

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3964

(SENATE AUTHORS: LOUREY and Bakk)

DATE	D-PG	OFFICIAL STATUS
04/12/2018	7294	Introduction and first reading
		Referred to Capital Investment
04/16/2018	7307	Author added Bakk

1.1 A bill for an act

1.2 relating to capital investment; appropriating money for extending the fiber network

1.3 to connect Willow River to Pine City and Cromwell to Aitkin; authorizing the sale

1.4 and issuance of state bonds.

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

1.6 Section 1. **FIBER NETWORK EXTENSION FROM WILLOW RIVER TO PINE**

1.7 **CITY AND FROM CROMWELL TO AITKIN.**

1.8 Subdivision 1. **Definition.** For purposes of this section, "fiber optic infrastructure" means

1.9 the land, buildings, fiber optic connection cable, and endpoint hardware, including routers

1.10 and switches. It does not include computers, telephones, or cameras.

1.11 Subd. 2. **Public purpose.** The fiber optic infrastructure project for which bond proceeds

1.12 are appropriated in this section is needed to deliver high-speed Internet service to areas of

1.13 the state that do not currently have high-speed Internet access due to the absence of fiber

1.14 optic infrastructure.

1.15 Subd. 3. **General eligibility; state general obligation bond funds.** Article XI, section

1.16 5, clause (a), of the Minnesota Constitution requires that state general obligation bonds be

1.17 issued to finance only the acquisition or betterment of public land, buildings, and other

1.18 public improvements of a capital nature. The legislature has determined that many fiber

1.19 optic infrastructure projects will constitute betterments and capital improvements within

1.20 the meaning of the Minnesota Constitution and capital expenditures under generally accepted

1.21 accounting principles, and will be financed more efficiently and economically under this

1.22 section than by direct appropriations for specific projects.

2.1 Subd. 4. **Appropriation.** \$2,300,000 is appropriated from the bond proceeds fund to
2.2 the commissioner of employment and economic development for a grant to the Mountain
2.3 Iron Economic Development Authority to prepare land on which the fiber optic infrastructure
2.4 will be located, including demolition of structures and remediation of any hazardous
2.5 conditions on the land, and for predesign, design, acquisition, and installation of fiber optic
2.6 infrastructure on land that is publicly owned or for which a public entity has a permanent
2.7 easement, with a useful life of at least ten years, in and extending between the cities of
2.8 Willow River and Pine City and in and between the cities of Cromwell and Aitkin. This
2.9 appropriation is available when the commissioner of management and budget determines
2.10 that sufficient resources have been committed to complete the project, as required by
2.11 Minnesota Statutes, section 16A.502.

2.12 Subd. 5. **Bond sale.** To provide the money appropriated in this section from the bond
2.13 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
2.14 the state in an amount up to \$2,300,000 in the manner, upon the terms, and with the effect
2.15 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
2.16 Constitution, article XI, sections 4 to 7.

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