. Minnesota Statutes, section 16A.642,
 14.16 applies from the date of the original
 14.17 appropriation to the unspent amount
 14.18 transferred.

14.19 **Sec. 7. POLLUTION CONTROL AGENCY**

14.20 **Subdivision 1. Total Appropriation** **\$ 30,405,000**

14.21 To the commissioner of the Pollution Control
 14.22 Agency for the purposes specified in this
 14.23 section.

14.24 **Subd. 2. St. Louis River Cleanup** **12,705,000**

14.25 To design and implement contaminated
 14.26 sediment management actions identified in
 14.27 the St. Louis River remedial action plan to
 14.28 restore water quality in the St. Louis River
 14.29 Area of Concern. The agency shall enter into
 14.30 partnership agreements with federal agencies,
 14.31 where possible, to complete this project work
 14.32 by December 31, 2020.

14.33 **Subd. 3. Closed Landfill Cleanup** **650,000**

15.1 To design and construct remedial systems and
 15.2 acquire land at closed landfills throughout the
 15.3 state in accordance with the closed landfill
 15.4 program under Minnesota Statutes, sections
 15.5 115B.39 to 115B.42. The agency must follow
 15.6 the agency priorities, which includes a
 15.7 construction project at the waste disposal
 15.8 engineering (WDE) site in Anoka County.

15.9 **Subd. 4. Capital Assistance Program**

9,250,000

15.10 (a) For the solid waste capital assistance grant
 15.11 program under Minnesota Statutes, section
 15.12 115A.54.

15.13 (b) Of this appropriation, \$9,250,000 is for a
 15.14 grant to Polk County to complete a regional
 15.15 integrated solid waste management system.
 15.16 An additional renewable energy component
 15.17 shall not be mandated as a requirement of this
 15.18 project to qualify for funding under this
 15.19 section.

15.20 **Subd. 5. Redwood-Cottonwood Rivers Joint**
 15.21 **Powers - Lake Redwood Reclamation and**
 15.22 **Enhancement Project**

7,800,000

15.23 For a grant to the Redwood-Cottonwood
 15.24 Rivers control area, a joint powers entity, to
 15.25 predesign, design, construct, and equip the
 15.26 reservoir reclamation and enhancement of the
 15.27 66-acre Lake Redwood Reservoir, to remove
 15.28 approximately 650,000 cubic yards of
 15.29 sediment and increase its depth from
 15.30 approximately 2.8 feet to approximately 20
 15.31 feet in order to secure renewable energy
 15.32 capacity of the hydroelectric dam which is
 15.33 impeded by lack of water capacity, reduce the
 15.34 flow of pollutants to the Minnesota River, and
 15.35 increase fish habitat and enhance recreational
 15.36 opportunities.

16.1 **Sec. 8. BOARD OF WATER AND SOIL**
 16.2 **RESOURCES**

16.3 **Subdivision 1. Total Appropriation** **\$ 15,000,000**

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

16.6 **Subd. 2. Reinvest in Minnesota (RIM) Reserve**
 16.7 **Program** **10,000,000**

16.8 (a) To acquire conservation easements from
 16.9 landowners to preserve, restore, create, and
 16.10 enhance wetlands and associated uplands of
 16.11 prairie and grasslands, and restore and enhance
 16.12 rivers and streams, riparian lands, and
 16.13 associated uplands of prairie and grasslands
 16.14 in order to protect soil and water quality,
 16.15 support fish and wildlife habitat, reduce flood
 16.16 damage, and provide other public benefits.

16.17 The provisions of Minnesota Statutes, section
 16.18 103F.515, apply to this program.

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

16.24 (c) The board is authorized to enter into new
 16.25 agreements and amend past agreements with
 16.26 landowners as required by Minnesota Statutes,
 16.27 section 103F.515, subdivision 5, to allow for
 16.28 restoration. Of this appropriation, up to five
 16.29 percent may be used for restoration and
 16.30 enhancement.

16.31 **Subd. 3. Local Government Roads Wetland**
 16.32 **Replacement Program** **5,000,000**

16.33 To acquire land or permanent easements and
 16.34 to restore, create, enhance, and preserve
 16.35 wetlands to replace those wetlands drained or

17.1 filled as a result of the repair, reconstruction,
 17.2 replacement, or rehabilitation of existing
 17.3 public roads as required by Minnesota
 17.4 Statutes, section 103G.222, subdivision 1,
 17.5 paragraphs (l) and (m). The board may vary
 17.6 the priority order of Minnesota Statutes,
 17.7 section 103G.222, subdivision 3, paragraph
 17.8 (a), to implement an in-lieu fee agreement
 17.9 approved by the U.S. Army Corps of
 17.10 Engineers under section 404 of the Clean
 17.11 Water Act. The purchase price paid for
 17.12 acquisition of land or perpetual easement must
 17.13 be a fair market value as determined by the
 17.14 board. The board may enter into agreements
 17.15 with the federal government, other state
 17.16 agencies, political subdivisions, nonprofit
 17.17 organizations, fee title owners, or other
 17.18 qualified private entities to acquire wetland
 17.19 replacement credits in accordance with
 17.20 Minnesota Rules, chapter 8420.

17.21 **Sec. 9. AGRICULTURE**

17.22 **Subdivision 1. Total Appropriations** **\$ 2,824,000**

17.23 To the commissioner of agriculture for the
 17.24 purposes specified in this section.

17.25 **Subd. 2. Agriculture Lab** **2,218,000**

17.26 From the general fund for equipment and
 17.27 instruments for the agriculture laboratory. This
 17.28 appropriation is available until June 30, 2022.

17.29 **Subd. 3. AURI** **606,000**

17.30 From the general fund for a grant to
 17.31 Agricultural Utilization Research Institute
 17.32 (AURI) for construction of a development
 17.33 kitchen, sensory lab, and safety and security
 17.34 upgrades at AURI's Marshall facility and for

18.1 communications and information technology
 18.2 upgrades at the Crookston, Marshall, and
 18.3 Waseca facilities.

18.4 **Sec. 10. RURAL FINANCE AUTHORITY** **\$ 35,000,000**

18.5 For the purposes set forth in the Minnesota
 18.6 Constitution, article XI, section 5, paragraph
 18.7 (h), to the Rural Finance Authority to purchase
 18.8 participation interests in or to make direct
 18.9 agricultural loans to farmers under Minnesota
 18.10 Statutes, chapter 41B. This appropriation is
 18.11 from the bond proceeds account in the rural
 18.12 finance administration fund and is for the
 18.13 beginning farmer program under Minnesota
 18.14 Statutes, section 41B.039; the loan
 18.15 restructuring program under Minnesota
 18.16 Statutes, section 41B.04; the seller-sponsored
 18.17 program under Minnesota Statutes, section
 18.18 41B.042; the agricultural improvement loan
 18.19 program under Minnesota Statutes, section
 18.20 41B.043; and the livestock expansion loan
 18.21 program under Minnesota Statutes, section
 18.22 41B.045. All debt service on bond proceeds
 18.23 used to finance this appropriation must be
 18.24 repaid by the Rural Finance Authority under
 18.25 Minnesota Statutes, section 16A.643. Loan
 18.26 participations must be priced to provide full
 18.27 interest and principal coverage and a reserve
 18.28 for potential losses. Priority for loans must be
 18.29 given first to basic beginning farmer loans,
 18.30 second to seller-sponsored loans, and third to
 18.31 agricultural improvement loans.

18.32 **Sec. 11. MINNESOTA ZOOLOGICAL**
 18.33 **GARDEN**

18.34 **Subdivision 1. Total Appropriation** **\$ 4,000,000**

- 19.1 To the Minnesota Zoological Garden Board
- 19.2 for the purposes specified in this section.
- 19.3 **Subd. 2. Asset Preservation** 4,000,000
- 19.4 For capital asset preservation improvements
- 19.5 and betterments to infrastructure and exhibits
- 19.6 at the Minnesota Zoo, to be spent in
- 19.7 accordance with Minnesota Statutes, section
- 19.8 16B.307. Notwithstanding the specified uses
- 19.9 of money under Minnesota Statutes, section
- 19.10 16B.307, the board may use this appropriation
- 19.11 to replace buildings that are poor in condition,
- 19.12 outdated, and no longer support the work of
- 19.13 the Minnesota Zoo and to construct and
- 19.14 renovate trails and roads on the Minnesota
- 19.15 Zoo site.
- 19.16 **Sec. 12. ADMINISTRATION**
- 19.17 **Subdivision 1. Total Appropriation** **\$ 26,178,000**
- 19.18 To the commissioner of administration for the
- 19.19 purposes specified in this section.
- 19.20 **Subd. 2. Centennial Parking Ramp** 10,878,000
- 19.21 (a) To complete design and for structural
- 19.22 repairs to the Centennial parking ramp,
- 19.23 including removal of the top deck green space
- 19.24 to provide additional parking capacity,
- 19.25 repairing damaged post-tension cables, and
- 19.26 installation of a deck surface protection
- 19.27 coating.
- 19.28 (b) Any unexpended amount of this
- 19.29 appropriation after completing the project in
- 19.30 paragraph (a) may be used to design and
- 19.31 construct a storm water retention basin
- 19.32 adjacent to the Centennial parking ramp, if the

20.1	<u>commissioner of administration determines</u>	
20.2	<u>that the basin is feasible.</u>	
20.3	<u>Subd. 3. Capital Asset Preservation and</u>	
20.4	<u>Replacement Account</u>	<u>2,500,000</u>
20.5	<u>To be spent in accordance with Minnesota</u>	
20.6	<u>Statutes, section 16A.632.</u>	
20.7	<u>Subd. 4. Capitol Complex Monuments and</u>	
20.8	<u>Memorials</u>	<u>350,000</u>
20.9	<u>To design and complete critical repairs to the</u>	
20.10	<u>Peace Officers and Roy Wilkins Memorials</u>	
20.11	<u>located on the Capitol complex.</u>	
20.12	<u>Subd. 5. Capitol Complex - Physical Security</u>	
20.13	<u>Upgrades</u>	<u>10,500,000</u>
20.14	<u>For the design, construction, and equipping</u>	
20.15	<u>required to upgrade the physical security</u>	
20.16	<u>elements and systems for one or more of the</u>	
20.17	<u>buildings listed below, their attached tunnel</u>	
20.18	<u>systems and surrounding grounds, and parking</u>	
20.19	<u>facilities as identified in the 2014 Minnesota</u>	
20.20	<u>State Capitol Complex Physical Security Study</u>	
20.21	<u>conducted by Miller Dunwiddie Architecture.</u>	
20.22	<u>Work includes but is not limited to the</u>	
20.23	<u>installation of bollards, blast protection,</u>	
20.24	<u>infrastructure security screen walls, door</u>	
20.25	<u>access controls, emergency call stations,</u>	
20.26	<u>security kiosks, locking devices, and traffic</u>	
20.27	<u>control to the extent these funds allow. This</u>	
20.28	<u>appropriation is for work associated with one</u>	
20.29	<u>or more of the following buildings:</u>	
20.30	<u>Administration, Centennial, Judicial,</u>	
20.31	<u>Ag/Health Lab, Minnesota History Center,</u>	
20.32	<u>Minnesota History Center Loading Dock,</u>	
20.33	<u>Capitol Complex Power Plant and Shops,</u>	
20.34	<u>Stassen, State Office, and Veterans Service.</u>	
20.35	<u>Subd. 6. Granite Falls - Pioneer Public Television</u>	<u>1,950,000</u>

21.1 From the general fund to provide an equipment
 21.2 grant to Pioneer Public Television as part of
 21.3 the station's construction of a new facility in
 21.4 Granite Falls, Minnesota. The money may be
 21.5 used to purchase and install equipment
 21.6 necessary to the station's operation. This
 21.7 appropriation does not require a nonstate
 21.8 contribution.

21.9 **Sec. 13. MN.IT** **\$** **\$1,432,000**

21.10 To the commissioner of administration to
 21.11 predesign, design, construct, renovate, furnish,
 21.12 and equip existing state data center facilities
 21.13 at the Bureau of Criminal Apprehension's
 21.14 Maryland Avenue office building and at the
 21.15 Department of Revenue's Stassen Office
 21.16 Building for the purpose of decommissioning
 21.17 and repurposing into usable space.

21.18 **Sec. 14. MILITARY AFFAIRS** **\$** **2,500,000**

21.19 To the adjutant general for asset preservation
 21.20 improvements and betterments of a capital
 21.21 nature at military affairs facilities statewide,
 21.22 to be spent in accordance with Minnesota
 21.23 Statutes, section 16B.307.

21.24 **Sec. 15. PUBLIC SAFETY** **\$** **3,521,000**

21.25 To the adjutant general to predesign, design,
 21.26 construct, and equip a joint emergency railroad
 21.27 and pipeline emergency response training
 21.28 facility at Camp Ripley. The project includes
 21.29 construction of stations and capital
 21.30 infrastructure needed for mock disaster
 21.31 training, including infrastructure for training
 21.32 in hazardous materials abatement and site
 21.33 recovery work.

22.1	Sec. 16. <u>TRANSPORTATION</u>	
22.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 272,795,000</u>
22.3	<u>To the commissioner of transportation for the</u>	
22.4	<u>purposes specified in this section.</u>	
22.5	<u>Subd. 2. Local Bridge Replacement and</u>	
22.6	<u>Rehabilitation</u>	<u>90,000,000</u>
22.7	<u>From the bond proceeds account in the state</u>	
22.8	<u>transportation fund to match federal money</u>	
22.9	<u>and to replace or rehabilitate local deficient</u>	
22.10	<u>bridges as provided in Minnesota Statutes,</u>	
22.11	<u>section 174.50.</u>	
22.12	<u>Subd. 3. Local Road Improvement Fund Grants</u>	<u>141,196,000</u>
22.13	<u>(a) From the bond proceeds account in the</u>	
22.14	<u>state transportation fund as provided in</u>	
22.15	<u>Minnesota Statutes, section 174.50, for grants</u>	
22.16	<u>under Minnesota Statutes, section 174.52,</u>	
22.17	<u>subdivision 2, for construction and</u>	
22.18	<u>reconstruction of local roads with statewide</u>	
22.19	<u>or regional significance under Minnesota</u>	
22.20	<u>Statutes, section 174.52, subdivision 4, or for</u>	
22.21	<u>grants to counties to assist in paying the costs</u>	
22.22	<u>of rural road safety capital improvement</u>	
22.23	<u>projects on county state-aid highways under</u>	
22.24	<u>Minnesota Statutes, section 174.52,</u>	
22.25	<u>subdivision 4a.</u>	
22.26	<u>(b) Of this amount, \$9,000,000 is for a grant</u>	
22.27	<u>to Anoka County to complete the design, land</u>	
22.28	<u>acquisition, engineering, and construction of</u>	
22.29	<u>County State-Aid Highway 23, known as Lake</u>	
22.30	<u>Drive, County State-Aid Highway 54, known</u>	
22.31	<u>as West Freeway Drive, and to Hornsby Street</u>	
22.32	<u>in the city of Columbus to support the overall</u>	
22.33	<u>interchange project.</u>	

23.1 (c) Of this amount, \$1,000,000 is for a grant
23.2 to the town of Appleton in Swift County for
23.3 upgrades to an existing township road to
23.4 provide for a paved, ten-ton capacity township
23.5 road extending between marked Trunk
23.6 Highways 7 and 119.

23.7 (d) This appropriation includes money for a
23.8 grant to the city of Baxter for 50 percent of
23.9 total project cost for the acquisition of land or
23.10 interests in land, environmental analysis and
23.11 environmental cleanup, predesign, design,
23.12 engineering, and construction of improvements
23.13 to Cypress Drive, including expansion to a
23.14 four-lane divided urban roadway, between
23.15 Excelsior Road and College Road.

23.16 (e) Of this amount, \$3,246,000 is for a grant
23.17 to the city of Blaine to predesign, design, and
23.18 reconstruct 105th Avenue in the vicinity of
23.19 the National Sports Center in Blaine. The
23.20 reconstruction will include changing the street
23.21 from five lanes to four lanes with median, turn
23.22 lanes, sidewalk, trail, landscaping, lighting,
23.23 and consolidation of access driveways. This
23.24 appropriation is not available until the
23.25 commissioner of management and budget
23.26 determines that at least \$3,000,000 is
23.27 committed to the project from sources
23.28 available to the city, including municipal state
23.29 aid and county turnback funds.

23.30 (f) Of this amount, \$25,000,000 is for a grant
23.31 to Hennepin County for design, right-of-way
23.32 acquisition, engineering, and construction of
23.33 public improvements related to the Interstate
23.34 Highway 35W and Lake Street access project
23.35 and related improvements within the Interstate

24.1 Highway 35W corridor. This appropriation is
 24.2 not available until the commissioner of
 24.3 management and budget determines that an
 24.4 amount sufficient to complete the Interstate
 24.5 Highway 35W and Lake Street access project
 24.6 has been committed to the project.

24.7 (g) Of this amount, \$20,500,000 is for a grant
 24.8 to Ramsey County for preliminary and final
 24.9 design, right-of-way acquisition, engineering,
 24.10 contract administration, and construction of
 24.11 public improvements related to the
 24.12 construction of the interchange of marked
 24.13 Interstate Highway 694 and Rice Street,
 24.14 Ramsey County State-Aid Highway 49, in
 24.15 Ramsey County.

24.16 (h) Of this amount, \$700,000 is for a grant to
 24.17 Redwood County for paving Nobles Avenue
 24.18 as the main access road to a new State
 24.19 Veterans Cemetery to be located in Paxton
 24.20 Township.

24.21 **Subd. 4. Rail Grade Separations** 26,749,000

24.22 To design and construct rail safety projects at
 24.23 highway-rail grade crossings in accordance
 24.24 with Minnesota Statutes, section 219.016. Of
 24.25 this appropriation:

24.26 (1) \$11,987,000 is for a grant to Anoka County
 24.27 for environmental analysis, design,
 24.28 engineering, removal of an existing structure,
 24.29 and construction of a rail grade crossing
 24.30 separation at Anoka County State-Aid
 24.31 Highway 78, known as Hanson Boulevard, in
 24.32 Coon Rapids.

