

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2154

(SENATE AUTHORS: PAPPAS, Laine, Schoen, Klein and Sparks)

DATE	D-PG	OFFICIAL STATUS
03/16/2017	1540	Introduction and first reading Referred to Capital Investment

1.1 A bill for an act

1.2 relating to capital investment; authorizing spending to acquire and better public

1.3 land and buildings and other improvements of a capital nature with certain

1.4 conditions; 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 16A.967;

1.7 84.946, subdivision 2; 85.34, subdivision 1; 363A.36; 363A.44, subdivision 1;

1.8 446A.072; 446A.073; 446A.081, subdivision 9; 446A.12, subdivision 1; 462A.37,

1.9 subdivisions 1, 2, 2a, 2b, 5, by adding a subdivision; Laws 2014, chapter 294,

1.10 article 1, section 17, subdivision 12; Laws 2015, First Special Session chapter 5,

1.11 article 1, section 10, subdivision 7; proposing coding for new law in Minnesota

1.12 Statutes, chapter 219; repealing Minnesota Statutes 2016, section 123A.446.

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

1.14 **ARTICLE 1**

1.15 **APPROPRIATIONS**

1.16 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

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

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

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

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

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

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

1.23 otherwise specified, money appropriated in this act for a capital program or project may be

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

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

1.26 and budget. Unless otherwise specified, the appropriations in this act are available until the

2.1 project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless
 2.2 otherwise specified in this act, money appropriated in this act for activities under Minnesota
 2.3 Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can
 2.4 be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or
 2.5 16C.144.

2.6 **APPROPRIATIONS**

2.7 **Sec. 2. UNIVERSITY OF MINNESOTA**

2.8 **Subdivision 1. Total Appropriation** **\$ 148,234,000**

2.9 To the Board of Regents of the University of
 2.10 Minnesota for the purposes specified in this
 2.11 section.

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

2.14 To be spent in accordance with Minnesota
 2.15 Statutes, section 135A.046.

2.16 **Subd. 3. Twin Cities - Health Sciences Education**
 2.17 **Facility** **66,667,000**

2.18 To demolish obsolete health sciences facilities
 2.19 and to design, renovate, furnish, equip, and
 2.20 construct a health science education facility
 2.21 on the Twin Cities campus to meet the needs
 2.22 of the Medical School and the Academic
 2.23 Health Center.

2.24 **Subd. 4. Duluth - Chemical Sciences and**
 2.25 **Advanced Materials Science Building** **27,167,000**

2.26 To design, construct, furnish, and equip a new
 2.27 laboratory building on the Duluth campus,
 2.28 including classrooms and research and
 2.29 undergraduate instructional laboratories.

2.30 **Subd. 5. Twin Cities - Plant Growth Research**
 2.31 **Facility** **4,400,000**

2.32 To demolish the existing biological sciences
 2.33 greenhouse and to predesign, design,
 2.34 construct, furnish, and equip a greenhouse to

3.1 support learning and research on the St. Paul
3.2 campus.

3.3 **Subd. 6. University Share**

3.4 Except for the appropriation for HEAPR, the
3.5 appropriations in this section are intended to
3.6 cover approximately two-thirds of the cost of
3.7 each project. The remaining costs must be paid
3.8 from university sources.

3.9 **Subd. 7. Unspent Appropriations**

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

3.26 **Sec. 3. MINNESOTA STATE COLLEGES AND**
3.27 **UNIVERSITIES**

3.28 **Subdivision 1. Total Appropriation** **\$ 164,342,000**

3.29 To the Board of Trustees of the Minnesota
3.30 State Colleges and Universities for the
3.31 purposes specified in this section.

3.32 **Subd. 2. Higher Education Asset Preservation**
3.33 **and Replacement (HEAPR)** **52,149,000**

4.1	<u>To be spent in accordance with Minnesota</u>	
4.2	<u>Statutes, section 135A.046.</u>	
4.3	<u>Subd. 3. Bemidji State University</u>	<u>18,896,000</u>
4.4	<u>To demolish Hagg-Sauer Hall and construct,</u>	
4.5	<u>furnish, and equip its replacement, the</u>	
4.6	<u>Academic Learning Center; and to renovate</u>	
4.7	<u>and renew, furnish, and equip Bensen Hall,</u>	
4.8	<u>Sattgast Hall, Bangsberg Hall, and A.C. Clark</u>	
4.9	<u>Library.</u>	
4.10	<u>Subd. 4. Hibbing Community College</u>	<u>9,958,000</u>
4.11	<u>To demolish Building G and connecting links</u>	
4.12	<u>or portions thereof, and to construct, renovate,</u>	
4.13	<u>furnish, and equip buildings, links, and entry</u>	
4.14	<u>spaces on the campus.</u>	
4.15	<u>Subd. 5. Minnesota State Community and</u>	
4.16	<u>Technical College</u>	
4.17	<u>(a) Fergus Falls Campus</u>	<u>978,000</u>
4.18	<u>To design, renovate, furnish, and equip a new</u>	
4.19	<u>Center for Student and Workforce Success</u>	
4.20	<u>(CSWS) that integrates the Regional</u>	
4.21	<u>Workforce Center. The board must enter into</u>	
4.22	<u>a lease agreement with the commissioner of</u>	
4.23	<u>employment and economic development, or</u>	
4.24	<u>partners of the commissioner, for use of the</u>	
4.25	<u>workforce center subject to Minnesota</u>	
4.26	<u>Statutes, section 16A.695. The board must use</u>	
4.27	<u>nonstate money for the remainder of the cost</u>	
4.28	<u>of the renovation.</u>	
4.29	<u>(b) Wadena Campus</u>	<u>820,000</u>
4.30	<u>To design, renovate, furnish, and equip the</u>	
4.31	<u>relocation of the current library to</u>	
4.32	<u>underutilized space and convert the vacated</u>	
4.33	<u>space into a centralized student services center.</u>	
4.34	<u>Subd. 6. Minnesota State University, Mankato</u>	<u>6,525,000</u>