24.33 (2) \$14,762,000 is for a grant to the city of
 24.34 Red Wing for environmental analysis, design,

- 25.1 engineering, removal of an existing structure,
 25.2 and construction of a rail grade crossing
 25.3 separation at Sturgeon Lake Road.
- 25.4 **Subd. 5. Railroad Warning Devices** 1,000,000
- 25.5 To design, construct, and equip new rail grade
 25.6 crossing warning safety devices at active
 25.7 highway-rail grade crossings, or to replace
 25.8 active highway-rail grade warning safety
 25.9 devices that have reached the end of their
 25.10 useful life.
- 25.11 **Subd. 6. Minnesota Valley Regional Rail**
 25.12 **Authority** 4,000,000
- 25.13 For a grant to the Minnesota Valley Regional
 25.14 Rail Authority for the rehabilitation of a
 25.15 portion of the railroad track between Winthrop
 25.16 and Hanley Falls. The grant under this
 25.17 subdivision may also be used for any required
 25.18 environmental documentation and
 25.19 remediation, predesign, design, and
 25.20 rehabilitation or replacement of bridges with
 25.21 new bridges or culverts between Winthrop and
 25.22 Hanley Falls. A grant under this section is in
 25.23 addition to any grant, loan, or loan guarantee
 25.24 for this project made by the commissioner
 25.25 under Minnesota Statutes, sections 222.46 to
 25.26 222.62. This appropriation is in addition to
 25.27 the appropriations in Laws 2006, chapter 258,
 25.28 section 16, subdivision 6; Laws 2008, chapter
 25.29 179, section 16, subdivision 5; Laws 2009,
 25.30 chapter 93, article 1, section 11, subdivision
 25.31 4; Laws 2010, chapter 189, section 15,
 25.32 subdivision 5; and Laws 2015, First Special
 25.33 Session chapter 5, article 1, section 10,
 25.34 subdivision 4.
- 25.35 **Subd. 7. Hugo - Short Line Railway** 1,100,000

26.1 For a grant to Minnesota Commercial Railway
 26.2 for construction of repairs and other capital
 26.3 improvements to approximately 6.5 miles of
 26.4 railroad track described as that portion of the
 26.5 Minnesota Commercial Railway main running
 26.6 lead, between M & D Junction in White Bear
 26.7 Lake and the end of the track in Hugo. This
 26.8 appropriation must be used for the purposes
 26.9 set forth in the Minnesota Constitution, article
 26.10 XI, section 5, clause (i), to improve and
 26.11 rehabilitate railroad rights-of-way and other
 26.12 rail facilities, whether public or private. This
 26.13 appropriation does not require a nonstate
 26.14 match.

26.15 **Subd. 8. Port Development Assistance** 5,000,000

26.16 For grants under Minnesota Statutes, chapter
 26.17 457A. Any improvements made with the
 26.18 proceeds of these grants must be publicly
 26.19 owned.

26.20 **Subd. 9. International Falls-Koochiching County**
 26.21 **Airport Commission** 3,000,000

26.22 (a) For a grant to the International
 26.23 Falls-Koochiching County Airport
 26.24 Commission for the following improvements
 26.25 to the Falls International Airport:

26.26 (1) demolition of the existing terminal
 26.27 building;

26.28 (2) rehabilitation;

26.29 (3) site preparation, including utilities and civil
 26.30 work;

26.31 (4) design, construction, furnishing, and
 26.32 equipping Phase II of the new terminal
 26.33 building, including a Transportation Safety
 26.34 Administration office, weather office,

27.1 conference room, circulation corridor, airport
 27.2 administration offices, United States Customs
 27.3 and Border Protection storage rooms, offices,
 27.4 restrooms, passenger-processing area,
 27.5 wet-hold room, interview room, search room,
 27.6 precustoms and postcustoms passenger waiting
 27.7 areas, and vestibule; and

27.8 (5) associated appurtenances of a capital
 27.9 nature.

27.10 (b) After completion of the improvements
 27.11 under paragraph (a), any unspent money from
 27.12 this appropriation may be used by the
 27.13 International Falls-Koochiching County
 27.14 Airport Commission for a commercial airline
 27.15 apron expansion project at the Falls
 27.16 International Airport.

27.17 (c) This appropriation does not require a
 27.18 nonstate contribution or match.

27.19 **Subd. 10. Grand Rapids - Pedestrian Bridge** 750,000

27.20 For a grant to the city of Grand Rapids to
 27.21 design the construction of a bridge over the
 27.22 Mississippi River for pedestrian and bicycle
 27.23 use to provide a safe alternative route to the
 27.24 existing marked Trunk Highway 169 vehicle
 27.25 bridge, and to serve as a connection to existing
 27.26 trail systems on each side of the river. This
 27.27 appropriation is not available until the
 27.28 commissioner determines that an equal amount
 27.29 has been committed to the project from
 27.30 nonstate sources.

27.31 **Sec. 17. METROPOLITAN COUNCIL**

27.32 **Subdivision 1. Total Appropriation** **\$ 40,350,000**

- 28.1 To the Metropolitan Council for the purposes
 28.2 specified in this section.
- 28.3 **Subd. 2. Metropolitan Regional Parks and Trails**
 28.4 **Capital Improvements** 5,000,000
- 28.5 For the cost of improvements and betterments
 28.6 of a capital nature and acquisition by the
 28.7 council and local government units of regional
 28.8 recreational open-space lands in accordance
 28.9 with the council's policy plan as provided in
 28.10 Minnesota Statutes, section 473.147. This
 28.11 appropriation must not be used to purchase
 28.12 easements.
- 28.13 **Subd. 3. Metro Orange Line BRT** 12,100,000
- 28.14 Up to \$12,100,000, but an amount that is no
 28.15 more than ten percent of the total project cost,
 28.16 is for the Metropolitan Council, or for the
 28.17 Metropolitan Council to make grants to
 28.18 political subdivisions, for design, acquisition
 28.19 of right-of-way, engineering, and construction
 28.20 of capital improvements along the I-35W
 28.21 corridor for completion of the Metro Orange
 28.22 Bus Rapid Transit (BRT) Line.
- 28.23 **Subd. 4. Mall of America Station** 8,750,000
- 28.24 For design and construction of improvements
 28.25 to the Mall of America Station on the
 28.26 Hiawatha Corridor light rail transit line,
 28.27 subject to Minnesota Statutes, section
 28.28 16A.695. The Metropolitan Council must
 28.29 consult with the city of Bloomington
 28.30 throughout the design and construction
 28.31 process.
- 28.32 **Subd. 5. Metropolitan Cities Inflow and**
 28.33 **Infiltration Grants** 2,500,000
- 28.34 For grants to cities within the metropolitan
 28.35 area, as defined in Minnesota Statutes, section

- 29.1 473.121, subdivision 2, for capital
 29.2 improvements in municipal wastewater
 29.3 collection systems to reduce the amount of
 29.4 inflow and infiltration to the Metropolitan
 29.5 Council's metropolitan sanitary sewer disposal
 29.6 system. Grants from this appropriation are for
 29.7 up to 50 percent of the cost to mitigate inflow
 29.8 and infiltration in the publicly owned
 29.9 municipal wastewater collection systems. To
 29.10 be eligible for a grant, a city must be identified
 29.11 by the council as a contributor of excessive
 29.12 inflow and infiltration in the metropolitan
 29.13 disposal system or have a measured flow rate
 29.14 within 20 percent of its allowable
 29.15 council-determined inflow and infiltration
 29.16 limits. The council must award grants based
 29.17 on applications from cities that identify
 29.18 eligible capital costs and include a timeline
 29.19 for inflow and infiltration mitigation
 29.20 construction, pursuant to guidelines
 29.21 established by the council.
- 29.22 **Subd. 6. St. Paul - Como Zoo** 12,000,000
- 29.23 For a grant to the city of St. Paul for predesign,
 29.24 design, and engineering of Phase I of the
 29.25 renovation of seal and sea lion habitat at the
 29.26 Como Zoo. The renovated habitat will support
 29.27 the zoo education programs. This
 29.28 appropriation is not available until the
 29.29 commissioner of management and budget
 29.30 determines that at least \$1,100,000 is
 29.31 committed to the project from nonstate
 29.32 sources.
- 29.33 **Sec. 18. HEALTH** **\$ 2,335,000**

30.1 From the general fund in fiscal year 2017 to
 30.2 the commissioner of health for equipment and
 30.3 instruments for the public health laboratory.
 30.4 Notwithstanding Minnesota Statutes, section
 30.5 16A.642, this appropriation is available until
 30.6 June 30, 2022.

30.7 Sec. 19. **HUMAN SERVICES**

30.8 **Subdivision 1. Total Appropriation** **\$ 84,271,000**

30.9 To the commissioner of administration, or
 30.10 another named agency, for the purposes
 30.11 specified in this section.

30.12 **Subd. 2. Minnesota Security Hospital - St. Peter** **57,611,000**

30.13 To complete design, remodel, construct,
 30.14 furnish, and equip the second phase of the
 30.15 two-phase project to remodel existing and to
 30.16 develop new residential, program, activity,
 30.17 and ancillary facilities for the Minnesota
 30.18 Security Hospital on the upper campus of the
 30.19 St. Peter Regional Treatment Center. This does
 30.20 not include construction of a new 48-bed
 30.21 transitional housing unit. This appropriation
 30.22 includes money to: demolish, renovate, and
 30.23 remodel existing space; construct new space;
 30.24 address fire and life safety, and other building
 30.25 code deficiencies; replace or renovate interior
 30.26 finishes; purchase furnishings, fixtures, and
 30.27 equipment; replace or renovate the Minnesota
 30.28 Security Hospital building's HVAC, plumbing,
 30.29 electrical, security, and life safety systems;
 30.30 tuck-point; replace windows and doors; design
 30.31 and abate asbestos and hazardous materials;
 30.32 and complete site work necessary to support
 30.33 the programmed use of the facilities on the St.

- 31.1 Peter Regional Treatment Center upper
 31.2 campus.
- 31.3 **Subd. 3. Child and Adolescent Behavioral Health**
 31.4 **Services** 7,530,000
- 31.5 To purchase land in or near the city of Willmar
 31.6 for, and to predesign, design, construct,
 31.7 furnish, and equip, a 16-bed psychiatric
 31.8 hospital facility of approximately 17,500 to
 31.9 18,000 square feet that will house the Child
 31.10 and Adolescent Behavioral Health Services
 31.11 (CABHS) program. The facility shall include
 31.12 space for single bedrooms, bathing and toilets,
 31.13 dining, living, group and treatment rooms,
 31.14 education space, visitation, clinic/professional
 31.15 staff, operations staff, patient storage,
 31.16 operations storage, food preparation,
 31.17 HVAC/telecommunications/data equipment,
 31.18 a small area for indoor recreation, and a secure
 31.19 outdoor activity space. The property for the
 31.20 facility will provide for staff and visitor
 31.21 parking, outdoor activities, and appropriate
 31.22 side, front, and rear setbacks.
- 31.23 **Subd. 4. Anoka Metro Regional Treatment**
 31.24 **Center Safety and Security Renovations** 2,250,000
- 31.25 To provide security upgrades of a capital
 31.26 nature at the Anoka Metro Regional Treatment
 31.27 Center campus, including but not limited to
 31.28 control centers, electronic monitoring and
 31.29 perimeter security equipment, new or updated
 31.30 security fencing, and other building security
 31.31 renovations. This appropriation includes
 31.32 money for: predesign, design, furnishing,
 31.33 fixtures, and equipment; construction of safety
 31.34 and security improvements to courtyards on
 31.35 residential treatment units; securely enclosing
 31.36 the nursing station on Unit G; and installing

32.1 a campus-wide closed-circuit television video
 32.2 security system, a facility-wide personal
 32.3 duress alarm system, a key control system,
 32.4 and an electronic access control system.

32.5 **Subd. 5. Regional Medical Examiner's Facility** 2,680,000

32.6 To the commissioner of human services for a
 32.7 grant to Hennepin County to design an
 32.8 approximately 67,000 square foot regional,
 32.9 state-of-the-art medical examiner's facility.
 32.10 The facility shall: (1) provide forensic death
 32.11 investigation and autopsy services for Dakota,
 32.12 Hennepin, and Scott Counties with the
 32.13 flexibility to accommodate future partner
 32.14 counties and agencies; (2) serve as a teaching
 32.15 facility for the state, on the science of forensic
 32.16 pathology; and (3) be located in the city of
 32.17 Bloomington as a site that best supports access
 32.18 needs for the three founding counties and
 32.19 reasonable scene response times for the
 32.20 geographic service area.

32.21 **Subd. 6. Perspectives Family Center - St. Louis**
 32.22 **Park** 600,000

32.23 From the general fund to the commissioner of
 32.24 human services for a grant to Perspectives,
 32.25 Inc. to predesign and design the expansion and
 32.26 renovation of the existing Perspectives Family
 32.27 Center facility in St. Louis Park. The expanded
 32.28 and renovated facility must be used to promote
 32.29 the public welfare by providing any or all of
 32.30 the following programs and services: (1)
 32.31 supportive housing programs for homeless
 32.32 women and their children; (2) mental and
 32.33 chemical health programs; (3) employment
 32.34 services; (4) academic, social skills, and
 32.35 nutritional programs for homeless and at-risk

33.1 children; (5) an all-day therapeutic early
 33.2 childhood development program for homeless
 33.3 and at-risk children; and (6) a culturally
 33.4 sensitive safe and nurturing environment for
 33.5 at-risk children to meet with their
 33.6 nonresidential parents. This appropriation is
 33.7 not available until the commissioner of
 33.8 management and budget has determined that
 33.9 at least an equal amount has been expended
 33.10 or committed to the project from nonstate
 33.11 sources. Nonstate money spent on the project
 33.12 since May 1, 2015, shall be included in the
 33.13 determination of nonstate commitments to the
 33.14 project.

33.15 **Subd. 7. The Family Partnership**

1,600,000

33.16 To the commissioner of human services from
 33.17 the general fund for a grant to the Family
 33.18 Partnership to predesign and design a facility
 33.19 in Minneapolis to provide mental health, early
 33.20 childhood education, and other services to
 33.21 support children and families. This
 33.22 appropriation is not available until at least an
 33.23 equal amount of money is committed from
 33.24 nonstate resources.

33.25 **Subd. 8. St. Paul - Dorothy Day Opportunity**
 33.26 **Center**

12,000,000

33.27 To the commissioner of human services for a
 33.28 grant to the city of St. Paul to predesign,
 33.29 design, construct, furnish, and equip an
 33.30 opportunity center to serve as an integrated
 33.31 one-stop delivery system connecting persons
 33.32 at risk of becoming homeless, and persons
 33.33 working to move up and out of homelessness,
 33.34 and to provide services that improve their
 33.35 health, income, housing stability, or

34.1 well-being, subject to Minnesota Statutes,
 34.2 section 16A.695. This appropriation may be
 34.3 used to acquire property for these purposes.
 34.4 This appropriation is not available until the
 34.5 commissioner of management and budget has
 34.6 determined that at least an equal amount has
 34.7 been committed to the project from nonstate
 34.8 sources. This appropriation is in addition to
 34.9 the appropriation in Laws 2014, chapter 294,
 34.10 article 1, section 18, subdivision 9.

34.11 **Sec. 20. VETERANS AFFAIRS** **\$ 5,000,000**

34.12 To the commissioner of administration for
 34.13 asset preservation improvements and
 34.14 betterments of a capital nature at the veterans
 34.15 homes in Minneapolis, Hastings, Fergus Falls,
 34.16 Silver Bay, and Luverne, to be spent in
 34.17 accordance with Minnesota Statutes, section
 34.18 16B.307.

34.19 **Sec. 21. CORRECTIONS**

34.20 **Subdivision 1. Total Appropriation** **\$ 40,900,000**

34.21 To the commissioner of administration for the
 34.22 purposes specified in this section.

34.23 **Subd. 2. Asset Preservation** **20,000,000**

34.24 For asset preservation improvements and
 34.25 betterments of a capital nature at Minnesota
 34.26 correctional facilities statewide, to be spent in
 34.27 accordance with Minnesota Statutes, section
 34.28 16B.307.

34.29 **Subd. 3. Minnesota Correctional Facility - St.**
 34.30 **Cloud** **19,000,000**

34.31 To construct and equip a new intake unit and
 34.32 a loading dock with a secure connection to a

- 35.1 new central warehouse at the Minnesota
 35.2 Correctional Facility – St. Cloud.
- 35.3 **Subd. 4. Minnesota Correctional Facility - Moose**
 35.4 **Lake** 1,900,000
- 35.5 To design, expand, renovate, and equip the
 35.6 outdated master control center to improve
 35.7 security and efficiency at the Minnesota
 35.8 Correctional Facility - Moose Lake. The
 35.9 renovation includes updating fire alarm panels
 35.10 and mechanical and electrical systems and
 35.11 improving visibility of the visiting area.
- 35.12 **Subd. 5. Unspent Appropriations**
- 35.13 The unspent portion of an appropriation for a
 35.14 Department of Corrections project in this
 35.15 section that is complete, upon written notice
 35.16 to the commissioner of management and
 35.17 budget, is available for asset preservation
 35.18 under Minnesota Statutes, section 16B.307.
 35.19 Minnesota Statutes, section 16A.642, applies
 35.20 from the date of the original appropriation to
 35.21 the unspent amount transferred.
- 35.22 **Sec. 22. EMPLOYMENT AND ECONOMIC**
 35.23 **DEVELOPMENT**
- 35.24 **Subdivision 1. Total Appropriation** **\$ 93,350,000**
- 35.25 To the commissioner of employment and
 35.26 economic development for the purposes
 35.27 specified in this section.
- 35.28 **Subd. 2. Transportation Economic Development** **7,000,000**
- 35.29 For grants under Minnesota Statutes, section
 35.30 116J.436.
- 35.31 **Subd. 3. Greater Minnesota Business**
 35.32 **Development Public Infrastructure Grants** **12,000,000**
- 35.33 For grants under Minnesota Statutes, section
 35.34 116J.431.