5.1	<u>To complete design, renovate, furnish, and</u>	
5.2	<u>equip space in Armstrong, Morris, Wissink,</u>	
5.3	<u>and Wiecking Halls to repurpose space being</u>	
5.4	<u>vacated by programs moving into the new</u>	
5.5	<u>Clinical Sciences Building and complete</u>	
5.6	<u>installation of a solar array on the new Clinical</u>	
5.7	<u>Sciences Building (Phase 1).</u>	
5.8	<u>Subd. 7. Northland Community and Technical</u>	
5.9	<u>College, East Grand Forks</u>	<u>826,000</u>
5.10	<u>To design, renovate, furnish, and equip science</u>	
5.11	<u>and radiological lab space on the East Grand</u>	
5.12	<u>Forks campus.</u>	
5.13	<u>Subd. 8. Rochester Community and Technical</u>	
5.14	<u>College</u>	<u>21,712,000</u>
5.15	<u>To complete design, demolish Memorial and</u>	
5.16	<u>Plaza Halls, construct, equip, and furnish an</u>	
5.17	<u>academic building expansion, and renovate,</u>	
5.18	<u>equip, and furnish replacement space for</u>	
5.19	<u>classrooms, labs, and office spaces.</u>	
5.20	<u>Subd. 9. South Central College, North Mankato</u>	<u>8,600,000</u>
5.21	<u>To design, renovate, renew, furnish, and equip</u>	
5.22	<u>laboratory, classroom, and office spaces on</u>	
5.23	<u>the North Mankato campus.</u>	
5.24	<u>Subd. 10. St. Cloud State University</u>	<u>18,572,000</u>
5.25	<u>To construct, renovate, furnish, and equip</u>	
5.26	<u>Eastman Hall for the relocation of</u>	
5.27	<u>consolidated student health services and</u>	
5.28	<u>academic programs.</u>	
5.29	<u>Subd. 11. Winona State University, Education</u>	
5.30	<u>Village, Phase 2</u>	<u>25,306,000</u>
5.31	<u>To complete design, construct, renovate,</u>	
5.32	<u>furnish, and equip Phase 2 of the Education</u>	
5.33	<u>Village project, including the renovation of</u>	
5.34	<u>Cathedral and Wabasha Halls and Wabasha</u>	

6.1 Rec, and remove obsolete portions of Wabasha
6.2 Rec and accomplishing related site work.

6.3 Subd. 12. **Debt Service**

6.4 (a) Except as provided in paragraph (b), the
6.5 Board of Trustees shall pay the debt service
6.6 on one-third of the principal amount of state
6.7 bonds sold to finance projects authorized by
6.8 this section. After each sale of general
6.9 obligation bonds, the commissioner of
6.10 management and budget shall notify the board
6.11 of the amounts assessed for each year for the
6.12 life of the bonds.

6.13 (b) The board need not pay debt service on
6.14 bonds sold to finance HEAPR. Where a
6.15 nonstate match is required, the debt service is
6.16 due on a principal amount equal to one-third
6.17 of the total project cost, less the match
6.18 committed before the bonds are sold.

6.19 (c) The commissioner of management and
6.20 budget shall reduce the board's assessment
6.21 each year by one-third of the net income from
6.22 investment of general obligation bond
6.23 proceeds in proportion to the amount of
6.24 principal and interest otherwise required to be
6.25 paid by the board. The board shall pay its
6.26 resulting net assessment to the commissioner
6.27 of management and budget by December 1
6.28 each year. If the board fails to make a payment
6.29 when due, the commissioner of management
6.30 and budget shall reduce allotments for
6.31 appropriations from the general fund otherwise
6.32 available to the board and apply the amount
6.33 of the reduction to cover the missed debt
6.34 service payment. The commissioner of
6.35 management and budget shall credit the

7.1 payments received from the board to the bond
 7.2 debt service account in the state bond fund
 7.3 each December 1 before money is transferred
 7.4 from the general fund under Minnesota
 7.5 Statutes, section 16A.641, subdivision 10.

7.6 **Subd. 13. Unspent Appropriations**

7.7 (a) Upon substantial completion of a project
 7.8 authorized in this section and after written
 7.9 notice to the commissioner of management
 7.10 and budget, the board must use any money
 7.11 remaining in the appropriation for that project
 7.12 for HEAPR under Minnesota Statutes, section
 7.13 135A.046. The Board of Trustees must report
 7.14 by February 1 of each even-numbered year to
 7.15 the chairs of the house of representatives and
 7.16 senate committees with jurisdiction over
 7.17 capital investment and higher education
 7.18 finance, and to the chairs of the house of
 7.19 representatives Ways and Means Committee
 7.20 and the senate Finance Committee, on how
 7.21 the remaining money has been allocated or
 7.22 spent.

7.23 (b) The unspent portion of an appropriation
 7.24 for a project in this section that is complete is
 7.25 available for HEAPR under this subdivision,
 7.26 at the same campus as the project for which
 7.27 the original appropriation was made and the
 7.28 debt service requirement under this section is
 7.29 reduced accordingly. Minnesota Statutes,
 7.30 section 16A.642, applies from the date of the
 7.31 original appropriation to the unspent amount
 7.32 transferred.

7.33 **Sec. 4. EDUCATION**

7.34 **Subdivision 1. Total Appropriation**

\$ 4,000,000

8.1	<u>To the commissioner of education for the</u>	
8.2	<u>purposes specified in this section.</u>	
8.3	<u>Subd. 2. Library Construction Grants</u>	<u>2,000,000</u>
8.4	<u>For library construction grants under</u>	
8.5	<u>Minnesota Statutes, section 134.45.</u>	
8.6	<u>Subd. 3. Olmsted County - Dyslexia Institute of</u>	
8.7	<u>Minnesota</u>	<u>1,500,000</u>
8.8	<u>For a grant to Olmsted County to acquire land</u>	
8.9	<u>for, and to predesign, design, construct,</u>	
8.10	<u>furnish, and equip a facility in Olmsted County</u>	
8.11	<u>to support the local, regional, and national</u>	
8.12	<u>literacy work of the Dyslexia Institute of</u>	
8.13	<u>Minnesota, subject to Minnesota Statutes,</u>	
8.14	<u>section 16A.695. This appropriation is not</u>	
8.15	<u>available until the commissioner of</u>	
8.16	<u>management and budget determines that an</u>	
8.17	<u>amount sufficient to complete the project is</u>	
8.18	<u>committed from nonstate sources.</u>	
8.19	<u>Subd. 4. Grand Rapids - Myles Reif Center</u>	<u>500,000</u>
8.20	<u>From the general fund for a grant to</u>	
8.21	<u>Independent School District No. 318, Grand</u>	
8.22	<u>Rapids, to cover cost overruns for the Myles</u>	
8.23	<u>Reif Center for the Performing Arts project in</u>	
8.24	<u>Grand Rapids. This appropriation is added to</u>	
8.25	<u>and is for the same purposes as the project in</u>	
8.26	<u>Laws 2014, chapter 294, article 1, section 21,</u>	
8.27	<u>subdivision 8. This appropriation does not</u>	
8.28	<u>require a nonstate contribution.</u>	
8.29	<u>Sec. 5. MINNESOTA STATE ACADEMIES</u>	
8.30	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 2,050,000</u>
8.31	<u>To the commissioner of administration for the</u>	
8.32	<u>purposes specified in this section.</u>	
8.33	<u>Subd. 2. Asset Preservation</u>	<u>2,000,000</u>

9.1 For capital asset preservation improvements
 9.2 and betterments on both campuses of the
 9.3 Minnesota State Academies, to be spent in
 9.4 accordance with Minnesota Statutes, section
 9.5 16B.307.