36.1	<u>Subd. 4. Innovative Business Development Public</u>	
36.2	<u>Infrastructure Grants</u>	<u>2,500,000</u>
36.3	<u>For grants under Minnesota Statutes, section</u>	
36.4	<u>116J.435.</u>	
36.5	<u>Subd. 5. Duluth - Steam Plant</u>	<u>15,000,000</u>
36.6	<u>From the general fund for a grant to the city</u>	
36.7	<u>of Duluth for one or more of the following:</u>	
36.8	<u>complete the design of and renovate, construct,</u>	
36.9	<u>furnish, and equip an upgrade to the municipal</u>	
36.10	<u>district heating facility and systems, including</u>	
36.11	<u>conversion of the distribution system along</u>	
36.12	<u>Superior Street from steam, with no</u>	
36.13	<u>condensate return, to closed-loop hot water.</u>	
36.14	<u>This appropriation is not available until the</u>	
36.15	<u>commissioner of management and budget</u>	
36.16	<u>determines that an amount sufficient to</u>	
36.17	<u>complete a distinct phase of the project</u>	
36.18	<u>converting the steam system to hot water is</u>	
36.19	<u>committed from nonstate sources.</u>	
36.20	<u>Subd. 6. Eagle's Healing Nest</u>	<u>300,000</u>
36.21	<u>From the general fund for a grant to Eagle's</u>	
36.22	<u>Healing Nest in Sauk Centre.</u>	
36.23	<u>Subd. 7. Hennepin County - Hennepin Center</u>	
36.24	<u>for the Arts</u>	<u>5,000,000</u>
36.25	<u>From the general fund for a grant to Hennepin</u>	
36.26	<u>County for improvements and betterments of</u>	
36.27	<u>a capital nature to renovate the historic</u>	
36.28	<u>Hennepin Center for the Arts. This</u>	
36.29	<u>appropriation is available after the</u>	
36.30	<u>commissioner of management and budget</u>	
36.31	<u>determines that \$3,000,000 has been</u>	
36.32	<u>committed to complete the project from</u>	
36.33	<u>nonstate sources.</u>	
36.34	<u>Subd. 8. Hermantown - Arrowhead Regional</u>	
36.35	<u>Health and Wellness Center</u>	<u>8,000,000</u>

37.1 For a grant to the city of Hermantown to
 37.2 prepare the middle school site on the
 37.3 Hermantown School District campus,
 37.4 including demolition of a portion of the middle
 37.5 school, and to design, construct a new addition
 37.6 to the middle school building and renovate the
 37.7 remaining existing building, furnish, and equip
 37.8 the facility as the Arrowhead Regional Health
 37.9 and Wellness Center. The city may enter into
 37.10 lease or management agreements under
 37.11 Minnesota Statutes, section 16A.695, for
 37.12 operation of the center. This appropriation is
 37.13 not available until at least an equal amount is
 37.14 committed to the project from nonstate
 37.15 sources.

37.16 **Subd. 9. Litchfield - Phase 2 Power Generation**
 37.17 **Improvements**

3,000,000

37.18 For a grant to the city of Litchfield to design
 37.19 and construct electrical generation
 37.20 improvements in the city of Litchfield to
 37.21 expand the current standby capacity, including
 37.22 replacement of two old generators. This
 37.23 appropriation is not available until the
 37.24 commissioner of management and budget
 37.25 determines that at least an equal amount is
 37.26 committed to the project from nonstate
 37.27 sources.

37.28 **Subd. 10. Madelia**

98,000

37.29 For a grant to the city of Madelia for repair
 37.30 and replacement of a capital nature of public
 37.31 infrastructure damaged by a fire in Madelia
 37.32 in February 2016. This appropriation does not
 37.33 require a nonstate contribution.

37.34 **Subd. 11. Minneapolis - Norway House**

5,000,000

38.1 From the general fund for a grant to the
 38.2 Norway House to acquire land and predesign,
 38.3 design, construct, furnish, and equip a
 38.4 conference and event center at 913 East
 38.5 Franklin Avenue and adjacent property in
 38.6 Minneapolis to celebrate the culture of
 38.7 Norway and American Norwegians. This
 38.8 appropriation is not available until at least an
 38.9 equal amount is committed from nonstate
 38.10 sources. Land purchased for this expansion
 38.11 project shall count toward the nonstate match.

38.12 **Subd. 12. Minneapolis - Pioneers and Soldiers**
 38.13 **Cemetery Restoration**

1,029,000

38.14 For a grant to the city of Minneapolis to
 38.15 restore the historic steel and limestone pillar
 38.16 fence along Cedar Avenue and Lake Street,
 38.17 install a new steel fence and pillars along 21st
 38.18 Avenue South, and install a waterproofing
 38.19 system for preservation of the fence and
 38.20 pillars, at the Pioneer and Soldiers Cemetery.
 38.21 This appropriation is available after the
 38.22 commissioner of management and budget
 38.23 determines that \$394,000 is committed from
 38.24 nonstate sources.

38.25 **Subd. 13. Polk County - North Country Food**
 38.26 **Bank in Crookston**

3,000,000

38.27 For a grant to Polk County to predesign,
 38.28 design, construct, renovate, furnish, and equip
 38.29 a regional charitable food warehouse,
 38.30 distribution, and office facility in the city of
 38.31 Crookston, subject to Minnesota Statutes,
 38.32 section 16A.695. This appropriation is not
 38.33 available until the commissioner of
 38.34 management and budget determines that at
 38.35 least an equal amount has been committed to
 38.36 the project from nonstate sources. The value

- 39.1 of the land purchased or acquired by the
 39.2 county after January 1, 2013, for this facility
 39.3 shall count toward the nonstate match.
- 39.4 **Subd. 14. Red Wing - River Town Renaissance** 4,480,000
- 39.5 For a grant to the city of Red Wing to
 39.6 complete removal and replacement of
 39.7 approximately 250 linear feet of the harbor
 39.8 retaining wall; to design, construct, furnish,
 39.9 and equip the renovation of the historic T.B.
 39.10 Sheldon Performing Arts Theater; and to
 39.11 design and construct transient riverboat
 39.12 docking facilities, levee wall extension, and
 39.13 levee promenade improvements at Levee Park.
 39.14 This appropriation is not available until the
 39.15 commissioner of management and budget
 39.16 determines that an amount sufficient to
 39.17 complete the project has been committed from
 39.18 nonstate sources.
- 39.19 **Subd. 15. St. James - Public Infrastructure** 3,443,000
- 39.20 For a grant to the city of St. James. Of this
 39.21 amount, \$2,193,000 is for engineering,
 39.22 right-of-way acquisition, and reconstruction
 39.23 of streets, sidewalks, storm water and sanitary
 39.24 sewer, water mains, lighting, utilities, and
 39.25 other capital improvements of publicly owned
 39.26 infrastructure required for the reconstruction
 39.27 of marked Trunk Highway 4 in the city of St.
 39.28 James, and \$1,250,000 is to replace the storm
 39.29 sewer drain which serves St. James Lake and
 39.30 the entire southern section of the City of St.
 39.31 James.
- 39.32 **Subd. 16. St. Paul - Science Museum of**
 39.33 **Minnesota Building Preservation** 13,000,000
- 39.34 For a grant to the city of St. Paul for predesign,
 39.35 design, and construction work to replace

40.1 water-damaged elements of the Science
 40.2 Museum of Minnesota's exterior envelope and
 40.3 some resultant interior damage caused by
 40.4 latent design and construction defects, subject
 40.5 to Minnesota Statutes, section 16A.695. This
 40.6 appropriation is not available until the
 40.7 commissioner of management and budget
 40.8 determines that an equal amount has been
 40.9 committed to the project from nonstate
 40.10 sources. Capital costs paid by the Science
 40.11 Museum of Minnesota since January 1, 2014,
 40.12 relating to the water intrusion damage, shall
 40.13 count towards the match requirement.

40.14 **Subd. 17. St. Paul - Minnesota Museum of**
 40.15 **American Art**

6,000,000

40.16 For a grant to the St. Paul Port Authority to
 40.17 design, construct, furnish, and equip new
 40.18 museum galleries and an art study facility for
 40.19 the Minnesota Museum of American Art. This
 40.20 facility provides space to celebrate the legacy
 40.21 of Minnesota art and artists and is part of the
 40.22 restoration of the historic Pioneer Endicott
 40.23 Building, and a part of a multiphase project,
 40.24 of which only the museum galleries and art
 40.25 study facility constructed with this
 40.26 appropriation shall be state bond financed
 40.27 property subject to Minnesota Statutes, section
 40.28 16A.695. This appropriation is not available
 40.29 until the commissioner of management and
 40.30 budget has determined that:
 40.31 (1) at least an amount equal to this
 40.32 appropriation has been committed or
 40.33 previously expended for design, construction,
 40.34 and furnishing of the adjacent Minnesota
 40.35 Museum of American Art Center for
 40.36 Creativity facilities, which are not subject to

41.1 Minnesota Statutes, section 16A.695, with
 41.2 funds from nonstate sources; and
 41.3 (2) sufficient other state and nonstate funds
 41.4 are available, if funds beyond this
 41.5 appropriation are required, to complete the
 41.6 museum galleries and art study facility.

41.7 Funds invested in the Minnesota Museum of
 41.8 American Art Center for Creativity facilities
 41.9 by an investor receiving an assignment of state
 41.10 historic tax credits as provided in Minnesota
 41.11 Statutes, section 290.0681, are nonstate funds
 41.12 for purposes of this requirement. Only
 41.13 expenditures made after January 1, 2012, shall
 41.14 qualify for the required match. Due to the
 41.15 integrated nature of the overall development,
 41.16 public bidding shall not be required.

41.17 **Sec. 23. PUBLIC FACILITIES AUTHORITY**

41.18 **Subdivision 1. Total Appropriation** **\$ 143,366,000**

41.19 To the Public Facilities Authority for the
 41.20 purposes specified in this section. The Public
 41.21 Facilities Authority may use the funds in this
 41.22 section or other available funds to amend
 41.23 project financing agreements awarded after
 41.24 July 1, 2016, based on program changes in
 41.25 article 3, sections 5 and 6.

41.26 **Subd. 2. State Match for Federal Grants** **17,000,000**

41.27 To match federal grants for the clean water
 41.28 revolving fund under Minnesota Statutes,
 41.29 section 446A.07, and the drinking water
 41.30 revolving fund under Minnesota Statutes,
 41.31 section 446A.081. This appropriation must be
 41.32 used for qualified capital projects.

41.33 **Subd. 3. Water Infrastructure Funding Program** **70,000,000**

42.1 (a) For grants to eligible municipalities under
 42.2 the water infrastructure funding program under
 42.3 Minnesota Statutes, section 446A.072.

42.4 (b) \$51,500,000 is for wastewater projects
 42.5 listed on the Pollution Control Agency's
 42.6 project priority list in the fundable range under
 42.7 the clean water revolving fund program.

42.8 (c) \$18,500,000 is for drinking water projects
 42.9 listed on the commissioner of health's project
 42.10 priority list in the fundable range under the
 42.11 drinking water revolving fund program.

42.12 (d) After all eligible projects under paragraph
 42.13 (b) or (c) have been funded, the Public
 42.14 Facilities Authority may transfer any
 42.15 remaining, uncommitted money to eligible
 42.16 projects under a program defined in paragraph
 42.17 (b) or (c) based on that program's project
 42.18 priority list.

42.19 **Subd. 4. Point Source Implementation Grants**
 42.20 **Program**

46,500,000

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

42.26 **Subd. 5. Big Lake Area Sanitary District - Sewer**
 42.27 **System and Force Main**

1,200,000

42.28 For a grant to the Big Lake Area Sanitary
 42.29 District to construct a pressure sewer system
 42.30 and force main to convey sewage to the
 42.31 Western Lake Superior Sanitary District
 42.32 connection in the city of Cloquet. This
 42.33 appropriation is not available until the
 42.34 commissioner of management and budget
 42.35 determines that an equal amount is committed

43.1 from nonstate sources. This appropriation is
 43.2 in addition to the appropriation in Laws 2014,
 43.3 chapter 294, article 1, section 22, subdivision
 43.4 4.

43.5 **Subd. 6. Dennison - Sewage Treatment System**
 43.6 **Improvements**

726,000

43.7 For a grant to the city of Dennison to
 43.8 predesign, design, and construct a new lift
 43.9 station and make sewage pond improvements.
 43.10 This appropriation does not require a nonstate
 43.11 contribution.

43.12 **Subd. 7. East Grand Forks - Wastewater**
 43.13 **Interconnection Infrastructure**

5,300,000

43.14 For a grant to the city of East Grand Forks to
 43.15 design and construct wastewater infrastructure
 43.16 improvements interconnecting the wastewater
 43.17 system of East Grand Forks to the wastewater
 43.18 treatment system in Grand Forks, North
 43.19 Dakota. This appropriation may not be used
 43.20 for improvements outside the state. This
 43.21 appropriation is in addition to grants under
 43.22 Minnesota Statutes, section 446A.072. A
 43.23 nonstate match is not required.

43.24 **Subd. 8. Koochiching County - Voyageurs**
 43.25 **National Park Clean Water Project**

2,000,000

43.26 (a) For a grant to Koochiching County to
 43.27 acquire land or interests in land, and to design,
 43.28 engineer, construct, and equip sanitary sewage
 43.29 systems and facilities to implement a portion
 43.30 or portions of the Voyageurs National Park
 43.31 clean water project comprehensive plan. This
 43.32 appropriation is available after the
 43.33 commissioner of management and budget
 43.34 determines that \$4,500,000 is committed from
 43.35 nonstate sources.

44.1 (b) This appropriation is in addition to the
 44.2 appropriation in Laws 2014, chapter 294,
 44.3 article 1, section 22, subdivision 7.

44.4 Notwithstanding the match requirement in
 44.5 Laws 2014, chapter 294, article 1, section 22,
 44.6 subdivision 7, the nonstate match required for
 44.7 this appropriation and the 2014 appropriation
 44.8 for a grant to Koochiching County is 25
 44.9 percent of the state grant amounts. Any money
 44.10 remaining from this appropriation after
 44.11 completion of the projects in paragraph (a) is
 44.12 available for grants to Koochiching County
 44.13 or St. Louis County to be used for other capital
 44.14 projects described in the comprehensive plan
 44.15 and as determined by the Voyageur's National
 44.16 Park Clean Water Joint Powers Board.

44.17 **Subd. 9. Lilydale - Highway 13 Storm Water**
 44.18 **Conveyance**

140,000

44.19 From the general fund for a grant to the city
 44.20 of Lilydale to design, acquire, construct, and
 44.21 install a storm water sewer and drop structure
 44.22 along Trunk Highway 13 in Lilydale that will
 44.23 be large enough to effectively collect water
 44.24 from springs and storm water runoff from
 44.25 above the road and safely convey the water to
 44.26 below the bluff. The city must coordinate this
 44.27 project with the Department of
 44.28 Transportation's Trunk Highway 13 project.
 44.29 The appropriation and project also include
 44.30 capital repairs and improvements to existing
 44.31 drainage structures along the Big Rivers
 44.32 Regional Trail at the base of the bluff. This
 44.33 appropriation does not require a nonstate
 44.34 contribution.

44.35 **Subd. 10. Oronoco - Wastewater Collection and**
 44.36 **Treatment Facilities**

500,000

45.1 From the general fund for a grant to the city
 45.2 of Oronoco to commission a study to evaluate
 45.3 options for solving the wastewater
 45.4 infrastructure needs for the region including
 45.5 the city of Oronoco, the city of Pine Island, or
 45.6 the city of Rochester. This appropriation does
 45.7 not require a nonstate match.

45.8 **Sec. 24. MINNESOTA HOUSING FINANCE**
 45.9 **AGENCY**

\$ 10,000,000

45.10 For transfer to the housing development fund
 45.11 to finance the costs of rehabilitation to
 45.12 preserve public housing under Minnesota
 45.13 Statutes, section 462A.202, subdivision 3a.
 45.14 For purposes of this section, "public housing"
 45.15 means housing for low-income persons and
 45.16 households financed by the federal
 45.17 government and owned and operated by the
 45.18 public housing authorities and agencies formed
 45.19 by cities and counties. Public housing
 45.20 authorities receiving a public housing
 45.21 assessment composite score of 80 or above or
 45.22 an equivalent designation are eligible to
 45.23 receive funding. Priority must be given to
 45.24 proposals that maximize federal or local
 45.25 resources to finance the capital costs. The
 45.26 priority in Minnesota Statutes, section
 45.27 462A.202, subdivision 3a, for projects to
 45.28 increase the supply of affordable housing and
 45.29 the restrictions of Minnesota Statutes, section
 45.30 462A.202, subdivision 7, do not apply to this
 45.31 appropriation.

45.32 **Sec. 25. MINNESOTA HISTORICAL**
 45.33 **SOCIETY**

45.34 **Subdivision 1. Total Appropriation**

\$ 2,500,000

46.1 To the Minnesota Historical Society for the
 46.2 purposes specified in this section.

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

46.4 For capital improvements and betterments at
 46.5 state historic sites, buildings, landscaping at
 46.6 historic buildings, exhibits, markers, and
 46.7 monuments, to be spent in accordance with
 46.8 Minnesota Statutes, section 16B.307. The
 46.9 society shall determine project priorities as
 46.10 appropriate based on need.

46.11 **Sec. 26. BOND SALE EXPENSES** **\$** **1,048,000**

46.12 To the commissioner of management and
 46.13 budget for bond sale expenses under
 46.14 Minnesota Statutes, section 16A.641,
 46.15 subdivision 8.

46.16 **Sec. 27. BOND SALE AUTHORIZATION.**

46.17 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from
 46.18 the bond proceeds fund, the commissioner of management and budget shall sell and issue
 46.19 bonds of the state in an amount up to \$803,645,000 in the manner, upon the terms, and with
 46.20 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
 46.21 Minnesota Constitution, article XI, sections 4 to 7.

46.22 Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the
 46.23 state transportation fund, the commissioner of management and budget shall sell and issue
 46.24 bonds of the state in an amount up to \$231,196,000 in the manner, upon the terms, and with
 46.25 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
 46.26 Minnesota Constitution, article XI, sections 4 to 7.

46.27 Subd. 3. **Maximum effort school loan fund.** To provide the money appropriated in this
 46.28 act from the maximum effort school loan fund, the commissioner of management and budget
 46.29 shall sell and issue bonds of the state in an amount up to \$14,070,000 in the manner, upon
 46.30 the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675,
 46.31 and by the Minnesota Constitution, article XI, sections 4 to 7.

47.1 Sec. 28. **BOND SALE SCHEDULE.**

47.2 The commissioner of management and budget shall schedule the sale of state general
47.3 obligation bonds so that, during the biennium ending June 30, 2019, no more than
47.4 \$1,154,008,000 will need to be transferred from the general fund to the state bond fund to
47.5 pay principal and interest due and to become due on outstanding state general obligation
47.6 bonds. During the biennium, before each sale of state general obligation bonds, the
47.7 commissioner of management and budget shall calculate the amount of debt service payments
47.8 needed on bonds previously issued and shall estimate the amount of debt service payments
47.9 that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the
47.10 amount of bonds scheduled to be sold so as to remain within the limit set by this section.
47.11 The amount needed to make the debt service payments is appropriated from the general
47.12 fund as provided in Minnesota Statutes, section 16A.641.

47.13 Sec. 29. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

47.14 (a) The remaining uncommitted appropriations from the bond proceeds fund in Laws
47.15 1990, chapter 610, are canceled and the bond sale authorization in Laws 1990, chapter 610,
47.16 article 1, section 30, subdivision 1, as amended, is reduced by \$3,129.

47.17 (b) The remaining uncommitted appropriations from the bond proceeds fund in Laws
47.18 1994, chapter 643, are canceled and the bond sale authorization in Laws 1994, chapter 643,
47.19 section 31, subdivision 1, as amended, is reduced by \$24,480.

47.20 (c) The remaining uncommitted appropriations from the bond proceeds fund in Laws
47.21 1997, Second Special Session chapter 2, are canceled and the bond sale authorization in
47.22 Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by \$96,992.

47.23 (d) The remaining uncommitted appropriations from the bond proceeds fund in Laws
47.24 1999, chapter 240, are canceled and the bond sale authorization in Laws 1999, chapter 240,
47.25 article 1, section 13, subdivision 1, as amended, is reduced by \$212,472.

47.26 (e) The remaining uncommitted appropriations from the bond proceeds fund in Laws
47.27 2000, chapter 492, are canceled and the bond sale authorization in Laws 2000, chapter 492,
47.28 article 1, section 26, subdivision 1, as amended, is reduced by \$7,933,538.

47.29 (f) The remaining uncommitted appropriations from the bond proceeds fund in Laws
47.30 2002, chapter 393, are canceled and the bond sale authorization in Laws 2002, chapter 393,
47.31 section 30, subdivision 1, as amended, is reduced by \$188,471.

48.1 (g) The remaining uncommitted appropriations from the bond proceeds fund in Laws
48.2 2002, First Special Session chapter 1, are canceled and the bond sale authorization in Laws
48.3 2002, First Special Session chapter 1, section 9, subdivision 1, is reduced by \$217,959.

48.4 (h) The remaining uncommitted appropriations from the trunk highway bond proceeds
48.5 fund in Laws 2003, First Special Session chapter 19, article 3, are canceled and the bond
48.6 sale authorization in Laws 2003, First Special Session chapter 19, article 3, section 2, is
48.7 reduced by \$201,530.

48.8 (i) The remaining uncommitted appropriations from the trunk highway bond proceeds
48.9 fund in Laws 2003, First Special Session chapter 19, article 4, are canceled and the bond
48.10 sale authorization in Laws 2003, First Special Session chapter 19, article 4, section 4, is
48.11 reduced by \$326,534.

48.12 (j) The remaining uncommitted appropriations from the bond proceeds fund in Laws
48.13 2005, chapter 20, are canceled and the bond sale authorization in Laws 2005, chapter 20,
48.14 article 1, section 28, subdivision 1, as amended, is reduced by \$3,366,628.

48.15 (k) The \$700,000 appropriation from the bond proceeds fund in Laws 2011, First Special
48.16 Session chapter 12, section 13, subdivision 8, for St. Louis Park noise barriers, is canceled
48.17 and the bond sale authorization in Laws 2011, First Special Session chapter 12, section 23,
48.18 subdivision 1, is reduced by the same amount.

48.19 (l) The \$2,285,000 appropriation from the bond proceeds fund in Laws 2012, First
48.20 Special Session chapter 1, article 1, section 3, subdivision 2, to the commissioner of public
48.21 safety for disaster relief, is canceled and the bond sale authorization in Laws 2012, First
48.22 Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

48.23 (m) \$1,380,000 of the appropriation from the bond proceeds fund in Laws 2012, First
48.24 Special Session chapter 1, article 1, section 6, to the Public Facilities Authority for disaster
48.25 relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter
48.26 1, article 1, section 16, subdivision 1, is reduced by the same amount.

48.27 (n) The \$300,000 appropriation from the general fund in Laws 2015, First Special Session
48.28 chapter 5, article 1, section 14, subdivision 4, for Eagle's Healing Nest is canceled.

48.29 **Sec. 30. EFFECTIVE DATE.**

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

49.1 **ARTICLE 2**

49.2 **TRANSPORTATION FINANCE AND POLICY**

49.3 Section 1. **TRANSPORTATION CAPITAL IMPROVEMENT APPROPRIATIONS.**

49.4 (a) The sums shown in this article in the columns marked "Appropriations" are added
 49.5 to the appropriations in Laws 2015, chapter 75, article 1, to the commissioner of
 49.6 transportation, or another named agency, for the purposes specified in this article. The
 49.7 appropriations are from the general fund, or another named fund. Unless otherwise specified,
 49.8 general fund appropriations in this article are onetime, and are in fiscal year 2017.

49.9 (b) Appropriations of bond proceeds must be spent as authorized by the Minnesota
 49.10 Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this
 49.11 article for a capital program or project may be used to pay state agency staff costs that are
 49.12 attributed directly to the capital program or project in accordance with accounting policies
 49.13 adopted by the commissioner of management and budget. Unless otherwise specified, the
 49.14 appropriations in this article are available until the project is completed or abandoned subject
 49.15 to Minnesota Statutes, section 16A.642.

49.16 **APPROPRIATIONS**

49.17 **Sec. 2. TOTAL TRUNK HIGHWAY BOND**
 49.18 **APPROPRIATION**

49.19 **Subdivision 1. Total Appropriation**

\$ 197,000,000

49.20 The appropriation in this section is from the
 49.21 bond proceeds account in the trunk highway
 49.22 fund and may be used by the commissioner
 49.23 only for purposes specified in this section.

49.24 **Subd. 2. Trunk Highway 23 Construction**

49.25 For construction of marked Trunk Highway
 49.26 23 as a four-lane divided highway (i) from the
 49.27 point where marked Trunk Highway 23 ceases
 49.28 as a four-lane divided highway near the
 49.29 intersection with Kandiyohi County State-Aid
 49.30 Highway 31, located east of New London, to
 49.31 the point where marked Trunk Highway 23
 49.32 commences as a four-lane divided highway,
 49.33 located southwest of Paynesville, and (ii) from

50.1 the point where marked Trunk Highway 23
50.2 ceases as a four-lane divided highway, located
50.3 northeast of Paynesville, to the point where
50.4 marked Trunk Highway 23 commences as a
50.5 four-lane divided highway, located southwest
50.6 of Richmond, provided that notwithstanding
50.7 Minnesota Statutes, section 16A.28, this
50.8 amount is available for seven years.

50.9 **Subd. 3. Trunk Highway 14**

50.10 For construction and reconstruction of marked
50.11 Trunk Highway 14 as a four-lane divided
50.12 highway, from the interchange with marked
50.13 Interstate Highway 35 near the city of
50.14 Owatonna to the point near the city of Dodge
50.15 Center at which marked Trunk Highway 14
50.16 constitutes a four-lane divided highway,
50.17 located southeast of the intersection with
50.18 marked Trunk Highway 56.

50.19 **Subd. 4. U.S. Highway 10**

50.20 For a third travel lane in each direction of
50.21 marked U.S. Highway 10 from the interchange
50.22 with Hanson Boulevard to the interchange
50.23 with Round Lake Boulevard in the city of
50.24 Coon Rapids.

50.25 **Subd. 5. Hennepin County - U.S. Highway 12**

50.26 For projects on marked U.S. Highway 12,
50.27 including preliminary and final design,
50.28 engineering, environmental analysis,
50.29 right-of-way acquisition, construction, and
50.30 reconstruction, as follows:

50.31 (1) realignment at the intersections with
50.32 Hennepin County State-Aid Highway 92;

- 51.1 (2) realignment and safety improvements at
 51.2 the intersection with Hennepin County
 51.3 State-Aid Highway 90; and
- 51.4 (3) safety median improvements from the
 51.5 interchange with Wayzata Boulevard in
 51.6 Wayzata to approximately one-half mile east
 51.7 of the interchange with Hennepin County
 51.8 State-Aid Highway 6.
- 51.9 **Subd. 6. Anoka County - I-35 Interchange in**
 51.10 **Columbus**
- 51.11 For a grant to Anoka County to (1) complete
 51.12 the design, land acquisition, engineering, and
 51.13 construction of an interchange at the
 51.14 intersection of marked Interstate Highway 35,
 51.15 marked Trunk Highway 97, and County
 51.16 State-Aid Highway 23; and (2) realign and
 51.17 make associated improvements to County
 51.18 State-Aid Highway 54, known as West
 51.19 Freeway Drive, in the city of Columbus.
- 51.20 **Subd. 7. I-94/Brockton Lane Interchange**
- 51.21 For construction of an interchange and
 51.22 auxiliary lanes on marked Interstate Highway
 51.23 94 east of the Hennepin County State-Aid
 51.24 Highway 101 (Brockton Lane) overpass in the
 51.25 city of Dayton.
- 51.26 **Sec. 3. TOTAL TRUNK HIGHWAY FUND**
 51.27 **APPROPRIATION**
- 51.28 **Subdivision 1. Total Appropriation** **\$ 132,089,000**
- 51.29 The appropriations in this section are from the
 51.30 trunk highway fund and may be used by the
 51.31 commissioner only for purposes specified in
 51.32 this section.
- 51.33 **Subd. 2. Highway Projects** **132,089,000**
- 51.34 **(a) State Road Construction**

52.1 (b) U.S. Highway 61 in Red Wing: for State
 52.2 Project No. 2514-122, consisting of
 52.3 engineering and reconstruction of the segment
 52.4 of marked U.S. Highway 61 in Red Wing from
 52.5 westerly of Old West Main Street to easterly
 52.6 of Potter Street, for trunk highway costs in
 52.7 excess of the engineer's estimate and
 52.8 associated program delivery.

52.9 (c) Trunk Highway 95 in Cambridge: for a
 52.10 grant to the city of Cambridge for final design,
 52.11 environmental analysis, right-of-way
 52.12 acquisition, land acquisition, corridor
 52.13 mapping, construction engineering, and
 52.14 construction for the improvement of marked
 52.15 Trunk Highway 95 and associated
 52.16 improvements. This appropriation is available
 52.17 until June 30, 2020.

52.18 **Sec. 4. TOTAL GENERAL FUND**
 52.19 **APPROPRIATION**

52.20 **Subdivision 1. Total Appropriation** **\$ 166,500,000**

52.21 The appropriations in this section are from the
 52.22 general fund and may be used by the
 52.23 commissioner only for the purposes specified
 52.24 in this section.

52.25 **Subd. 2. Highway Projects** **123,900,000**

52.26 **(a) U.S. Highway 212 Interchange in**
 52.27 **Chaska: for right-of-way acquisition and**
 52.28 **construction of an interchange at marked**
 52.29 **Trunk Highway 212 and Carver County Road**
 52.30 **44 in the city of Chaska, to support the**
 52.31 **development of approximately 400 acres of**
 52.32 **property in the city of Chaska's comprehensive**
 52.33 **plan.**

- 53.1 (b) U.S. Highway 10 near Watab: for land
53.2 acquisition, predesign, design, and
53.3 construction of an interchange with related
53.4 utilities at the intersection of marked U.S.
53.5 Highway 10, Benton County Road 79, and
53.6 Benton County State-Aid Highway 4, and to
53.7 construct frontage roads on both sides of
53.8 marked U.S. Highway 10, extending from the
53.9 intersection of marked U.S. Highway 10,
53.10 Benton County Road 79, and Benton County
53.11 State-Aid Highway 4 to 85th Street.
- 53.12 (c) Planning for Interchange on U.S.
53.13 Highway 10: for a grant to Anoka County to
53.14 complete preliminary engineering,
53.15 environmental analysis, and final design for
53.16 the improvement of marked U.S. Highway 10
53.17 and associated improvements.
- 53.18 (d) U.S. Highway 14: for land acquisition in
53.19 conjunction with project development for
53.20 expansion of marked U.S. Highway 14 to a
53.21 four-lane divided highway between Nicollet
53.22 and New Ulm.
- 53.23 (e) Cliff Road Near I-35W: for design,
53.24 engineering, environmental analysis, and
53.25 construction of improvements to Cliff Road
53.26 in the vicinity of marked Interstate Highway
53.27 35W.
- 53.28 (f) City of Virginia; Trunk Highway 53
53.29 Utility Relocation: for grants to the city of
53.30 Virginia and the city of Virginia Public
53.31 Utilities Commission to acquire land for and
53.32 to predesign, design, construct, furnish, and
53.33 equip relocated public utilities, including
53.34 sanitary and storm water sewers and water,
53.35 electrical, and gas utilities, and to demolish

- 54.1 and remove old utility infrastructure, all
 54.2 associated with the relocation of marked Trunk
 54.3 Highway 53, provided that a nonstate
 54.4 contribution is not required.
- 54.5 **(g) Moorhead Grade-Separated Rail**
 54.6 **Crossings:** for a grant to the city of Moorhead
 54.7 to construct and complete the grade-separated
 54.8 rail crossing project in the vicinity of 21st
 54.9 Street South in the city of Moorhead, and for
 54.10 preliminary engineering and environmental
 54.11 assessment for the grade-separated rail
 54.12 crossing in the vicinity of 11th Street South
 54.13 in the city of Moorhead, provided that a
 54.14 nonstate contribution is not required.
- 54.15 **Subd. 3. Transportation Economic Development** 5,000,000
- 54.16 For the transportation economic development
 54.17 program under Minnesota Statutes, section
 54.18 174.12.
- 54.19 **Subd. 4. Small Cities Assistance** 12,500,000
- 54.20 For transfer to the small cities assistance
 54.21 account in the special revenue fund under
 54.22 Minnesota Statutes, section 162.145.
- 54.23 **Subd. 5. Safe Routes to School** 6,000,000
- 54.24 For transfer to the safe routes to school
 54.25 account in the general fund under Minnesota
 54.26 Statutes, section 174.40, subdivision 3,
 54.27 paragraph (b).
- 54.28 **Subd. 6. Interchange Safety Improvement Study** 300,000
- 54.29 For the safety improvement study for the
 54.30 interchange of signed Interstate Highways 94,
 54.31 694, and 494, as provided in this article.
- 54.32 **Subd. 7. Town Roads** 4,000,000

55.1	<u>For transfer to the town road account in the</u>	
55.2	<u>county state-aid highway fund under</u>	
55.3	<u>Minnesota Statutes, section 162.081.</u>	
55.4	<u>Subd. 8. County State-Aid Highways</u>	<u>11,248,000</u>
55.5	<u>For transfer to the county state-aid highway</u>	
55.6	<u>fund for apportionment and allocation as</u>	
55.7	<u>provided under Minnesota Statutes, chapter</u>	
55.8	<u>162.</u>	
55.9	<u>Subd. 9. Municipal State-Aid Streets</u>	<u>3,552,000</u>
55.10	<u>For transfer to the municipal state-aid street</u>	
55.11	<u>fund for apportionment as provided under</u>	
55.12	<u>Minnesota Statutes, chapter 162.</u>	
55.13	<u>Sec. 5. AIRPORTS</u>	<u>11,135,000</u>
55.14	<u>This appropriation is from the state airports</u>	
55.15	<u>fund for the following purposes:</u>	
55.16	<u>(1) \$2,333,500 for a grant to the city of</u>	
55.17	<u>Rochester to design, rehabilitate, demolish,</u>	
55.18	<u>and expand portions of the existing passenger</u>	
55.19	<u>terminal building at the Rochester</u>	
55.20	<u>International Airport, provided that this</u>	
55.21	<u>amount also includes money to remodel,</u>	
55.22	<u>construct, furnish, and equip the existing</u>	
55.23	<u>passenger terminal building and associated</u>	
55.24	<u>appurtenances to meet the United States</u>	
55.25	<u>Customs and Border Protection and</u>	
55.26	<u>Transportation Security Administration</u>	
55.27	<u>standards for safety, security, and processing</u>	
55.28	<u>time to accommodate domestic and</u>	
55.29	<u>international flights. The capital improvements</u>	
55.30	<u>paid for with this appropriation may be used</u>	
55.31	<u>as the local contribution required by</u>	
55.32	<u>Minnesota Statutes, section 360.305,</u>	
55.33	<u>subdivision 4. This appropriation may be used</u>	
55.34	<u>to reimburse the city for costs incurred after</u>	

56.1 May 1, 2016. This appropriation is not
56.2 available until the commissioner of
56.3 management and budget has determined that
56.4 at least an equal amount has been committed
56.5 to the project from nonstate sources. Work
56.6 that may be completed with this appropriation
56.7 includes but is not limited to (i) site
56.8 preparation including utilities, site civil work,
56.9 testing, and construction administration
56.10 services, (ii) the relocation, modification, and
56.11 addition of airline ticket counters, baggage
56.12 claim devices, public spaces, offices,
56.13 restrooms, support space, break rooms,
56.14 lockers, equipment storage, communications,
56.15 hallways, building signage, medical visitor
56.16 rooms, special needs accommodations, hold
56.17 rooms, secure storage, equipment maintenance
56.18 area, and building engineering and technology
56.19 systems, (iii) improvements needed outside
56.20 the terminal to remove, restore, and tie into
56.21 adjacent utilities, sidewalks, driveways,
56.22 parking lots, and aircraft aprons, and (iv) the
56.23 construction of covered exterior equipment
56.24 storage;
56.25 (2) \$5,900,000 to provide the federal match
56.26 to design and construct runway infrastructure
56.27 at the Duluth International and Sky Harbor
56.28 Airports in accordance with Minnesota
56.29 Statutes, section 360.017. For the purposes of
56.30 this clause, the commissioner may waive the
56.31 requirements of Minnesota Statutes, section
56.32 360.305, subdivision 4, paragraph (b). This
56.33 appropriation is for costs incurred after March
56.34 1, 2016, and is available until and must be
56.35 encumbered by June 30, 2017. This
56.36 appropriation is not available until the

57.1 commissioner of management and budget
 57.2 determines that an equal amount is committed
 57.3 from nonstate sources; and
 57.4 (3) \$250,000 for an air transport optimization
 57.5 planning study for the St. Cloud Regional
 57.6 Airport, which must be comprehensive and
 57.7 market-based, using economic development
 57.8 and air service expertise to research, analyze,
 57.9 and develop models and strategies that
 57.10 maximize the return on investments made to
 57.11 enhance the use and impact of the St. Cloud
 57.12 Regional Airport.