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

9.7 For predesign for a safety corridor on the
 9.8 Minnesota State Academy for the Deaf
 9.9 campus.

9.10 **Sec. 6. NATURAL RESOURCES**

9.11 **Subdivision 1. Total Appropriation** **\$ 79,756,000**

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

9.14 (b) The appropriations in this section are
 9.15 subject to the requirements of the natural
 9.16 resources capital improvement program under
 9.17 Minnesota Statutes, section 86A.12, unless
 9.18 this section or the statutes referred to in this
 9.19 section provide more specific standards,
 9.20 criteria, or priorities for projects than
 9.21 Minnesota Statutes, section 86A.12.

9.22 **Subd. 2. Natural Resources Asset Preservation** **32,966,000**

9.23 For the renovation of state-owned facilities
 9.24 and recreational assets operated by the
 9.25 commissioner of natural resources to be spent
 9.26 in accordance with Minnesota Statutes, section
 9.27 84.946. Notwithstanding Minnesota Statutes,
 9.28 section 84.946: (1) the commissioner may use
 9.29 this appropriation to replace buildings if,
 9.30 considering the embedded energy in the
 9.31 building, that is the most energy-efficient and
 9.32 carbon-reducing method of renovation; and
 9.33 (2) this appropriation may be used for projects

10.1 to remove life safety hazards such as building
 10.2 code violations or structural defects.

10.3 **Subd. 3. Flood Hazard Mitigation** 20,000,000

10.4 (a) For the state share of flood hazard
 10.5 mitigation grants for publicly owned capital
 10.6 improvements to prevent or alleviate flood
 10.7 damage under Minnesota Statutes, section
 10.8 103F.161.

10.9 (b) Levee projects, to the extent practical, shall
 10.10 meet the state standard of three feet above the
 10.11 100-year flood elevation.

10.12 (c) Project priorities shall be determined by
 10.13 the commissioner as appropriate and based on
 10.14 need.

10.15 (d) This appropriation includes \$1,700,000 for
 10.16 the Cedar River Watershed District, \$750,000
 10.17 for the city of Browns Valley project, and
 10.18 \$1,800,000 for the city of Ortonville project.

10.19 (e) For any project listed in this subdivision
 10.20 that the commissioner determines is not ready
 10.21 to proceed or does not expend all the money
 10.22 allocated to it, the commissioner may allocate
 10.23 that project's money to a project on the
 10.24 commissioner's priority list.

10.25 (f) To the extent that the cost of a project
 10.26 exceeds two percent of the median household
 10.27 income in a municipality or township
 10.28 multiplied by the number of households in the
 10.29 municipality or township, this appropriation
 10.30 is also for the local share of the project.

10.31 **Subd. 4. Dam Renovation, Repair, Removal** 9,000,000

10.32 (a) For design, engineering, and construction
 10.33 to repair, reconstruct, or remove dams and

- 11.1 respond to dam safety emergencies. The
11.2 commissioner shall determine project priorities
11.3 as appropriate under Minnesota Statutes,
11.4 sections 103G.511 and 103G.515. Of this
11.5 appropriation:
- 11.6 (1) \$500,000 is for emergencies on
11.7 state-owned dams;
- 11.8 (2) \$3,600,000 is for a grant to the city of
11.9 Lanesboro for repair of the Lanesboro dam
11.10 and notwithstanding the match requirements
11.11 in Minnesota Statutes, section 103G.511, does
11.12 not require a nonstate contribution. This
11.13 includes funding for repairs of the hydropower
11.14 system;
- 11.15 (3) \$2,500,000 is for repairs of the Lake
11.16 Bronson dam;
- 11.17 (4) \$500,000 is for a grant to the city of
11.18 Pelican Rapids for engineering work for the
11.19 Pelican Rapids dam;
- 11.20 (5) \$200,000 is for a grant to the city of Pine
11.21 River for engineering work on the Norway
11.22 Lake dam;
- 11.23 (6) \$200,000 is for a grant to Yellow Medicine
11.24 County for the Canby R-6 impoundment dam;
- 11.25 (7) \$100,000 is for a grant to St. Louis County
11.26 for the Little Stone Lake dam; and
- 11.27 (8) \$1,400,000 is for state dams at Brawner,
11.28 West Leaf Lake, Collinwood, Grindstone
11.29 River, and Sullivan.
- 11.30 (b) If the commissioner determines that a
11.31 project is not ready to proceed, this
11.32 appropriation may be used for other projects
11.33 on the commissioner's priority list.

12.1	<u>Subd. 5. Reforestation and Stand Improvement</u>	<u>2,000,000</u>
12.2	<u>To provide for reforestation and stand</u>	
12.3	<u>improvement on state forest lands to meet the</u>	
12.4	<u>reforestation requirements of Minnesota</u>	
12.5	<u>Statutes, section 89.002, subdivision 2,</u>	
12.6	<u>including purchasing native seeds and native</u>	
12.7	<u>seedlings, planting, seeding, site preparation,</u>	
12.8	<u>and protection on state lands administered by</u>	
12.9	<u>the commissioner.</u>	
12.10	<u>Subd. 6. State Trail and Recreation Area</u>	
12.11	<u>Development</u>	<u>11,490,000</u>
12.12	<u>(a) \$2,000,000 is for acquisition and</u>	
12.13	<u>development of the Gitchi-Gami State Trail,</u>	
12.14	<u>from Grand Marais to Cascade State Park, and</u>	
12.15	<u>through the town of Tofte.</u>	
12.16	<u>(b) \$2,590,000 is for the Glacial Lakes Trail,</u>	
12.17	<u>to complete an approximately 6-1/4 mile trail</u>	
12.18	<u>connection between New London and Sibley</u>	
12.19	<u>State Park, and for repair of the bicycle trail</u>	
12.20	<u>in Sibley State Park.</u>	
12.21	<u>(c) \$3,300,000 is to design, develop, and</u>	
12.22	<u>complete the Heartland State Trail from</u>	
12.23	<u>Detroit Lakes to Frazee and, to the extent there</u>	
12.24	<u>is sufficient money, for work on the spur from</u>	
12.25	<u>Park Rapids to Itasca State Park.</u>	
12.26	<u>(d) \$3,600,000 is for acquisition and</u>	
12.27	<u>development in the Cuyuna Country State</u>	
12.28	<u>Recreation Area, including the Cuyuna</u>	
12.29	<u>Mountain Bike System.</u>	
12.30	<u>Subd. 7. Champlin - Mill Pond</u>	<u>3,300,000</u>
12.31	<u>For a grant to the city of Champlin to dredge</u>	
12.32	<u>and remove sediment and for other capital</u>	
12.33	<u>improvements of the Champlin Mill Pond</u>	

- 13.1 necessary to improve water quality, restore
 13.2 fish habitat, and provide other public benefits.
- 13.3 **Subd. 8. Lake County - Prospectors ATV Trail**
 13.4 **System** 1,000,000
- 13.5 For a grant to Lake County for construction,
 13.6 including bridges, of the Prospectors ATV
 13.7 Trail System linking the communities of Ely,
 13.8 Babbitt, Embarrass, and Tower; Bear Head
 13.9 Lake and Lake Vermilion-Soudan
 13.10 Underground Mine State Parks; the Taconite
 13.11 State Trail; and the Lake County Regional
 13.12 ATV Trail System. This appropriation is not
 13.13 available until the commissioner of
 13.14 management and budget determines that an
 13.15 equal amount is committed from other sources.
- 13.16 **Subd. 9. Unspent Appropriations**
- 13.17 The unspent portion of an appropriation for a
 13.18 project in this section that is complete, upon
 13.19 written notice to the commissioner of
 13.20 management and budget, is available for asset
 13.21 preservation under Minnesota Statutes, section
 13.22 84.946. Minnesota Statutes, section 16A.642,
 13.23 applies from the date of the original
 13.24 appropriation to the unspent amount
 13.25 transferred.
- 13.26 **Sec. 7. POLLUTION CONTROL AGENCY**
- 13.27 **Subdivision 1. Total Appropriation** \$ 33,850,000
- 13.28 To the Pollution Control Agency for the
 13.29 purposes specified in this section.
- 13.30 **Subd. 2. St. Louis River Cleanup** 25,400,000
- 13.31 To design and implement contaminated
 13.32 sediment management actions identified in
 13.33 the St. Louis River remedial action plan to

14.1	<u>restore water quality in the St. Louis River</u>	
14.2	<u>Area of Concern.</u>	
14.3	<u>Subd. 3. Closed Landfill Cleanup</u>	<u>650,000</u>
14.4	<u>To design and construct remedial systems and</u>	
14.5	<u>acquire land at closed landfills throughout the</u>	
14.6	<u>state in accordance with the closed landfill</u>	
14.7	<u>program under Minnesota Statutes, sections</u>	
14.8	<u>115B.39 to 115B.42. The agency must follow</u>	
14.9	<u>the agency priorities, which includes a</u>	
14.10	<u>construction project at the waste disposal</u>	
14.11	<u>engineering (WDE) site in Anoka County.</u>	
14.12	<u>Subd. 4. Redwood-Cottonwood Rivers Joint</u>	
14.13	<u>Powers - Lake Redwood Reclamation and</u>	
14.14	<u>Enhancement Project</u>	<u>7,800,000</u>
14.15	<u>For a grant to the Redwood-Cottonwood</u>	
14.16	<u>Rivers control area, a joint powers entity, to</u>	
14.17	<u>predesign, design, construct, and equip the</u>	
14.18	<u>reservoir reclamation and enhancement of the</u>	
14.19	<u>66-acre Lake Redwood Reservoir, to remove</u>	
14.20	<u>approximately 650,000 cubic yards of</u>	
14.21	<u>sediment and increase its depth from</u>	
14.22	<u>approximately 2.8 feet to approximately 20</u>	
14.23	<u>feet in order to secure renewable energy</u>	
14.24	<u>capacity of the hydroelectric dam which is</u>	
14.25	<u>impeded by lack of water capacity, reduce the</u>	
14.26	<u>flow of pollutants to the Minnesota River, and</u>	
14.27	<u>increase fish habitat and enhance recreational</u>	
14.28	<u>opportunities.</u>	
14.29	<u>Sec. 8. BOARD OF WATER AND SOIL</u>	
14.30	<u>RESOURCES</u>	
14.31	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 35,000,000</u>
14.32	<u>To the Board of Water and Soil Resources for</u>	
14.33	<u>the purposes specified in this section.</u>	
14.34	<u>Subd. 2. Reinvest in Minnesota (RIM) Reserve</u>	
14.35	<u>Program</u>	<u>30,000,000</u>

15.1 (a) To acquire conservation easements from
 15.2 landowners to preserve, restore, create, and
 15.3 enhance wetlands and associated uplands of
 15.4 prairie and grasslands, and restore and enhance
 15.5 rivers and streams, riparian lands, and
 15.6 associated uplands of prairie and grasslands
 15.7 in order to protect soil and water quality,
 15.8 support fish and wildlife habitat, reduce flood
 15.9 damage, and provide other public benefits.

15.10 The provisions of Minnesota Statutes, section
 15.11 103F.515, apply to this program.

15.12 (b) The board shall give priority to leveraging
 15.13 federal money by enrolling targeted new lands
 15.14 or enrolling environmentally sensitive lands
 15.15 that have expiring federal conservation
 15.16 agreements.

15.17 (c) The board is authorized to enter into new
 15.18 agreements and amend past agreements with
 15.19 landowners as required by Minnesota Statutes,
 15.20 section 103F.515, subdivision 5, to allow for
 15.21 restoration. Of this appropriation, up to five
 15.22 percent may be used for restoration and
 15.23 enhancement.

15.24 **Subd. 3. Local Government Roads Wetland**
 15.25 **Replacement Program**

5,000,000

15.26 To acquire land or permanent easements and
 15.27 to restore, create, enhance, and preserve
 15.28 wetlands to replace those wetlands drained or
 15.29 filled as a result of the repair, reconstruction,
 15.30 replacement, or rehabilitation of existing
 15.31 public roads as required by Minnesota
 15.32 Statutes, section 103G.222, subdivision 1,
 15.33 paragraphs (l) and (m). The board may vary
 15.34 the priority order of Minnesota Statutes,
 15.35 section 103G.222, subdivision 3, paragraph

16.1 (a), to implement an in-lieu fee agreement
 16.2 approved by the U.S. Army Corps of
 16.3 Engineers under section 404 of the Clean
 16.4 Water Act. The purchase price paid for
 16.5 acquisition of land or perpetual easement must
 16.6 be a fair market value as determined by the
 16.7 board. The board may enter into agreements
 16.8 with the federal government, other state
 16.9 agencies, political subdivisions, nonprofit
 16.10 organizations, fee title owners, or other
 16.11 qualified private entities to acquire wetland
 16.12 replacement credits in accordance with
 16.13 Minnesota Rules, chapter 8420.