57.13 **Sec. 6. MINNESOTA RAIL SERVICE**
 57.14 **IMPROVEMENT**

\$ **1,000,000**

57.15 This appropriation is from the rail service
 57.16 improvement account in the special revenue
 57.17 fund to the commissioner of transportation for
 57.18 a grant to the city of Grand Rapids to fund rail
 57.19 planning studies, design, and preliminary
 57.20 engineering relating to the construction of a
 57.21 freight rail line located in the counties of
 57.22 Itasca, St. Louis, and Lake to serve local
 57.23 producers and shippers. The city of Grand
 57.24 Rapids shall collaborate with the Itasca
 57.25 Economic Development Corporation and the
 57.26 Itasca County Regional Railroad Authority in
 57.27 the activities funded with the proceeds of this
 57.28 grant. This appropriation is available until June
 57.29 30, 2019.

57.30 **Sec. 7. BOND SALE EXPENSES**

\$ **197,000**

57.31 This appropriation is from the bond proceeds
 57.32 account in the trunk highway fund to the
 57.33 commissioner of management and budget for
 57.34 bond sale expenses under Minnesota Statutes,

58.1 sections 16A.641, subdivision 8, and 167.50,
58.2 subdivision 4.

58.3 Sec. 8. **TRUNK HIGHWAY BONDS; DEBT SERVICE.**

58.4 \$1,302,000 in fiscal year 2018 and \$9,807,000 in fiscal year 2019 are appropriated from
58.5 the trunk highway fund for transfer to the state bond fund. If this appropriation is insufficient
58.6 to make all transfers required in the year for which it is made, the commissioner of
58.7 management and budget shall transfer the deficiency amount under the statutory open
58.8 appropriation, and notify the chairs and ranking minority members of the legislative
58.9 committees with jurisdiction over transportation finance and the chairs of the senate
58.10 Committee on Finance and the house of representatives Committee on Ways and Means of
58.11 the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

58.12 Sec. 9. **BOND SALE AUTHORIZATION.**

58.13 To provide the money appropriated in this act from the bond proceeds account in the
58.14 trunk highway fund, the commissioner of management and budget shall sell and issue bonds
58.15 of the state in an amount up to \$62,062,000 in the manner, upon the terms, and with the
58.16 effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota
58.17 Constitution, article XIV, section 11, at the times and in the amounts requested by the
58.18 commissioner of transportation. The proceeds of the bonds, except accrued interest and any
58.19 premium received from the sale of the bonds, must be deposited in the bond proceeds account
58.20 in the trunk highway fund.

58.21 Sec. 10. Minnesota Statutes 2016, section 160.18, is amended by adding a subdivision to
58.22 read:

58.23 Subd. 4. **Appeal process.** (a) Notwithstanding chapter 14 and section 14.386, the
58.24 commissioner shall establish a concise, expedited process through which an owner or
58.25 occupant of property abutting a trunk highway may appeal a denial or revocation of an
58.26 access permit. The owner or occupant must initiate an appeal no later than 30 days after the
58.27 date the commissioner issues written notice of the denial or revocation of an access permit.
58.28 The process must provide the owner or occupant and the Department of Transportation the
58.29 opportunity to present information in support of their positions.

58.30 (b) The hearing must be conducted by an administrative law judge assigned by the chief
58.31 administrative law judge. The administrative law judge shall maintain a transcript of the
58.32 hearing and shall keep a record of all documents and data submitted at the hearing. Within

59.1 30 days of the conclusion of the hearing, the administrative law judge shall transmit to the
 59.2 commissioner the record of the proceedings along with a report and recommendation based
 59.3 on the record made in the informal hearing. The commissioner shall make a written decision
 59.4 regarding the access permit.

59.5 (c) Section 15.99 does not apply to matters using the appeal process in this subdivision.

59.6 Sec. 11. Minnesota Statutes 2016, section 162.145, subdivision 3, is amended to read:

59.7 Subd. 3. **Administration.** (a) Subject to funds made available by law, the commissioner
 59.8 shall allocate all funds as provided in subdivision 4 ~~and~~ By June 1 of a year in which aid
 59.9 is provided, the commissioner of transportation shall ~~notify~~ certify to the commissioner of
 59.10 revenue the amount to be paid to each eligible city.

59.11 (b) Following notification from the commissioner of transportation, the commissioner
 59.12 of revenue shall distribute the specified funds to cities in the same manner as local
 59.13 government aid under chapter 477A. An appropriation to the commissioner of transportation
 59.14 under this section is available to the commissioner of revenue for the purposes specified in
 59.15 this paragraph.

59.16 (c) Notwithstanding other law to the contrary, in order to receive distributions under
 59.17 this section, a city must conform to the standards in section 477A.017, subdivision 2. A city
 59.18 that receives funds under this section must make and preserve records necessary to show
 59.19 that the funds are spent in compliance with subdivision ~~4~~ 5.

59.20 **EFFECTIVE DATE.** This section is effective for aids payable in 2016 and after.

59.21 Sec. 12. **INTERSTATE 94 WIRE ROPE SAFETY BARRIERS.**

59.22 The commissioner of transportation must install wire rope safety barriers or another
 59.23 equivalent safety device along the center median of the segment of marked Interstate
 59.24 Highway 94 between Huron Boulevard and Cretin Avenue that does not currently have a
 59.25 concrete median, wire rope safety barrier, or other equivalent safety device installed.

59.26 Sec. 13. **TRANSPARENT NOISE BARRIER.**

59.27 The commissioner of transportation must include transparent panels as part of noise
 59.28 barrier construction in the area of the interchange at marked Interstate Highway 694 and
 59.29 marked Interstate Highway 35E.

60.1 Sec. 14. **CORRIDORS OF COMMERCE PROJECT SELECTION.**

60.2 Notwithstanding the requirements of Minnesota Statutes, section 161.088, subdivisions
 60.3 3 to 5, the commissioner of transportation must include that segment of marked U.S. Highway
 60.4 212 from Chaska to Montevideo as an eligible highway in the next project solicitation and
 60.5 selection process undertaken for the corridors of commerce program under that section.

60.6 Sec. 15. **INTERSTATE 94/694/494 INTERCHANGE SAFETY IMPROVEMENT**
 60.7 **STUDY.**

60.8 The commissioner of transportation must conduct a safety improvement study for the
 60.9 interchange of marked Interstate Highways 94, 694, and 494 in the cities of Woodbury and
 60.10 Oakdale. At a minimum, the study must provide specific recommendations to improve the
 60.11 safety of the interchange and include cost estimates for each recommended improvement.
 60.12 The commissioner must report the findings and recommendations of the study to the
 60.13 legislative committees having jurisdiction over transportation policy and finance within 180
 60.14 days after the effective date of this section.

60.15 Sec. 16. **EFFECTIVE DATE.**

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

60.17 **ARTICLE 3**

60.18 **MISCELLANEOUS**

60.19 Section 1. Minnesota Statutes 2016, section 16A.967, is amended to read:

60.20 **16A.967 LEWIS AND CLARK APPROPRIATION BONDS.**

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

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

60.24 (1) money appropriated by law from the general fund in any biennium for debt service
 60.25 due with respect to obligations described in ~~subdivision 2, paragraph (e)~~ subdivisions 2a
 60.26 and 2b;

60.27 (2) proceeds of the sale of obligations described in ~~subdivision 2, paragraph (e)~~
 60.28 subdivisions 2a and 2b;

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

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

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

61.4 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of
61.5 this subdivision, the commissioner may sell and issue appropriation bonds of the state under
61.6 this section for public purposes as provided by law, ~~including, in particular, the financing~~
61.7 ~~of the land acquisition, design, engineering, and construction of facilities and infrastructure~~
61.8 ~~necessary to complete the next phase of the Lewis and Clark Regional Water System project,~~
61.9 ~~including completion of the pipeline to Magnolia, extension of the project to the~~
61.10 ~~Lincoln Pipestone Rural Water System connection near Adrian, and engineering, design,~~
61.11 ~~and easement acquisition for the final phase of the project to Worthington. No bonds shall~~
61.12 ~~be sold until the commissioner determines that a nonstate match of at least \$9,000,000 is~~
61.13 ~~committed to this project phase.~~ Grant agreements entered into under this section must
61.14 provide for reimbursement to the state from any federal money provided for the project,
61.15 consistent with the Lewis and Clark Regional Water System, Inc., agreement.

61.16 (b) The appropriation bonds may be issued and sold only after the commissioner
61.17 determines that the construction and administration for work done on the project will comply
61.18 with (1) all federal requirements and regulations associated with the Lewis and Clark Rural
61.19 Water System Act of 2000, and (2) the cooperative agreement between the United States
61.20 Department of the Interior and the Lewis and Clark Regional Water System, Inc. Proceeds
61.21 of the appropriation bonds must be credited to a special appropriation Lewis and Clark bond
61.22 proceeds fund in the state treasury. All income from investment of the bond proceeds, as
61.23 estimated by the commissioner, is appropriated to the commissioner for the payment of
61.24 principal and interest on the appropriation bonds.

61.25 ~~(e) Appropriation bonds may be sold and issued in amounts that, in the opinion of the~~
61.26 ~~commissioner, are necessary to provide sufficient money, not to exceed \$19,000,000 net of~~
61.27 ~~costs of issuance, for the purposes as provided under paragraph (a), and pay debt service~~
61.28 ~~including capitalized interest, costs of issuance, costs of credit enhancement, or make~~
61.29 ~~payments under other agreements entered into under paragraph (e).~~

61.30 ~~(d)~~ (c) Appropriation bonds may be issued in one or more issues or series on the terms
61.31 and conditions the commissioner determines to be in the best interests of the state, but the
61.32 term on any series of appropriation bonds may not exceed 25 years. The appropriation bonds
61.33 of each issue and series thereof shall be dated and bear interest, and may be includable in
61.34 or excludable from the gross income of the owners for federal income tax purposes.

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

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

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

62.21 Subd. 2a. **Project authorization.** Appropriation bonds may be sold and issued in amounts
 62.22 that, in the opinion of the commissioner, are necessary to provide sufficient money to the
 62.23 Public Facilities Authority under subdivision 7, paragraph (a), not to exceed \$19,000,000
 62.24 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt
 62.25 service including capitalized interest, costs of issuance, costs of credit enhancement, or
 62.26 make payments under other agreements entered into under subdivision 2, paragraph (d).
 62.27 The bonds authorized by this subdivision are for the purposes of financing the land
 62.28 acquisition, design, engineering, and construction of facilities and infrastructure necessary
 62.29 to complete Phase 2 of the Lewis and Clark Regional Water System project, including
 62.30 completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone
 62.31 Rural Water System connection near Adrian; and engineering, design, and easement
 62.32 acquisition for the final phase of the project to Worthington. No bonds shall be sold under
 62.33 this subdivision until the commissioner determines that a nonstate match of at least
 62.34 \$9,000,000 is committed to this project phase. Upon completion of Phase 2, the unspent

63.1 unencumbered portion of the appropriation in this subdivision is available for the purposes
63.2 of subdivision 2b.

63.3 Subd. 2b. **Additional project authorization.** Appropriation bonds may be sold and
63.4 issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient
63.5 money to the Public Facilities Authority under subdivision 7, paragraph (b), not to exceed
63.6 \$11,500,000 net of costs of issuance, for the purposes as provided under this subdivision,
63.7 and pay debt service including capitalized interest, costs of issuance, costs of credit
63.8 enhancement, or make payments under other agreements entered into under subdivision 2,
63.9 paragraph (d). The bonds authorized by this subdivision are for the purposes of financing
63.10 the land acquisition, design, engineering, and construction of facilities and infrastructure
63.11 necessary to complete Phase 3 of the Lewis and Clark Regional Water System project,
63.12 including extension of the project from the Lincoln-Pipestone Rural Water System connection
63.13 near Adrian to Worthington, construction of a reservoir in Nobles County and a meter
63.14 building in Worthington, and acquisition and installation of a supervisory control and data
63.15 acquisition (SCADA) system. No bonds shall be sold under this subdivision until the
63.16 commissioner determines that a nonstate match of at least \$9,000,000 is committed to the
63.17 final phase of the project.

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

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

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

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

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

63.30 Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds for the
63.31 purpose of refunding any appropriation bonds then outstanding, including the payment of
63.32 any redemption premiums on the bonds, any interest accrued or to accrue to the redemption
63.33 date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any
63.34 refunding bonds may, in the discretion of the commissioner, be applied to the purchase or

64.1 payment at maturity of the appropriation bonds to be refunded, to the redemption of the
64.2 outstanding appropriation bonds on any redemption date, or to pay interest on the refunding
64.3 bonds and may, pending application, be placed in escrow to be applied to the purchase,
64.4 payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be
64.5 invested and reinvested in obligations that are authorized investments under section 11A.24.
64.6 The income earned or realized on the investment may also be applied to the payment of the
64.7 appropriation bonds to be refunded or interest or premiums on the refunded appropriation
64.8 bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been
64.9 fully satisfied, any balance of the proceeds and any investment income may be returned to
64.10 the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds
64.11 fund for use in any lawful manner. All refunding bonds issued under this subdivision must
64.12 be prepared, executed, delivered, and secured by appropriations in the same manner as the
64.13 appropriation bonds to be refunded.

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

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

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

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

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

65.1 legislature shall not have appropriated amounts sufficient for debt service, or (2) the date
65.2 of final payment of the principal of and interest on the appropriation bonds.

65.3 Subd. 7. **Appropriation of proceeds.** (a) The proceeds of appropriation bonds issued
65.4 under subdivision 2a and interest credited to the special appropriation Lewis and Clark bond
65.5 proceeds fund are appropriated as follows:

65.6 (1) to the ~~commissioner~~ Public Facilities Authority for a grant to the Lewis and Clark
65.7 Joint Powers Board for payment of capital expenses for the purposes provided by as specified
65.8 in subdivision 2, ~~paragraph (a), 2a;~~ and

65.9 (2) to the commissioner for debt service on the bonds including capitalized interest,
65.10 nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and
65.11 payments under any agreements entered into under subdivision 2, paragraph ~~(e)~~ (d), each
65.12 as permitted by state and federal law, and such proceeds may be granted, loaned, or otherwise
65.13 provided for the public purposes provided by subdivision 2, paragraph (a).

65.14 (b) The proceeds of appropriation bonds issued under subdivision 2b and interest credited
65.15 to the special appropriation Lewis and Clark bond proceeds fund are appropriated as follows:

65.16 (1) to the Public Facilities Authority for a grant to the Lewis and Clark Joint Powers
65.17 Board for payment of capital expenses as specified in subdivision 2b; and

65.18 (2) to the commissioner for debt service on the bonds including capitalized interest,
65.19 nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds, and
65.20 payments under any agreements entered into under subdivision 2, paragraph (d), each as
65.21 permitted by state and federal law.

65.22 Subd. 8. **Appropriation for debt service and other purposes.** (a) An amount, up to
65.23 \$1,351,000 needed to pay principal and interest on appropriation bonds issued under ~~this~~
65.24 ~~section~~ subdivision 2a is appropriated each fiscal year from the general fund to the
65.25 commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
65.26 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
65.27 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
65.28 appropriation is available beginning in fiscal year 2017 and through fiscal year 2038.

65.29 (b) An amount up to \$855,000 needed to pay principal and interest on appropriation
65.30 bonds issued under subdivision 2b is appropriated each fiscal year from the general fund
65.31 to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
65.32 otherwise pursuant to subdivision 6, for deposit into the bond payments account established

66.1 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
 66.2 appropriation is available beginning in fiscal year 2018 and through fiscal year 2039.

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

66.6 Sec. 2. Minnesota Statutes 2016, section 85.34, subdivision 1, is amended to read:

66.7 Subdivision 1. **Upper bluff; lease terms.** The commissioner of natural resources with
 66.8 the approval of the Executive Council may lease for purposes of restoration, preservation,
 66.9 historical, recreational, educational, and commercial use and development, that portion of
 66.10 Fort Snelling State Park known as the upper bluff consisting of officer's row, area J, the
 66.11 polo grounds, the adjacent golf course, and all buildings and improvements located thereon,
 66.12 all lying within an area bounded by Minneapolis-St. Paul International Airport, Trunk
 66.13 Highways numbered 5 and 55, and Bloomington Road. The lease or leases shall be in a
 66.14 form approved by the attorney general and for a term of not to exceed 99 years. The lease
 66.15 or leases may provide for the provision of capital improvements or other performance by
 66.16 the tenant or tenants in lieu of all or some of the payments of rent that would otherwise be
 66.17 required. Notwithstanding the continuing ownership of the upper bluff by the state, any
 66.18 lease of one or more buildings improved with state general obligation bond proceeds that
 66.19 exceeds 50 years shall be treated as a sale of the buildings for purposes of section 16A.695,
 66.20 subdivision 3. Any disposition proceeds payable to the commissioner upon execution of
 66.21 any lease relating to state bond financed buildings at the upper bluff shall be applied in
 66.22 accordance with the requirements of section 16A.695, subdivision 3, and used to pay,
 66.23 redeem, or defease state general obligation bonds issued for purposes of improving those
 66.24 buildings. Any lease revenues paid to the commissioner subsequent to the payment,
 66.25 redemption, or defeasance of state general obligation bonds shall be used by the commissioner
 66.26 as further described in this section.