16.14 **Sec. 9. AGRICULTURE**

16.15 **Subdivision 1. Total Appropriation** **\$ 2,824,000**

16.16 To the commissioner of agriculture from the
 16.17 general fund for the purposes specified in this
 16.18 section.

16.19 **Subd. 2. Laboratory Capital Equipment** **2,218,000**

16.20 For capital equipment and instruments for the
 16.21 agriculture laboratory.

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

16.23 For a grant to the Agricultural Utilization
 16.24 Research Institute (AURI) for construction of
 16.25 a development kitchen, sensory lab, and safety
 16.26 and security upgrades at AURI's Marshall
 16.27 facility and for updated equipment and
 16.28 renovations at the Waseca facility.

16.29 **Sec. 10. MINNESOTA ZOOLOGICAL**
 16.30 **GARDEN**

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

16.32 To the Minnesota Zoological Garden Board
 16.33 for the purposes specified in this section.

17.1	<u>Subd. 2. Asset Preservation</u>		<u>4,000,000</u>
17.2	<u>For capital asset preservation improvements</u>		
17.3	<u>and betterments to infrastructure and exhibits</u>		
17.4	<u>at the Minnesota Zoo, to be spent in</u>		
17.5	<u>accordance with Minnesota Statutes, section</u>		
17.6	<u>16B.307. Notwithstanding the specified uses</u>		
17.7	<u>of money under Minnesota Statutes, section</u>		
17.8	<u>16B.307, the board may use this appropriation</u>		
17.9	<u>to replace buildings that are in poor condition,</u>		
17.10	<u>outdated, and no longer support the work of</u>		
17.11	<u>the Minnesota Zoo and to construct and</u>		
17.12	<u>renovate trails and roads on the Minnesota</u>		
17.13	<u>Zoo site.</u>		
17.14	Sec. 11. <u>ADMINISTRATION</u>		
17.15	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>26,178,000</u>
17.16	<u>To the commissioner of administration for the</u>		
17.17	<u>purposes specified in this section.</u>		
17.18	<u>Subd. 2. Centennial Parking Ramp</u>		<u>10,878,000</u>
17.19	<u>(a) To complete design and for structural</u>		
17.20	<u>repairs to the Centennial parking ramp,</u>		
17.21	<u>including removal of the top deck green space</u>		
17.22	<u>to provide additional parking capacity,</u>		
17.23	<u>repairing damaged post-tension cables, and</u>		
17.24	<u>installation of a deck surface protection</u>		
17.25	<u>coating.</u>		
17.26	<u>(b) Any unexpended amount of this</u>		
17.27	<u>appropriation after completing the project in</u>		
17.28	<u>paragraph (a) may be used to design and</u>		
17.29	<u>construct a storm water retention basin</u>		
17.30	<u>adjacent to the Centennial parking ramp, if the</u>		
17.31	<u>commissioner of administration determines</u>		
17.32	<u>that the basin is feasible.</u>		
17.33	<u>Subd. 3. Capital Asset Preservation and</u>		
17.34	<u>Replacement Account</u>		<u>2,500,000</u>

- 18.1 To be spent in accordance with Minnesota
 18.2 Statutes, section 16A.632.
- 18.3 **Subd. 4. Capitol Complex Monuments and**
 18.4 **Memorials** 350,000
- 18.5 To design and complete critical repairs to the
 18.6 Peace Officers and Roy Wilkins Memorials
 18.7 located on the Capitol complex.
- 18.8 **Subd. 5. Capitol Complex - Physical Security**
 18.9 **Upgrades** 10,500,000
- 18.10 For the design, construction, and equipping
 18.11 required to upgrade the physical security
 18.12 elements and systems for one or more of the
 18.13 buildings listed below, their attached tunnel
 18.14 systems and surrounding grounds, and parking
 18.15 facilities as identified in the 2014 Minnesota
 18.16 State Capitol Complex Physical Security Study
 18.17 conducted by Miller Dunwiddie Architecture.
- 18.18 Work includes but is not limited to the
 18.19 installation of bollards, blast protection,
 18.20 infrastructure security screen walls, door
 18.21 access controls, emergency call stations,
 18.22 security kiosks, locking devices, and traffic
 18.23 control to the extent these funds allow. This
 18.24 appropriation is for work associated with one
 18.25 or more of the following buildings:
- 18.26 Administration, Centennial, Judicial,
 18.27 Ag/Health Lab, Minnesota History Center,
 18.28 Minnesota History Center loading dock,
 18.29 Capitol complex power plant and shops,
 18.30 Stassen, State Office, and Veterans Service.
- 18.31 **Subd. 6. Granite Falls - Pioneer Public Television** 1,950,000
- 18.32 From the general fund to provide an equipment
 18.33 grant to Pioneer Public Television as part of
 18.34 the station's construction of a new facility in
 18.35 Granite Falls. The money may be used to

19.1 purchase and install equipment necessary to
 19.2 the station's operation. This appropriation does
 19.3 not require a nonstate contribution.

19.4 Sec. 12. **MN.IT** **\$** **\$1,432,000**

19.5 To the commissioner of administration to
 19.6 predesign, design, construct, renovate, furnish,
 19.7 and equip existing state data center facilities
 19.8 at the Bureau of Criminal Apprehension's
 19.9 Maryland Avenue office building, at the
 19.10 Centennial Office Building, and at the
 19.11 Department of Revenue's Stassen Office
 19.12 Building for the purpose of decommissioning
 19.13 and repurposing into usable office space.

19.14 Sec. 13. **MILITARY AFFAIRS**

19.15 **Subdivision 1. Total Appropriation** **\$** **2,500,000**

19.16 To the adjutant general for the purposes
 19.17 specified in this section.

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

19.19 For asset preservation improvements and
 19.20 betterments of a capital nature at military
 19.21 affairs facilities statewide, to be spent in
 19.22 accordance with Minnesota Statutes, section
 19.23 16B.307.