66.27 Sec. 3. Minnesota Statutes 2016, section 174.52, subdivision 2, is amended to read:

66.28 Subd. 2. ~~Trunk highway corridor projects~~ **Local cost-share assistance account.** A
 66.29 ~~trunk highway corridor projects~~ local cost-share assistance account is established in the
 66.30 local road improvement fund. Money in the account is annually appropriated to the
 66.31 commissioner of transportation for expenditure as specified in this section. Money in the
 66.32 account must be used as grants or loans to statutory or home rule charter cities, towns, and
 66.33 counties to assist in paying the local share of trunk highway projects that have local costs

67.1 that are directly or partially related to the trunk highway improvement and that are not
 67.2 funded or are only partially funded with other state and federal funds. ~~The commissioner~~
 67.3 ~~shall determine the amount of the local share of costs eligible for assistance from the account.~~

67.4 Sec. 4. [219.016] HAZARDOUS MATERIALS RAIL SAFETY ACCOUNT AND
 67.5 GRANT PROGRAM.

67.6 Subdivision 1. Purpose. A hazardous materials rail safety program is established for
 67.7 the purpose of reducing the risks associated with transporting hazardous material by rail.

67.8 Subd. 2. Creation of account. A hazardous materials rail safety program account is
 67.9 established in the bond proceeds fund. Money in the account may only be used for capital
 67.10 costs associated with planning, engineering, administration, and construction of public
 67.11 highway-rail grade crossing improvements on rail corridors transporting crude oil and other
 67.12 hazardous materials. Improvements may include upgrades to existing protection systems,
 67.13 the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings
 67.14 to full grade separations.

67.15 Subd. 3. Grants. The commissioner may approve grants for financial assistance to
 67.16 eligible applicants for capital costs associated with hazardous materials rail safety projects
 67.17 on public highway-rail grade crossings. Qualifying capital costs include, but are not limited
 67.18 to, upgrades to existing protection systems, the closing of crossings and necessary roadwork,
 67.19 and reconstruction of at-grade crossings to full grade separations.

67.20 Subd. 4. Eligible applicants. Counties, statutory or home rule charter cities, or towns
 67.21 that are responsible for establishing and maintaining public highway-rail grade crossings
 67.22 on rail corridors transporting crude oil and other hazardous materials may apply to the
 67.23 commissioner for financial assistance for the purposes in this section.

67.24 Subd. 5. Criteria for grant award. The commissioner shall consider the following
 67.25 criteria to evaluate applications for a grant award for a hazardous materials rail safety project:

67.26 (1) whether the crossing was identified as a potential candidate for grade separation in
 67.27 MnDOT's crude by rail grade crossing study (Improvements to Highway Grade Crossings
 67.28 and Rail Safety, December 2014);

67.29 (2) roadway traffic volumes and speeds;

67.30 (3) train volumes and speeds;

67.31 (4) adjacent land use;

67.32 (5) crash history;

- 68.1 (6) use of the crossing by emergency vehicles;
 68.2 (7) use of the crossing by vehicles carrying hazardous materials;
 68.3 (8) local financial contributions to the project; and
 68.4 (9) private financial contributions to the project.

68.5 Sec. 5. Minnesota Statutes 2016, section 446A.072, is amended to read:

68.6 **446A.072 ~~WASTEWATER~~ WATER INFRASTRUCTURE FUNDING PROGRAM.**

68.7 Subdivision 1. **Establishment of program.** The authority will establish a ~~wastewater~~
 68.8 water infrastructure funding program to provide supplemental assistance to governmental
 68.9 units receiving funding through the clean water revolving fund program, the drinking water
 68.10 revolving fund program, or the United States Department of Agriculture Rural Economic
 68.11 and Community Development's (USDA/RECD) Water and Waste Disposal Loans and
 68.12 Grants program for the predesign, design, and construction of municipal wastewater ~~treatment~~
 68.13 and drinking water systems, including purchase of land and easements. The purpose of the
 68.14 program is to assist governmental units demonstrating financial need to build cost-effective
 68.15 projects to address existing environmental or public health problems. To implement the
 68.16 program, the authority shall establish a ~~wastewater~~ water infrastructure fund to provide
 68.17 grants ~~and loans~~ for the purposes authorized under title VI of the Federal Water Pollution
 68.18 Control Act and the federal Safe Drinking Water Act. The fund shall be credited with all
 68.19 investment income from the fund and all repayments of loans, grants, and penalties.

68.20 Subd. 3. **Program administration.** (a) The authority shall provide supplemental
 68.21 assistance, as provided in subdivision 5a to governmental units:

68.22 (1) whose projects are listed on the Pollution Control Agency's project priority list or
 68.23 the commissioner of health's project priority list;

68.24 (2) that demonstrate their projects are a cost-effective solution to an existing
 68.25 environmental or public health problem; and

68.26 (3) whose projects are approved by the USDA/RECD or certified by the commissioner
 68.27 of the Pollution Control Agency or the commissioner of health.

68.28 (b) For a governmental unit receiving grant funding from the USDA/RECD, applications
 68.29 must be made to the USDA/RECD with additional information submitted to the authority
 68.30 as required by the authority. Eligible project costs and affordability criteria shall be
 68.31 determined by the USDA/RECD.

69.1 (c) For a governmental unit not receiving grant funding from the USDA/RECD,
 69.2 application must be made to the authority on forms prescribed by the authority for the clean
 69.3 water revolving fund program or the drinking water revolving fund program with additional
 69.4 information as required by the authority. In accordance with section 116.182, the Pollution
 69.5 Control Agency or the commissioner of health shall:

69.6 (1) calculate the essential project component percentage, based on the portion of project
 69.7 costs necessary to convey or treat the existing wastewater flows and loadings or, for drinking
 69.8 water projects, to provide safe drinking water to meet existing needs, which must be
 69.9 multiplied by the total project cost to determine the eligible project cost for the program
 69.10 under this section; and

69.11 (2) review and certify approved projects to the authority.

69.12 (d) Each fiscal year the authority shall make funds available for projects based on their
 69.13 ranking on the Pollution Control Agency's project priority list or the commissioner of health's
 69.14 project priority list. The authority shall reserve funds for a project when the applicant receives
 69.15 a funding commitment from the United States Department of Agriculture Rural Development
 69.16 (USDA/RECD) or ~~submits plans and specifications to~~ the project is certified by the Pollution
 69.17 Control Agency or the commissioner of health. Funds must be reserved in an amount based
 69.18 on the project cost estimate submitted to the authority ~~prior to the appropriation of the funds~~
 69.19 ~~and awarded based on the lesser of that amount or the as-bid cost~~ when the project is certified
 69.20 or the as-bid cost, whichever is less.

69.21 Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant
 69.22 funding from the USDA/RECD, the authority may provide assistance in the form of a grant
 69.23 of up to 65 percent of the eligible grant need determined by USDA/RECD. A governmental
 69.24 unit may not receive a grant under this paragraph for more than ~~\$4,000,000~~ \$5,000,000 per
 69.25 project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically
 69.26 approved by law.

69.27 (b) For a governmental unit receiving a loan from the clean water revolving fund under
 69.28 section 446A.07, the authority may provide assistance under this section in the form of a
 69.29 grant if the average annual residential wastewater system cost after completion of the project
 69.30 would otherwise exceed 1.4 percent of the median household income of the project service
 69.31 area. In determining whether the average annual residential wastewater system cost would
 69.32 exceed 1.4 percent, the authority must consider the total costs associated with building,
 69.33 operating, and maintaining the wastewater system, including existing wastewater debt
 69.34 service, debt service on the eligible project cost, and operation and maintenance costs. Debt

70.1 service costs for the proposed project are calculated based on the maximum loan term
 70.2 permitted for the clean water revolving fund loan under section 446A.07, subdivision 7.
 70.3 The amount of the grant is equal to 80 percent of the amount needed to reduce the average
 70.4 annual residential wastewater system cost to 1.4 percent of median household income in
 70.5 the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~
 70.6 \$20,000 per existing connection, whichever is less, unless specifically approved by law.
 70.7 The eligible project cost is determined by multiplying the total project costs minus any other
 70.8 grants by the essential project component percentage calculated under subdivision 3,
 70.9 paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the
 70.10 eligible project cost.

70.11 (c) For a governmental unit receiving a loan from the drinking water revolving fund
 70.12 under section 446A.081, the authority may provide assistance under this section in the form
 70.13 of a grant if the average annual residential drinking water system cost after completion of
 70.14 the project would otherwise exceed 1.2 percent of the median household income of the
 70.15 project service area. In determining whether the average annual residential drinking water
 70.16 system cost would exceed 1.2 percent, the authority must consider the total costs associated
 70.17 with building, operating, and maintaining the drinking water system, including existing
 70.18 drinking water debt service, debt service on the eligible project cost, and operation and
 70.19 maintenance costs. Debt service costs for the proposed project are calculated based on the
 70.20 maximum loan term permitted for the drinking water revolving fund loan under section
 70.21 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of
 70.22 the amount needed to reduce the average annual residential drinking water system cost to
 70.23 1.2 percent of median household income in the project service area, to a maximum of
 70.24 \$5,000,000 per project or \$20,000 per existing connection, whichever is less, unless
 70.25 specifically approved by law. The eligible project cost is determined by multiplying the
 70.26 total project costs minus any other grants by the essential project component percentage
 70.27 calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the
 70.28 grant exceed 80 percent of the eligible project cost.

70.29 ~~(e)~~ (d) Notwithstanding the limits in paragraphs (a) ~~and~~, (b), and (c), for a governmental
 70.30 unit receiving supplemental assistance under this section after January 1, 2002, if the authority
 70.31 determines that the governmental unit's construction and installation costs are significantly
 70.32 increased due to geological conditions of crystalline bedrock or karst areas and discharge
 70.33 limits that are more stringent than secondary treatment, the maximum award under this
 70.34 section shall not be more than \$25,000 per existing connection.

71.1 ~~Subd. 5b. **Special assessment deferral.** A governmental unit receiving a loan under~~
71.2 ~~subdivision 5a that levies special assessments to repay the loan under subdivision 5a or~~
71.3 ~~section 446A.07 may defer payment of such assessments under the provisions of sections~~
71.4 ~~435.193 to 435.195.~~

71.5 Subd. 6. **Disbursements.** Disbursements of grants ~~or loans~~ awarded under this section
71.6 by the authority to recipients must be made for eligible project costs as incurred by the
71.7 recipients, and must be made by the authority in accordance with the project financing
71.8 agreement and applicable state and federal laws and rules governing the payments.

71.9 ~~Subd. 7. **Loan repayments.** Notwithstanding the limitations set forth in section 475.54,~~
71.10 ~~subdivision 1, this subdivision shall govern the maturities and mandatory sinking fund~~
71.11 ~~redemptions of the loans under this section. A governmental unit receiving a loan under~~
71.12 ~~this section shall repay the loan in semiannual payment amounts determined by the authority.~~
71.13 ~~The payment amount must be based on the average payments on the governmental unit's~~
71.14 ~~clean water revolving fund loan or, if greater, the minimum amount required to fully repay~~
71.15 ~~the loan by the maturity date. Payments must begin within one year of the date of the~~
71.16 ~~governmental unit's final payment on the clean water revolving fund loan. The final maturity~~
71.17 ~~date of the loan under this section must be no later than 20 years from the date of the first~~
71.18 ~~payment on the loan under this section and no later than 40 years from the date of the first~~
71.19 ~~payment on the clean water revolving fund loan.~~

71.20 Subd. 8. **Eligibility.** A governmental unit is eligible for assistance under this section
71.21 only after applying for grant funding from other sources and funding has been obtained,
71.22 rejected, or the authority has determined that the potential funding is unlikely.

71.23 Subd. 9. **Funding limitation.** Supplemental assistance may not be used to reduce the
71.24 sewer service charges of a significant wastewater contributor industrial user that has a
71.25 separate service charge agreement with the recipient, or a single user that has caused the
71.26 need for the project or whose current or projected flow and load exceed usage exceeds
71.27 one-half of the current wastewater treatment plant's or drinking water system capacity.

71.28 Subd. 11. **Report on needs.** By February 1 of each even-numbered year, the authority,
71.29 in conjunction with the Pollution Control Agency and the commissioner of health, shall
71.30 prepare a report to the Finance Division of the senate Environment and Natural Resources
71.31 Committee and the house of representatives Environment and Natural Resources Finance
71.32 Committee on wastewater and drinking water funding assistance needs of governmental
71.33 units under this section.

72.1 Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or~~ grant
 72.2 under this section shall establish a system replacement fund and shall annually deposit a
 72.3 minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or~~, expansion, or
 72.4 replacement of the treatment wastewater or drinking water system, ~~or replacement of the~~
 72.5 ~~treatment system at the end of its useful life.~~ Money must remain in the account for the life
 72.6 of the corresponding project loan from the authority or USDA/RECD, unless use of the
 72.7 fund is approved in writing by the authority for major rehabilitation, expansion, or
 72.8 replacement of the ~~treatment~~ wastewater or drinking water system. By March 1 each year
 72.9 during the life of the loan, each recipient shall submit a report to the authority regarding the
 72.10 amount deposited and the fund balance for the prior calendar year. A recipient is not required
 72.11 to maintain a fund balance greater than the amount of the grant received. Failure to comply
 72.12 with the requirements of this subdivision shall result in the authority assessing a penalty
 72.13 fee to the recipient equal to one percent of the supplemental assistance amount for each
 72.14 year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as~~
 72.15 ~~required constitutes a default on the loan.~~

72.16 Subd. 14. **Consistency with land use plans.** A governmental unit applying for a project
 72.17 in an unsewered area shall include in its application to the authority a certification from the
 72.18 county in which the project is located that:

72.19 (1) the project is consistent with the county comprehensive land use plan, if the county
 72.20 has adopted one;

72.21 (2) the project is consistent with the county water plan, if the county has adopted one;
 72.22 and

72.23 (3) the county has adopted specific land use ordinances or controls so as to meet or
 72.24 exceed the requirements of Minnesota Rules, part 7082.0050.

72.25 Sec. 6. Minnesota Statutes 2016, section 446A.073, is amended to read:

72.26 **446A.073 POINT SOURCE IMPLEMENTATION GRANTS.**

72.27 Subdivision 1. **Program established.** When money is appropriated for grants under this
 72.28 program, the authority shall award grants up to a maximum of ~~\$3,000,000~~ \$7,000,000 to
 72.29 governmental units to cover ~~up to one-half~~ 80 percent of the cost of water infrastructure
 72.30 projects made necessary by:

72.31 (1) a wasteload reduction prescribed under a total maximum daily load plan required by
 72.32 section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);

73.1 (2) a phosphorus concentration or mass limit which requires discharging one milligram
 73.2 per liter or less at permitted design flow which is incorporated into a permit issued by the
 73.3 Pollution Control Agency;

73.4 (3) any other water quality-based effluent limit established under section 115.03,
 73.5 subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution
 73.6 Control Agency that exceeds secondary treatment limits; or

73.7 (4) a total nitrogen concentration or mass limit of that requires discharging ten milligrams
 73.8 per liter or less ~~for a land-based treatment system~~ at permitted design flow.

73.9 Subd. 2. **Grant application.** Application for a grant must be made to the authority on
 73.10 forms prescribed by the authority ~~for the total maximum daily load grant program, with~~
 73.11 ~~additional information as required by the authority,~~ including a project schedule and cost
 73.12 estimate for the work necessary to comply with the ~~point source wasteload allocation~~
 73.13 requirements listed in subdivision 1. The Pollution Control Agency shall:

73.14 ~~(1) in accordance with section 116.182, calculate the essential project component~~
 73.15 ~~percentage, which must be multiplied by the total project cost to determine the eligible~~
 73.16 ~~project cost; and~~

73.17 ~~(2)~~ review and certify to the authority those projects that have plans and specifications
 73.18 approved under section 115.03, subdivision 1, paragraph (f).

73.19 Subd. 3. **Project priorities.** ~~When money is appropriated for grants under this program,~~
 73.20 The authority shall accept applications under this program during the month of July and
 73.21 reserve money for projects expected to proceed with construction by the end of the fiscal
 73.22 year in the order listed on the Pollution Control Agency's project priority list and in an
 73.23 amount based on the cost estimate submitted to the authority in the grant application or the
 73.24 as-bid costs, whichever is less. Notwithstanding Minnesota Rules, chapter 7077, the Pollution
 73.25 Control Agency may rank a drinking water infrastructure project on the agency's project
 73.26 priority list if the project is necessary to meet an applicable requirement in subdivision 1.

73.27 Subd. 4. **Grant approval.** The authority must make a grant for an eligible project only
 73.28 after:

73.29 (1) the applicant has submitted the as-bid cost for the water infrastructure project;

73.30 (2) the Pollution Control Agency has approved the as-bid costs and certified the grant
 73.31 eligible portion of the project; and

73.32 (3) the authority has determined that the additional financing necessary to complete the
 73.33 project has been committed from other sources.

74.1 Subd. 5. **Grant disbursement.** Disbursement of a grant must be made for eligible project
74.2 costs as incurred by the governmental unit and in accordance with a project financing
74.3 agreement and applicable state and federal laws and rules governing the payments.

74.4 Sec. 7. Minnesota Statutes 2016, section 446A.081, subdivision 9, is amended to read:

74.5 Subd. 9. **Other uses of fund.** (a) The drinking water revolving loan fund may be used
74.6 as provided in the act, including the following uses:

74.7 (1) to buy or refinance the debt obligations, at or below market rates, of public water
74.8 systems for drinking water systems, where the debt was incurred after the date of enactment
74.9 of the act, for the purposes of construction of the necessary improvements to comply with
74.10 the national primary drinking water regulations under the federal Safe Drinking Water Act;

74.11 (2) to purchase or guarantee insurance for local obligations to improve credit market
74.12 access or reduce interest rates;

74.13 (3) to provide a source of revenue or security for the payment of principal and interest
74.14 on revenue or general obligation bonds issued by the authority if the bond proceeds are
74.15 deposited in the fund;

74.16 (4) to provide loans or loan guarantees for similar revolving funds established by a
74.17 governmental unit or state agency;

74.18 (5) to earn interest on fund accounts;

74.19 (6) to pay the reasonable costs incurred by the authority, the Department of Employment
74.20 and Economic Development, and the Department of Health for conducting activities as
74.21 authorized and required under the act up to the limits authorized under the act;

74.22 (7) to develop and administer programs for water system supervision, source water
74.23 protection, and related programs required under the act;

74.24 (8) notwithstanding Minnesota Rules, part 7380.0280, to provide principal forgiveness
74.25 or grants to the extent permitted under the federal Safe Drinking Water Act and other federal
74.26 law, based on the criteria and requirements established for drinking water projects under
74.27 the water infrastructure funding program under section 446A.072;

74.28 (9) to provide loans, principal forgiveness or grants to the extent permitted under the
74.29 federal Safe Drinking Water Act and other federal law to address green infrastructure, water
74.30 or energy efficiency improvements, or other environmentally innovative activities; and

75.1 (10) to provide principal forgiveness, or grants for 50 percent of the project cost up to
 75.2 a maximum of \$10,000 for projects needed to comply with national primary drinking water
 75.3 standards for an existing community or noncommunity public water system.

75.4 ~~(b) Principal forgiveness or grants under paragraph (a), clause (8), must only be provided~~
 75.5 ~~if the average annual residential drinking water system cost after completion of the project~~
 75.6 ~~would otherwise exceed 1.2 percent of the median household income in the project service~~
 75.7 ~~area. In determining whether the average annual residential drinking water system cost~~
 75.8 ~~would exceed 1.2 percent, the authority must consider the total costs associated with building,~~
 75.9 ~~operating, and maintaining the drinking water system, including debt service and operation~~
 75.10 ~~and maintenance costs. Debt service costs for the proposed project must be calculated based~~
 75.11 ~~on the maximum loan term permitted for the drinking water revolving fund loan under this~~
 75.12 ~~section. The amount of the principal forgiveness or grant must be equal to 80 percent of the~~
 75.13 ~~amount needed to reduce the average annual residential drinking water system cost to 1.2~~
 75.14 ~~percent of median household income in the project service area, to a maximum of \$4,000,000~~
 75.15 ~~or \$15,000 per connection, whichever is less, and not to exceed 80 percent of the total project~~
 75.16 ~~cost.~~

75.17 ~~(e)~~ (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not
 75.18 exceed 25 percent of the eligible project costs as determined by the Department of Health
 75.19 for project components directly related to green infrastructure, water or energy efficiency
 75.20 improvements, or other environmentally innovative activities, up to a maximum of
 75.21 \$1,000,000.

75.22 ~~(d) The authority may reduce the percentage of median household income at which a~~
 75.23 ~~loan term could extend to 30 years under subdivision 8, paragraph (c), and at which principal~~
 75.24 ~~forgiveness or grants could be provided under paragraph (b) if it determines that the federal~~
 75.25 ~~money allotted to the state cannot be fully utilized without the reduction. If it determines~~
 75.26 ~~that the reduction is necessary to fully utilize the federal money, the authority must effect~~
 75.27 ~~the change through its approval of the annual intended use plan.~~

75.28 Sec. 8. Minnesota Statutes 2016, section 446A.12, subdivision 1, is amended to read:

75.29 Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a
 75.30 principal amount that the authority determines necessary to provide sufficient funds for
 75.31 achieving its purposes, including the making of loans and purchase of securities, the payment
 75.32 of interest on bonds of the authority, the establishment of reserves to secure its bonds, the
 75.33 payment of fees to a third party providing credit enhancement, and the payment of all other
 75.34 expenditures of the authority incident to and necessary or convenient to carry out its corporate

76.1 purposes and powers, but not including the making of grants. Bonds of the authority may
 76.2 be issued as bonds or notes or in any other form authorized by law. The principal amount
 76.3 of bonds issued and outstanding under this section at any time may not exceed
 76.4 ~~\$1,500,000,000~~ \$2,000,000,000, excluding bonds for which refunding bonds or crossover
 76.5 refunding bonds have been issued, and excluding any bonds issued for the credit enhanced
 76.6 bond program or refunding or crossover refunding bonds issued under the program. The
 76.7 principal amount of bonds issued and outstanding under section 446A.087, may not exceed
 76.8 \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds
 76.9 have been issued.

76.10 Sec. 9. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision to
 76.11 read:

76.12 Subd. 2c. **Additional authorization.** In addition to the amount authorized in subdivisions
 76.13 2, 2a, and 2b, the agency may issue up to \$35,000,000 in housing infrastructure bonds in
 76.14 one or more series to which the payments under this section may be pledged.

76.15 Sec. 10. Minnesota Statutes 2016, section 462A.37, subdivision 5, is amended to read:

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

76.19 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
 76.20 bonds issued under subdivision 2a remain outstanding, the commissioner of management
 76.21 and budget must transfer to the housing infrastructure bond account established under section
 76.22 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000
 76.23 annually. The amounts necessary to make the transfers are appropriated from the general
 76.24 fund to the commissioner of management and budget.

76.25 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
 76.26 bonds issued under subdivision 2b remain outstanding, the commissioner of management
 76.27 and budget must transfer to the housing infrastructure bond account established under section
 76.28 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000
 76.29 annually. The amounts necessary to make the transfers are appropriated from the general
 76.30 fund to the commissioner of management and budget.

76.31 (d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure
 76.32 bonds issued under subdivision 2c remain outstanding, the commissioner of management
 76.33 and budget must transfer to the housing infrastructure bond account established under section

77.1 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000
 77.2 annually. The amounts necessary to make the transfers are appropriated from the general
 77.3 fund to the commissioner of management and budget.

77.4 ~~(d)~~ (e) The agency may pledge to the payment of the housing infrastructure bonds the
 77.5 payments to be made by the state under this section.

77.6 Sec. 11. Laws 2012, chapter 293, section 7, subdivision 3, is amended to read:

77.7 **Subd. 3. Dam Repair, Reconstruction, and**
 77.8 **Removal** 3,000,000

77.9 To renovate or remove publicly owned dams.

77.10 The commissioner shall determine project

77.11 priorities as appropriate under Minnesota

77.12 Statutes, sections 103G.511 and 103G.515.

77.13 Notwithstanding the match requirements in

77.14 Minnesota Statutes, section 103G.511, a grant

77.15 to the city of Lanesboro does not require any

77.16 nonstate match.

77.17 Sec. 12. Laws 2014, chapter 294, article 1, section 7, subdivision 15, is amended to read:

77.18 **Subd. 15. Grant County Trail Grant** 100,000

77.19 For a grant to Grant County for predesign,

77.20 acquisition, ~~and~~ or improvements for a trail

77.21 from the city of Elbow Lake to Pomme de

77.22 Terre Lake. The commissioner of natural

77.23 resources may allocate any amount not needed

77.24 to complete this project to state trail

77.25 acquisition and improvements under

77.26 Minnesota Statutes, section 85.015.

77.27 Sec. 13. Laws 2014, chapter 294, article 1, section 17, subdivision 6, is amended to read:

77.28 **Subd. 6. Inver Grove Heights - Heritage Village**
 77.29 **Park** 2,000,000

77.30 \$1,500,000 of this appropriation is for a grant

77.31 to the city of Inver Grove Heights and

77.32 \$500,000 of this appropriation is for a grant

77.33 to Dakota County. This appropriation is for

78.1 public infrastructure improvements and land
 78.2 acquisition in and adjacent to the Heritage
 78.3 Village Park, the Mississippi River Trail, and
 78.4 the Rock Island Swing Bridge. These
 78.5 improvements will include but are not limited
 78.6 to motor vehicle access, utility service,
 78.7 stormwater treatment, and trail and sidewalk
 78.8 connections. This appropriation is not
 78.9 available until the commissioner of
 78.10 management and budget has determined that
 78.11 at least an equal amount has been committed
 78.12 to the project from nonstate sources.

78.13 Sec. 14. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

78.14 Subd. 12. **West St. Paul - ~~North Urban~~ River to**
 78.15 **River Regional Trail Bridge Greenway** 2,000,000

78.16 For a grant to the city of West St. Paul to
 78.17 predesign, design, and construct a ~~pedestrian~~
 78.18 ~~bridge for the North Urban Regional Trail as~~
 78.19 ~~an overpass~~ grade separated crossing of Robert
 78.20 Street in the area near Wentworth Avenue in
 78.21 West St. Paul for the River to River Regional
 78.22 Greenway. This appropriation may also be
 78.23 used to acquire property or purchase
 78.24 rights-of-way needed for ~~bridge~~ construction.
 78.25 A nonstate match is not required.

78.26 Sec. 15. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3,
 78.27 is amended to read:

78.28 Subd. 3. **Local Road Improvement Fund Grants** 8,910,000

78.29 (a) From the bond proceeds account in the
 78.30 state transportation fund as provided in
 78.31 Minnesota Statutes, section 174.50, for
 78.32 construction and reconstruction of local roads
 78.33 with statewide or regional significance under
 78.34 Minnesota Statutes, section 174.52,

79.1 subdivision 4, or for grants to counties to assist
 79.2 in paying the costs of rural road safety capital
 79.3 improvement projects on county state-aid
 79.4 highways under Minnesota Statutes, section
 79.5 174.52, subdivision 4a.

79.6 (b) This appropriation includes \$850,000 for
 79.7 a grant to the city of Sandstone for predesign,
 79.8 design, engineering, and construction of a road
 79.9 extending south off of marked Trunk Highway
 79.10 23 across from Lundorff Drive to the airport
 79.11 area, and including a bridge over Skunk Creek
 79.12 in Sandstone, in order to facilitate repurposing
 79.13 of an area of the airport into a business park.
 79.14 This appropriation is not available until the
 79.15 commissioner of management and budget
 79.16 determines that sufficient resources to
 79.17 complete the project are committed to it from
 79.18 other sources, including any funds made
 79.19 available from the commissioner of
 79.20 transportation.

79.21 (c) This appropriation includes \$3,770,000 for
 79.22 a grant to Kandiyohi County for construction
 79.23 and reconstruction of local roads to facilitate
 79.24 the construction of highway-rail grade
 79.25 separations at U.S. Highway 12 and Minnesota
 79.26 Highway 40 as part of one or more of the
 79.27 following highway-rail intersections associated
 79.28 with the Willmar Wye project: U.S. Highway
 79.29 12, marked Trunk Highway 40, and Kandiyohi
 79.30 County State-Aid Highway 55.

79.31 Sec. 16. **NATIONAL SPORTS CENTER; LEASE.**

79.32 Notwithstanding Minnesota Statutes, sections 16A.695, 16B.24, and 240A.03, subdivision
 79.33 6, the Minnesota Amateur Sports Commission may lease for educational purposes that
 79.34 portion of property described as a portion of the property acquired by the commission

80.1 pursuant to Laws 1987, chapter 400, section 8, subdivision 3, not currently needed for
80.2 amateur sports purposes to Independent School District No. 16, Spring Lake Park. The lease
80.3 shall be in a form approved by the attorney general and for a term not to exceed 99 years.
80.4 The lease may provide for the provision of capital improvements or other performance by
80.5 the tenant in lieu of all or some of the payments of rent that would otherwise be required.
80.6 Any lease revenues paid to the commission are appropriated to the commission.

80.7 **Sec. 17. REPORT ON FUTURE OF GLENSHEEN.**

80.8 The Board of Regents of the University of Minnesota must develop a plan for the future
80.9 of Glensheen, the historic Congdon estate in Duluth, in cooperation and consultation with
80.10 the city of Duluth, the Minnesota Historical Society, and other interested parties. The plan
80.11 must address facility ownership, a multiphased asset renewal plan, programmatic operations,
80.12 and cultural interpretation. The plan must be submitted by June 16, 2017, to the chairs and
80.13 ranking minority members of the legislative committees with jurisdiction over higher
80.14 education policy and finance, and capital investment, and as provided in Minnesota Statutes,
80.15 section 3.195.

80.16 **Sec. 18. COMMISSIONER OF ADMINISTRATION REPORT - FUNDING FOR**
80.17 **ASSET PRESERVATION.**

80.18 Subdivision 1. **Report.** By November 15, 2017, the commissioner of administration
80.19 shall report to the chairs and ranking minority members of the committees in the senate
80.20 with jurisdiction over finance and capital investment and in the house of representatives
80.21 with jurisdiction over ways and means and capital investment, with recommendations for
80.22 sustainable, reliable, predictable funding for preservation of capital assets owned by agencies.

80.23 Subd. 2. **Funding options and approaches.** The report shall assess the feasibility of
80.24 implementing the following options and may include evaluation of other feasible options:

80.25 (1) establishing a standing appropriation from the general fund to pay a portion of
80.26 certified asset preservation needs;

80.27 (2) establishing a standing appropriation from the bond proceeds fund, and authorizing
80.28 the sale of general obligation bonds, to pay a portion of certified asset preservation needs;

80.29 (3) dedicating a specified portion of fees collected by agencies to use for asset
80.30 preservation; and

80.31 (4) shifting asset preservation from the capital budget to the operating budget so that
80.32 asset preservation is built into the base budget.

81.1 Evaluations should include a comparison to current law and practice.

81.2 Subd. 3. **Demolition.** The report shall evaluate whether the metrics and process used by
 81.3 each agency to recommend demolition of capital assets are comprehensive enough to reflect
 81.4 what is in the best interest of the state.

81.5 Subd. 4. **Definition.** "Agencies" as used in this section means all executive branch
 81.6 agencies, the Board of Regents of the University of Minnesota, and the Board of Trustees
 81.7 of Minnesota State Colleges and Universities.

81.8 Sec. 19. **REAUTHORIZATION OF APPROPRIATION.**

81.9 Pursuant to Minnesota Statutes, section 16A.642, subdivision 1, paragraph (b), the
 81.10 unencumbered and unobligated balance of the bond authorization and appropriation of bond
 81.11 proceeds in Laws 2006, chapter 258, section 18, subdivision 6, as amended by Laws 2013,
 81.12 chapter 136, section 13, estimated to be \$1,991,456.32, is reauthorized.

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

81.14 Sec. 20. **REPEALER.**

81.15 Minnesota Statutes 2016, section 123A.446, is repealed.

81.16 Sec. 21. **EFFECTIVE DATE.**

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

81.18 **ARTICLE 4**

81.19 **RAIL TRANSPORTATION**

81.20 Section 1. Minnesota Statutes 2016, section 13.6905, is amended by adding a subdivision
 81.21 to read:

81.22 Subd. 34. **Oil and other hazardous substances transportation data.** Certain data on
 81.23 oil and other hazardous substances transportation by railroads are governed by section
 81.24 219.925, subdivision 7.

81.25 Sec. 2. Minnesota Statutes 2016, section 13.7411, is amended by adding a subdivision to
 81.26 read:

81.27 Subd. 10. **Prevention and response plans.** Certain data on prevention and response
 81.28 plans are governed by section 115E.042, subdivision 7.

82.1 Sec. 3. Minnesota Statutes 2016, section 115E.042, is amended to read:

82.2 **115E.042 PREPAREDNESS AND RESPONSE FOR CERTAIN RAILROADS.**

82.3 Subdivision 1. **Application.** In addition to the requirements of section 115E.04, a person
82.4 who owns or operates railroad car rolling stock transporting a unit train must comply with
82.5 this section.

82.6 Subd. 2. **Training.** (a) Each railroad must offer training to each fire department, and
82.7 each local organization for emergency management under section 12.25, having jurisdiction
82.8 along the ~~route of unit trains~~ routes over which oil and other hazardous substances are
82.9 transported. ~~Initial training under this subdivision must be offered to each fire department~~
82.10 ~~by June 30, 2016, and Refresher training must be offered to each fire department and local~~
82.11 organization for emergency management at least once every three years thereafter after
82.12 initial training under this subdivision.

82.13 (b) The training must address ~~the general hazards of oil and hazardous substances,~~
82.14 ~~techniques to assess hazards to the environment and to the safety of responders and the~~
82.15 ~~public, factors an incident commander must consider in determining whether to attempt to~~
82.16 ~~suppress a fire or to evacuate the public and emergency responders from an area, and other~~
82.17 ~~strategies for initial response by local emergency responders. The training must include~~
82.18 ~~suggested protocol or practices for local responders to safely accomplish these tasks~~
82.19 identification of rail cars and their hazardous substance contents, responder safety issues,
82.20 rail response tactics, public evacuation considerations, environmental contamination response,
82.21 coordination of railroad response personnel and resources at an incident, and other protocols
82.22 and practices for safe initial local response.

82.23 Subd. 3. **Emergency response planning; coordination.** ~~Beginning June 30, 2015, (a)~~
82.24 Each railroad must communicate at least annually with each ~~county or city~~ emergency
82.25 manager, security qualified safety representatives of railroad employees governed by the
82.26 Railway Labor Act, and a senior fire department officer of each fire department having
82.27 jurisdiction along the ~~route of a unit train~~ routes over which oil and other hazardous
82.28 substances are transported, to:

82.29 (1) ensure coordination of emergency response activities between the railroad and local
82.30 responders;

82.31 (2) upon request, assist emergency managers to identify and assess local rail-specific
82.32 threats, hazards, and risks; and

83.1 (3) obtain information from emergency managers regarding specific local natural and
 83.2 technical hazards and threats in the local area that may impact rail operations or public
 83.3 safety.

83.4 (b) The coordination under paragraph (a), clauses (2) and (3), must include identification
 83.5 of increased risks and potential special responses due to high population concentration,
 83.6 critical local infrastructure, key facilities, significant venues, or sensitive natural
 83.7 environments.

83.8 (c) The commissioner of public safety shall compile and make available to railroads a
 83.9 listing of emergency managers and fire chiefs, which must include contact information.

83.10 **Subd. 4. Response capabilities; time limits.** (a) Following confirmation of a discharge,
 83.11 a railroad must deliver and deploy sufficient equipment and trained personnel to (1) contain
 83.12 and recover discharged oil or hazardous substances, and (2) to protect the environment and
 83.13 assist local public safety officials.

83.14 (b) Within 15 minutes of the arrival of local emergency responders on the scene of a
 83.15 rail incident involving oil or other hazardous substances, a railroad must assist the incident
 83.16 commander in determining the nature of hazardous substances known to have been released
 83.17 and hazardous substances transported on the train, by providing information that includes
 83.18 the chemical content of the hazardous substances, contact information for the shipper, and
 83.19 instructions for dealing with release of the material. A railroad may provide information
 83.20 through the train orders on board the train, facsimile, or electronic transmission.

83.21 (c) Within one hour of confirmation of a discharge, a railroad must provide a qualified
 83.22 company ~~employee~~ representative to advise the incident commander, help assess the situation,
 83.23 initiate railroad response actions as needed, and provide advice and recommendations to
 83.24 the incident commander regarding the response. The employee may be made available by
 83.25 telephone, and must be authorized to deploy all necessary response resources of the railroad.

83.26 ~~(e)~~ (d) Within three hours of confirmation of a discharge, a railroad must be capable of
 83.27 delivering monitoring equipment and a trained operator to assist in protection of responder
 83.28 and public safety. A plan to ensure delivery of monitoring equipment and an operator to a
 83.29 discharge site must be provided each year to the commissioner of public safety.