19.24 Sec. 14. **PUBLIC SAFETY**

19.25 **Subdivision 1. Total Appropriation** **\$** **6,521,000**

19.26 To the named official for the purposes
 19.27 specified in this section.

19.28 **Subd. 2. Camp Ripley Training Facility** **3,521,000**

19.29 To the adjutant general to predesign, design,
 19.30 construct, and equip a joint emergency railroad
 19.31 and pipeline emergency response training

20.1 facility at Camp Ripley. The project includes
 20.2 construction of stations and capital
 20.3 infrastructure needed for mock disaster
 20.4 training, including infrastructure for training
 20.5 in hazardous materials abatement and site
 20.6 recovery work.

20.7 **Subd. 3. Minneapolis Emergency Operations**
 20.8 **Training Facility (EOTF) Enhancement**

3,000,000

20.9 To the commissioner of public safety for a
 20.10 grant to the city of Minneapolis for the
 20.11 pre-design, design, engineering, and
 20.12 construction of the expansion of the
 20.13 Emergency Operation Center and Fire
 20.14 Training Facility. This appropriation is not
 20.15 available until the commissioner of
 20.16 management and budget determines that an
 20.17 equal amount is committed to the project from
 20.18 nonstate sources.

20.19 **Sec. 15. TRANSPORTATION**

20.20 **Subdivision 1. Total Appropriation**

\$ 149,849,000

20.21 To the commissioner of transportation for the
 20.22 purposes specified in this section.

20.23 **Subd. 2. Local Bridge Replacement and**
 20.24 **Rehabilitation**

16,018,000

20.25 From the bond proceeds account in the state
 20.26 transportation fund to match federal money
 20.27 and to replace or rehabilitate local deficient
 20.28 bridges as provided in Minnesota Statutes,
 20.29 section 174.50.

20.30 **Subd. 3. Local Road Improvement Fund Grants**

41,018,000

20.31 (a) From the bond proceeds account in the
 20.32 state transportation fund as provided in
 20.33 Minnesota Statutes, section 174.50, for trunk
 20.34 highway corridor projects under Minnesota

21.1 Statutes, section 174.52, subdivision 2, for
 21.2 construction and reconstruction of local roads
 21.3 with statewide or regional significance under
 21.4 Minnesota Statutes, section 174.52,
 21.5 subdivision 4, or for grants to counties to assist
 21.6 in paying the costs of rural road safety capital
 21.7 improvement projects on county state-aid
 21.8 highways under Minnesota Statutes, section
 21.9 174.52, subdivision 4a.

21.10 (b) Of this amount, \$25,000,000 is for a grant
 21.11 to Hennepin County for design, right-of-way
 21.12 acquisition, engineering, and construction of
 21.13 public improvements related to the Interstate
 21.14 Highway 35W and Lake Street access project
 21.15 and related improvements within the Interstate
 21.16 Highway 35W corridor. This appropriation is
 21.17 not available until the commissioner of
 21.18 management and budget determines that an
 21.19 amount sufficient to complete the Interstate
 21.20 Highway 35W and Lake Street access project
 21.21 has been committed to the project.

21.22 **Subd. 4. Rail Grade Separation on Crude Oil**
 21.23 **Rail Corridors**

69,011,000

21.24 (a) To design and construct rail safety projects
 21.25 at highway-rail grade crossings in accordance
 21.26 with Minnesota Statutes, section 219.016. Of
 21.27 this appropriation:

21.28 (1) \$11,987,000 is for a grant to Anoka County
 21.29 for environmental analysis, design,
 21.30 engineering, removal of an existing structure,
 21.31 and construction of a rail grade crossing
 21.32 separation at Anoka County State-Aid
 21.33 Highway 78, known as Hanson Boulevard, in
 21.34 Coon Rapids.

22.1 (2) \$42,262,000 is for a grant to the city of
 22.2 Moorhead for environmental analysis, design,
 22.3 engineering, removal of an existing structure,
 22.4 and construction of a rail grade crossing
 22.5 separation in the vicinity of 21st Street South;
 22.6 and

22.7 (3) \$14,762,000 is for a grant to the city of
 22.8 Red Wing for environmental analysis, design,
 22.9 engineering, removal of an existing structure,
 22.10 and construction of a rail grade crossing
 22.11 separation at Sturgeon Lake Road.

22.12 (b) Any unspent portion of this appropriation
 22.13 after completion of any project in this
 22.14 subdivision may be used for additional grants
 22.15 in accordance with Minnesota Statutes, section
 22.16 219.016.

22.17 **Subd. 5. Port Development Assistance** 5,000,000

22.18 For grants under Minnesota Statutes, chapter
 22.19 457A. Any improvements made with the
 22.20 proceeds of these grants must be publicly
 22.21 owned.

22.22 **Subd. 6. Minnesota Valley Regional Rail**
 22.23 **Authority** 4,000,000

22.24 For a grant to the Minnesota Valley Regional
 22.25 Rail Authority for the rehabilitation of a
 22.26 portion of the railroad track between Winthrop
 22.27 and Hanley Falls. The grant under this
 22.28 subdivision may also be used for any required
 22.29 environmental documentation and
 22.30 remediation, predesign, design, and
 22.31 rehabilitation or replacement of bridges with
 22.32 new bridges or culverts between Winthrop and
 22.33 Hanley Falls. A grant under this section is in
 22.34 addition to any grant, loan, or loan guarantee
 22.35 for this project made by the commissioner

23.1 under Minnesota Statutes, sections 222.46 to
 23.2 222.62. This appropriation is in addition to
 23.3 the appropriations in Laws 2006, chapter 258,
 23.4 section 16, subdivision 6; Laws 2008, chapter
 23.5 179, section 16, subdivision 5; Laws 2009,
 23.6 chapter 93, article 1, section 11, subdivision
 23.7 4; Laws 2010, chapter 189, section 15,
 23.8 subdivision 5; and Laws 2015, First Special
 23.9 Session chapter 5, article 1, section 10,
 23.10 subdivision 4.

23.11 **Subd. 7. Grand Rapids - Pedestrian Bridge**

750,000

23.12 For a grant to the city of Grand Rapids to
 23.13 design the construction of a bridge over the
 23.14 Mississippi River for pedestrian and bicycle
 23.15 use to provide a safe alternative route to the
 23.16 existing marked Trunk Highway 169 vehicle
 23.17 bridge and to serve as a connection to existing
 23.18 trail systems on each side of the river. This
 23.19 appropriation is not available until the
 23.20 commissioner determines that at least an equal
 23.21 amount has been committed to the project
 23.22 from nonstate sources.