83.30 ~~(d)~~ (e) Within three hours of confirmation of a discharge, a railroad must provide (1)
 83.31 qualified personnel at a discharge site to assess the discharge and to advise the incident
 83.32 commander, and (2) resources to assist the incident commander with ongoing public safety
 83.33 and scene stabilization.

84.1 ~~(e)~~ (f) A railroad must be capable of deploying containment boom from land across
 84.2 sewer outfalls, creeks, ditches, and other places where oil or hazardous substances may
 84.3 drain, in order to contain leaked material before it reaches those resources. The arrangement
 84.4 to provide containment boom and staff may be made by:

- 84.5 (1) training and caching equipment with local jurisdictions;
- 84.6 (2) training and caching equipment with a fire mutual-aid group;
- 84.7 (3) means of an industry cooperative or mutual-aid group;
- 84.8 (4) deployment of a contractor;
- 84.9 (5) deployment of a response organization under state contract; or
- 84.10 (6) other dependable means acceptable to the Pollution Control Agency.

84.11 ~~(f)~~ (g) Each arrangement under paragraph ~~(e)~~ (f) must be confirmed each year. Each
 84.12 arrangement must be tested by drill at least once every five years.

84.13 ~~(g)~~ (h) Within eight hours of confirmation of a discharge, a railroad must be capable of
 84.14 delivering and deploying containment boom, boats, oil recovery equipment, trained staff,
 84.15 and all other materials needed to provide:

- 84.16 (1) on-site containment and recovery of a volume of oil equal to ten percent of the
 84.17 calculated worst case discharge at any location along the route; and
- 84.18 (2) protection of listed sensitive areas and potable water intakes within one mile of a
 84.19 discharge site and within eight hours of water travel time downstream in any river or stream
 84.20 that the right-of-way intersects.

84.21 ~~(h)~~ (i) Within 60 hours of confirmation of a discharge, a railroad must be capable of
 84.22 delivering and deploying additional containment boom, boats, oil recovery equipment,
 84.23 trained staff, and all other materials needed to provide containment and recovery of a worst
 84.24 case discharge and to protect listed sensitive areas and potable water intakes at any location
 84.25 along the route.

84.26 Subd. 5. ~~Railroad drills~~ Environmental response exercises. (a) Each railroad must
 84.27 conduct ~~at least one~~ oil containment, recovery, and sensitive area protection ~~drill~~ exercises
 84.28 as follows: (1) at least one tabletop exercise every year; and (2) at least one full-scale exercise
 84.29 every three years; Each exercise must be at a location, date, and time and in the manner
 84.30 chosen by the Pollution Control Agency, and attended by safety representatives of railroad
 84.31 employees governed by the Railway Labor Act.

85.1 (b) To the extent feasible, the commissioner of the Pollution Control Agency shall
 85.2 coordinate each exercise with exercises required by federal agencies.

85.3 **Subd. 6. Prevention and response plans; requirements, submission.** (a) ~~By June 30,~~
 85.4 ~~2015,~~ A railroad shall submit the prevention and response plan ~~required under section~~
 85.5 ~~115E.04, as necessary to comply with the requirements of this section,~~ to the commissioner
 85.6 of the Pollution Control Agency on a form designated by the commissioner.

85.7 (b) ~~By June 30 of~~ In every third year following a plan submission under this subdivision,
 85.8 or sooner as provided under section 115E.04, subdivision 2, a railroad must update and
 85.9 resubmit the prevention and response plan to the commissioner.

85.10 **Subd. 7. Environmental response plan data.** A prevention and response plan provided
 85.11 under this section is nonpublic data, as defined under section 13.02, subdivision 9.

85.12 Sec. 4. Minnesota Statutes 2016, section 219.015, is amended to read:

85.13 **219.015 STATE RAIL SAFETY INSPECTOR INSPECTION PROGRAM.**

85.14 Subdivision 1. **Positions established; duties.** (a) The commissioner of transportation
 85.15 shall establish three state rail safety inspector positions ~~in the Office of Freight and~~
 85.16 ~~Commercial Vehicle Operations of the Minnesota Department of Transportation. On or~~
 85.17 ~~after July 1, 2015,~~ and the commissioner may establish ~~a fourth~~ up to six state rail safety
 85.18 ~~inspector position~~ inspection program positions following consultation with railroad
 85.19 companies. The commissioner shall apply to and enter into agreements with the Federal
 85.20 Railroad Administration (FRA) of the United States Department of Transportation to
 85.21 participate in the federal State Rail Safety Participation Program for training and certification
 85.22 of an inspector under authority of United States Code, title 49, sections 20103, 20105,
 85.23 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

85.24 (b) A state rail safety inspector ~~shall~~ may inspect mainline track, secondary track, and
 85.25 yard and industry track; inspect railroad right-of-way, including adjacent or intersecting
 85.26 drainage, culverts, bridges, overhead structures, and traffic and other public crossings;
 85.27 inspect yards and physical plants; inspect train equipment; review and enforce safety
 85.28 requirements; review maintenance and repair records; and review railroad security measures.

85.29 (c) A state rail safety inspector may perform, but is not limited to, the duties described
 85.30 in the federal State Rail Safety Participation Program. An inspector may train, be certified,
 85.31 and participate in any of the federal State Rail Safety Participation Program disciplines,
 85.32 including: track, signal and train control, motive power and equipment, operating practices
 85.33 compliance, hazardous materials, and highway-rail grade crossings.

86.1 (d) To the extent delegated by the Federal Railroad Administration and authorized by
 86.2 the commissioner, an inspector may issue citations for violations of this chapter, or to ensure
 86.3 railroad employee and public safety and welfare.

86.4 Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in
 86.5 this subdivision, the commissioner shall annually assess railroad companies that are (1)
 86.6 defined as common carriers under section 218.011; (2) classified by federal law or regulation
 86.7 as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Carriers; and (3)
 86.8 operating in this state.

86.9 (b) The assessment must be ~~by a division of~~ calculated to allocate state rail safety
 86.10 ~~inspector~~ inspection program costs ~~in equal proportion between~~ proportionally among
 86.11 carriers based on route miles operated in Minnesota, ~~assessed in equal amounts for 365 days~~
 86.12 ~~of the calendar year~~ at the time of assessment. The commissioner shall ~~assess~~ include in the
 86.13 assessment calculation all program or additional position start-up or re-establishment costs;
 86.14 ~~all related costs of initiating~~ the state rail safety ~~inspector~~ inspection program, including but
 86.15 not limited to inspection, administration, supervision, travel, equipment, and training; and
 86.16 costs of ongoing state rail inspector duties.

86.17 (c) The assessments collected under this subdivision must be deposited in a ~~special~~
 86.18 ~~account in the special revenue fund, to be known as the~~ state rail safety inspection account,
 86.19 which is established in the special revenue fund. The account consists of funds as provided
 86.20 by this subdivision, and any other money donated, allotted, transferred, or otherwise provided
 86.21 to the account. Money in the account is appropriated to the commissioner for the
 86.22 establishment and ongoing responsibilities of the state rail safety ~~inspector~~ inspection
 86.23 program.

86.24 Subd. 3. **Work site safety coaching program.** The commissioner may exempt a common
 86.25 carrier not federally classified as Class I from violations for a period of up to two years if
 86.26 the common carrier applies for participation in a work site safety coaching program, such
 86.27 as the "MNSharp" program administered by the Minnesota Department of Labor and Industry,
 86.28 and the commissioner determines such participation to be preferred enforcement for safety
 86.29 or security violations.

86.30 Subd. 4. **Appeal.** Any person aggrieved by an assessment levied under this section may
 86.31 appeal within 90 days any assessment, violation, or administrative penalty to the Office of
 86.32 Administrative Hearings, with further appeal and review by the district court.

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

87.1 Sec. 5. **[219.925] INCIDENT EMERGENCY RESPONSE; PREPAREDNESS AND**
87.2 **INFORMATION.**

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

87.5 (b) "Emergency manager" means the director of a local organization for emergency
87.6 management under section 12.25.

87.7 (c) "Hazardous substance" has the meaning given in Code of Federal Regulations, title
87.8 49, section 171.8.

87.9 (d) "Incident commander" means the official who has responsibility, following National
87.10 Incident Management System guidelines, for all aspects of emergency response operations
87.11 at an incident scene, including directing and controlling resources.

87.12 (e) "Oil" has the meaning given in section 115E.01, subdivision 8.

87.13 (f) "Rail carrier" means a railroad company that is:

87.14 (1) defined as a common carrier under section 218.011;

87.15 (2) classified by federal law or regulation as Class I Railroad, Class I Rail Carrier, Class
87.16 II Railroad, Class II Carrier, Class III Railroad, or Class III Carrier; and

87.17 (3) operating in this state.

87.18 Subd. 2. **Traffic review.** Within ten business days of receiving a written request, a rail
87.19 carrier shall provide a traffic review to a requesting emergency manager or fire chief having
87.20 jurisdiction along the routes over which oil and other hazardous substances are transported.
87.21 The traffic review under this subdivision must include information on the types and volumes
87.22 of oil and other hazardous substance transported through the requester's jurisdiction during
87.23 the prior calendar year.

87.24 Subd. 3. **Emergency response planning; information sharing.** Upon written request,
87.25 a rail carrier shall provide to an emergency manager or fire chief having jurisdiction along
87.26 the routes over which oil and other hazardous substances are transported:

87.27 (1) a complete copy of prevention and response plans submitted under section 115E.042,
87.28 subdivision 6; and

87.29 (2) a copy of the data and information, including risk assessment information, used to
87.30 develop the rail carrier's route analysis as required under Code of Federal Regulations, title
87.31 49, section 172.820, or successor requirements.

88.1 Subd. 4. **Emergency response planning; coordination meetings.** (a) Within 30 days
88.2 of receiving a written request, a rail carrier must be available to meet with a requesting
88.3 emergency manager or fire chief having jurisdiction along the routes over which oil and
88.4 other hazardous substances are transported, concerning emergency response planning and
88.5 coordination.

88.6 (b) At a meeting held under this subdivision, a rail carrier must provide:

88.7 (1) a review of the rail carrier's emergency response planning and capability, including
88.8 railroad response timelines and resources to provide (i) technical advice and
88.9 recommendations, (ii) trained response personnel, (iii) specialized equipment, and (iv) any
88.10 other available resources to support an incident commander who conducts a public safety
88.11 emergency response under the National Incident Management System; and

88.12 (2) inventory information on emergency response involving oil or other hazardous
88.13 substance, consisting of:

88.14 (i) equipment owned by the rail carrier, including equipment type and location;

88.15 (ii) response personnel of the rail carrier, including contact information and location;

88.16 and

88.17 (iii) resources available to the rail carrier through contractual agreements.

88.18 Subd. 5. **Real-time emergency response information.** (a) The commissioner of public
88.19 safety shall, through the Minnesota Fusion Center, receive and disseminate emergency
88.20 response information as provided under section 7302 of the FAST Act of 2015, Public Law
88.21 114-94, and federal regulations adopted under that section.

88.22 (b) On and after July 1, 2018, all rail carriers subject to this section shall collectively
88.23 provide to emergency responders, through an Internet-based format, the information on
88.24 transportation of oil and other hazardous substances provided by rail carriers through a
88.25 wireless communications device application on the effective date of this section.

88.26 Subd. 6. **Public safety response exercises.** (a) Each rail carrier must conduct one tabletop
88.27 public safety emergency response exercise in each emergency management region in which
88.28 the rail carrier transports oil and other hazardous substances. The exercises must be conducted
88.29 by July 1, 2018, and July 1 every two years thereafter.

88.30 (b) Each rail carrier must conduct one full-scale exercise every four years.

89.1 (c) In a emergency management region in which more than one rail carrier operates, the
 89.2 rail carriers may conduct the exercises jointly or may alternate among rail carriers to conduct
 89.3 the exercise.

89.4 (d) To the extent feasible, the rail carriers shall coordinate the exercises among each
 89.5 other and with exercises under section 115E.042, subdivision 5.

89.6 Subd. 7. **Transportation and response planning data.** Any data provided under
 89.7 subdivisions 3 to 6 to an emergency manager, incident commander, emergency first
 89.8 responder, fire chief, or the commissioner of public safety are nonpublic data, as defined
 89.9 under section 13.02, subdivision 9.

89.10 Sec. 6. Minnesota Statutes 2016, section 299A.55, is amended to read:

89.11 **299A.55 RAILROAD AND PIPELINE SAFETY INCIDENT PREPAREDNESS;**
 89.12 **OIL AND OTHER HAZARDOUS MATERIALS SUBSTANCES.**

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

89.15 (b) "Applicable rail carrier" means a railroad company that is subject to an assessment
 89.16 under section 219.015, subdivision 2.

89.17 (c) "Hazardous substance" has the meaning given in ~~section 115B.02, subdivision 8,~~
 89.18 Code of Federal Regulations, title 49, section 171.8.

89.19 (d) "Oil" has the meaning given in section 115E.01, subdivision 8.

89.20 (e) "Pipeline company" means any individual, partnership, association, or public or
 89.21 private corporation who owns and operates pipeline facilities and is required to show specific
 89.22 preparedness under section 115E.03, subdivision 2.

89.23 Subd. 2. **Railroad and pipeline safety incident account.** (a) A railroad and pipeline
 89.24 ~~safety incident~~ account is created in the special revenue fund. The account consists of funds
 89.25 collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided
 89.26 to the account.

89.27 (b) ~~\$104,000~~ An amount necessary for environmental protection activities related to
 89.28 railroad discharge preparedness under section 115E.042 is annually appropriated from the
 89.29 railroad and pipeline ~~safety incident~~ account to the commissioner of the Pollution Control
 89.30 Agency for ~~environmental protection activities related to railroad discharge preparedness~~
 89.31 under chapter 115E those purposes.

90.1 (c) Following the appropriation in paragraph (b), the remaining money in the account
 90.2 is annually appropriated to the commissioner of public safety for the purposes specified in
 90.3 subdivision 3.

90.4 Subd. 3. **Allocation of funds.** (a) Subject to funding appropriated for this subdivision,
 90.5 the commissioner shall provide funds for training and response preparedness related to (1)
 90.6 derailments, discharge incidents, or spills involving trains carrying oil or other hazardous
 90.7 substances, and (2) pipeline discharge incidents or spills involving oil or other hazardous
 90.8 substances.

90.9 (b) The commissioner shall allocate available funds as follows:

90.10 (1) \$100,000 annually for emergency response teams; and

90.11 (2) the remaining amount to the Board of Firefighter Training and Education under
 90.12 section 299N.02 and the Division of Homeland Security and Emergency Management.

90.13 (c) Prior to making allocations under paragraph (b), the commissioner shall consult with
 90.14 the Fire Service Advisory Committee under section 299F.012, subdivision 2.

90.15 (d) The commissioner and the entities identified in paragraph (b), clause (2), shall
 90.16 prioritize uses of funds based on:

90.17 (1) firefighter training needs;

90.18 (2) community risk from discharge incidents or spills;

90.19 (3) geographic balance; ~~and~~

90.20 (4) risks to the general public; and

90.21 (5) recommendations of the Fire Service Advisory Committee.

90.22 (e) The following are permissible uses of funds provided under this subdivision:

90.23 (1) training costs, which may include, but are not limited to, training curriculum, trainers,
 90.24 trainee overtime salary, other personnel overtime salary, and tuition;

90.25 (2) costs of gear and equipment related to hazardous materials readiness, response, and
 90.26 management, which may include, but are not limited to, original purchase, maintenance,
 90.27 and replacement;

90.28 (3) supplies related to the uses under clauses (1) and (2); ~~and~~

90.29 (4) emergency preparedness planning and coordination;₂

91.1 (5) public safety emergency response exercises under section 219.925, subdivision 6;
 91.2 and

91.3 (6) public education and outreach, including but not limited to:

91.4 (i) informing and engaging the public regarding hazards of derailments and discharge
 91.5 incidents;

91.6 (ii) assisting in development of evacuation readiness;

91.7 (iii) undertaking public information campaigns; and

91.8 (iv) providing accurate information to the media on likelihood and consequences of
 91.9 derailments and discharge incidents.

91.10 (f) Notwithstanding paragraph (b), clause (2), from funds in the railroad and pipeline
 91.11 safety incident account provided for the purposes under this subdivision, the commissioner
 91.12 may retain a balance in the account for budgeting in subsequent fiscal years.

91.13 Subd. 4. **Assessments.** (a) The commissioner of public safety shall annually assess
 91.14 \$2,500,000 to railroad and pipeline companies based on the formula specified in paragraph
 91.15 (b). The commissioner shall deposit funds collected under this subdivision in the railroad
 91.16 and pipeline safety incident account under subdivision 2.

91.17 (b) The assessment for each railroad is 50 percent of the total annual assessment amount,
 91.18 divided in equal proportion between applicable rail carriers based on route miles operated
 91.19 in Minnesota. The assessment for each pipeline company is 50 percent of the total annual
 91.20 assessment amount, divided in equal proportion between companies based on the yearly
 91.21 aggregate gallons of oil and hazardous substance transported by pipeline in Minnesota.

91.22 (c) The assessments under this subdivision expire July 1, 2017.

91.23 Sec. 7. **REVISOR'S INSTRUCTION.**

91.24 The revisor of statutes shall recodify Minnesota Statutes, section 115E.042, subdivision
 91.25 2, as Minnesota Statutes, section 219.925, subdivision 8, and Minnesota Statutes, section
 91.26 115E.042, subdivision 3, as Minnesota Statutes, section 219.925, subdivision 4. The revisor
 91.27 shall correct any cross-references made necessary by this recodification.

APPENDIX
Article locations in S0210-1

ARTICLE 1	APPROPRIATIONS	Page.Ln 1.17
ARTICLE 2	TRANSPORTATION FINANCE AND POLICY	Page.Ln 49.1
ARTICLE 3	MISCELLANEOUS	Page.Ln 60.17
ARTICLE 4	RAIL TRANSPORTATION	Page.Ln 81.18

APPENDIX
Repealed Minnesota Statutes: S0210-1

123A.446 STATE BOND AUTHORIZATION.

To provide money for the cooperative secondary facilities grant program, the commissioner of management and budget, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$14,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7.