23.23 **Subd. 8. Hugo**

1,100,000

23.24 For a grant to the Minnesota Commercial
 23.25 Railway for construction of repairs and other
 23.26 capital improvements to approximately 6.5
 23.27 miles of railroad track described as that portion
 23.28 of the Minnesota Commercial Railway main
 23.29 running lead, between M & D Junction in
 23.30 White Bear Lake and the end of the track in
 23.31 Hugo. This appropriation must be used for the
 23.32 purposes set forth in the Minnesota
 23.33 Constitution, article XI, section 5, clause (i),
 23.34 to improve and rehabilitate railroad

24.1 rights-of-way and other rail facilities, whether
 24.2 public or private.

24.3 **Subd. 9. International Falls-Koochiching County**
 24.4 **Airport Commission**

3,000,000

24.5 (a) For a grant to the International
 24.6 Falls-Koochiching County Airport
 24.7 Commission for the following improvements
 24.8 to the Falls International Airport:

24.9 (1) demolition of the existing terminal
 24.10 building;

24.11 (2) rehabilitation;

24.12 (3) site preparation, including utilities and civil
 24.13 work;

24.14 (4) design, construction, furnishing, and
 24.15 equipping Phase II of the new terminal
 24.16 building, including a Transportation Safety
 24.17 Administration office, weather office,
 24.18 conference room, circulation corridor, airport
 24.19 administration offices, United States Customs
 24.20 and Border Protection storage rooms, offices,
 24.21 restrooms, passenger-processing area,
 24.22 wet-hold room, interview room, search room,
 24.23 pre and post-customs passenger waiting areas,
 24.24 and vestibule; and

24.25 (5) associated appurtenances of a capital
 24.26 nature.

24.27 (b) After completion of the improvements
 24.28 under paragraph (a), any unspent money from
 24.29 this appropriation may be used by the
 24.30 International Falls-Koochiching County
 24.31 Airport Commission for a commercial airline
 24.32 apron expansion project at the Falls
 24.33 International Airport.

- 25.1 (c) This appropriation does not require a
 25.2 nonstate contribution or match.
- 25.3 **Subd. 10. Ramsey County Rail Grade Separation** 1,000,000
- 25.4 For a grant to the Ramsey County Regional
 25.5 Railroad Authority for environmental analysis
 25.6 and design of rail grade separation of Union
 25.7 Pacific and Burlington Northern Santa Fe track
 25.8 between Westminster Junction and Division
 25.9 Street/Hoffman Interlocking in St. Paul. This
 25.10 appropriation is not available until the
 25.11 commissioner determines that an equal amount
 25.12 has been committed to the project from
 25.13 nonstate sources.
- 25.14 **Subd. 11. Duluth Airport Authority** 6,619,000
- 25.15 From the state airports fund for a grant to the
 25.16 Duluth Airport Authority to provide the
 25.17 federal match to design and construct runway
 25.18 infrastructure at the Duluth International
 25.19 Airport in accordance with Minnesota Statutes,
 25.20 section 360.017. For the purposes of this
 25.21 appropriation, the commissioner may waive
 25.22 the requirements of Minnesota Statutes,
 25.23 section 360.305, subdivision 4, paragraph (b).
 25.24 This appropriation is available until and must
 25.25 be encumbered by June 30, 2019.
- 25.26 **Subd. 12. Rochester International Airport** 2,333,000
- 25.27 From the state airports fund for a grant to the
 25.28 city of Rochester to design, rehabilitate,
 25.29 demolish, and expand portions of the existing
 25.30 passenger terminal building at the Rochester
 25.31 International Airport, provided that this
 25.32 amount also includes money to remodel,
 25.33 construct, furnish, and equip the existing
 25.34 passenger terminal building and associated
 25.35 appurtenances to meet United States Customs

26.1 and Border Protection and Transportation
26.2 Security Administration standards for safety,
26.3 security, and processing time to accommodate
26.4 domestic and international flights. The capital
26.5 improvements paid for with this appropriation
26.6 may be used as the local contribution required
26.7 by Minnesota Statutes, section 360.305,
26.8 subdivision 4. This appropriation may be used
26.9 to reimburse the city for costs incurred after
26.10 May 1, 2016. This appropriation is not
26.11 available until the commissioner of
26.12 management and budget determines that at
26.13 least an equal amount has been committed to
26.14 the project from nonstate sources. Work that
26.15 may be completed with this appropriation
26.16 includes but is not limited to:
26.17 (1) site preparation, including utilities, site
26.18 civil work, testing, and construction
26.19 administration services;
26.20 (2) the relocation, modification, and addition
26.21 of airline ticket counters, baggage claim
26.22 devices, public spaces, offices, restrooms,
26.23 support space, break rooms, lockers,
26.24 equipment storage, communications, hallways,
26.25 building signage, medical visitor rooms,
26.26 special needs accommodations, hold rooms,
26.27 secure storage, equipment maintenance area,
26.28 and building engineering and technology
26.29 systems;
26.30 (3) improvements needed outside the terminal
26.31 to remove, restore, and tie into adjacent
26.32 utilities, sidewalks, driveways, parking lots,
26.33 and aircraft aprons; and
26.34 (4) the construction of covered exterior
26.35 equipment storage.

27.1 **Sec. 16. METROPOLITAN COUNCIL**27.2 **Subdivision 1. Total Appropriation** **\$ 46,350,000**27.3 To the Metropolitan Council for the purposes27.4 specified in this section.27.5 **Subd. 2. Metropolitan Regional Parks and Trails**27.6 **Capital Improvements** **5,000,000**27.7 For the cost of improvements and betterments27.8 of a capital nature and acquisition by the27.9 council and local government units of regional27.10 recreational open-space lands in accordance27.11 with the council's policy plan as provided in27.12 Minnesota Statutes, section 473.147. This27.13 appropriation must not be used to purchase27.14 easements.27.15 **Subd. 3. Metropolitan Cities Inflow and**27.16 **Infiltration Grants** **2,500,000**27.17 For grants to cities within the metropolitan27.18 area, as defined in Minnesota Statutes, section27.19 473.121, subdivision 2, for capital27.20 improvements in municipal wastewater27.21 collection systems to reduce the amount of27.22 inflow and infiltration to the Metropolitan27.23 Council's metropolitan sanitary sewer disposal27.24 system. Grants from this appropriation are for27.25 up to 50 percent of the cost to mitigate inflow27.26 and infiltration in the publicly owned27.27 municipal wastewater collection systems. To27.28 be eligible for a grant, a city must be identified27.29 by the council as a contributor of excessive27.30 inflow and infiltration in the metropolitan27.31 disposal system or have a measured flow rate27.32 within 20 percent of its allowable27.33 council-determined inflow and infiltration27.34 limits. The council must award grants based27.35 on applications from cities that identify

- 28.1 eligible capital costs and include a timeline
 28.2 for inflow and infiltration mitigation
 28.3 construction, pursuant to guidelines
 28.4 established by the council.
- 28.5 **Subd. 4. Metro Orange BRT Line** 12,100,000
- 28.6 Up to \$12,100,000, but an amount that is no
 28.7 more than ten percent of the total project cost,
 28.8 is for the Metropolitan Council, or for the
 28.9 Metropolitan Council to make grants to
 28.10 political subdivisions, for design, acquisition
 28.11 of right-of-way, engineering, and construction
 28.12 of capital improvements along the I-35W
 28.13 corridor for completion of the Metro Orange
 28.14 Bus Rapid Transit (BRT) Line.
- 28.15 **Subd. 5. Mall of America Station** 8,750,000
- 28.16 For design and construction of improvements
 28.17 to the Mall of America station on the Hiawatha
 28.18 Corridor light rail transit line, subject to
 28.19 Minnesota Statutes, section 16A.695. The
 28.20 Metropolitan Council must consult with the
 28.21 city of Bloomington throughout the design
 28.22 and construction process.
- 28.23 **Subd. 6. St. Paul - Como Zoo Project** 15,000,000
- 28.24 For a grant to the city of St. Paul for predesign,
 28.25 design, and engineering of Phase I of the
 28.26 renovation of the seal and sea lion habitat at
 28.27 the Como Zoo. The renovated habitat will
 28.28 support the zoo education programs. This
 28.29 appropriation is not available until the
 28.30 commissioner of management and budget
 28.31 determines that at least \$1,100,000 is
 28.32 committed to the project from nonstate
 28.33 sources.

29.1	<u>Subd. 7. Washington County - Gateway Corridor</u>		<u>3,000,000</u>
29.2	<u>For a grant to Washington County to complete</u>		
29.3	<u>engineering and environmental analysis related</u>		
29.4	<u>to the Gateway Corridor transitway. This</u>		
29.5	<u>appropriation is not available until the</u>		
29.6	<u>commissioner of management and budget</u>		
29.7	<u>determines that an amount sufficient to</u>		
29.8	<u>complete the project has been committed to</u>		
29.9	<u>the project from nonstate sources.</u>		
29.10	Sec. 17. <u>HEALTH</u>	<u>\$</u>	<u>2,335,000</u>
29.11	<u>From the general fund to the commissioner of</u>		
29.12	<u>health for equipment and instruments for the</u>		
29.13	<u>public health laboratory.</u>		
29.14	Sec. 18. <u>HUMAN SERVICES</u>		
29.15	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>111,915,000</u>
29.16	<u>To the commissioner of administration, or</u>		
29.17	<u>another named agency, for the purposes</u>		
29.18	<u>specified in this section.</u>		
29.19	<u>Subd. 2. Minnesota Security Hospital - St. Peter</u>		<u>70,255,000</u>
29.20	<u>To complete design, remodel, construct,</u>		
29.21	<u>furnish, and equip the second phase of the</u>		
29.22	<u>two-phase project to remodel existing and to</u>		
29.23	<u>develop new residential, program, activity,</u>		
29.24	<u>and ancillary facilities for the Minnesota</u>		
29.25	<u>Security Hospital on the upper campus of the</u>		
29.26	<u>St. Peter Regional Treatment Center. This</u>		
29.27	<u>appropriation includes money to: demolish,</u>		
29.28	<u>renovate, and remodel existing space;</u>		
29.29	<u>construct new space; address fire and life</u>		
29.30	<u>safety, and other building code deficiencies;</u>		
29.31	<u>replace or renovate interior finishes; purchase</u>		
29.32	<u>furnishings, fixtures, and equipment; replace</u>		
29.33	<u>or renovate the Minnesota Security Hospital</u>		

30.1 building's HVAC, plumbing, electrical,
 30.2 security, and life safety systems; tuck-point;
 30.3 replace windows and doors; design and abate
 30.4 asbestos and hazardous materials; and
 30.5 complete site work necessary to support the
 30.6 programmed use of the facilities on the St.
 30.7 Peter Regional Treatment Center upper
 30.8 campus.

30.9 **Subd. 3. Child and Adolescent Behavioral Health**
 30.10 **Services**

7,530,000

30.11 (a) To predesign, design, construct, furnish,
 30.12 and equip a new community-based 16-bed
 30.13 psychiatric hospital facility to house the Child
 30.14 and Adolescent Behavioral Health Services
 30.15 (CABHS) program to be located in or near the
 30.16 city of Willmar. This appropriation includes
 30.17 funds for land purchase, surveying, predesign
 30.18 and design fees, construction administration,
 30.19 project management, site work, site and
 30.20 building infrastructure, construction, and
 30.21 furniture, fixtures, and equipment.

30.22 (b) Notwithstanding any law to the contrary,
 30.23 the 16 hospital beds licensed to the CABHS's
 30.24 facility on January 1, 2017, by the Department
 30.25 of Health, may transfer to this new facility
 30.26 upon completion and approved inspection by
 30.27 the Departments of Health and Human
 30.28 Services.

30.29 **Subd. 4. Anoka Metro Regional Treatment**
 30.30 **Center - Safety and Security Renovations**

2,250,000

30.31 To provide security upgrades of a capital
 30.32 nature at the Anoka Metro Regional Treatment
 30.33 Center campus, including but not limited to
 30.34 control centers, electronic monitoring and
 30.35 perimeter security equipment, new or updated
 30.36 security fencing, and other building security

31.1 renovations. This appropriation includes
 31.2 money for: predesign, design, furnishing,
 31.3 fixtures, and equipment; construction of safety
 31.4 and security improvements to courtyards on
 31.5 residential treatment units; securely enclosing
 31.6 the nursing station on Unit G; and installing
 31.7 a campus-wide closed-circuit television video
 31.8 security system, a facility-wide personal
 31.9 duress alarm system, a key control system,
 31.10 and an electronic access control system.

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

31.12 To the commissioner of human services for a
 31.13 grant to Hennepin County to design an
 31.14 approximately 67,000 square foot regional,
 31.15 state-of-the-art medical examiner's facility.
 31.16 The facility shall:

31.17 (1) provide forensic death investigation and
 31.18 autopsy services for Dakota, Hennepin, and
 31.19 Scott Counties with the flexibility to
 31.20 accommodate future partner counties and
 31.21 agencies;

31.22 (2) serve as a teaching facility for the state on
 31.23 the science of forensic pathology; and

31.24 (3) be located in the city of Bloomington as a
 31.25 site that best supports access needs for the
 31.26 three founding counties and reasonable scene
 31.27 response times for the geographic service area.

31.28 **Subd. 6. St. Paul - Dorothy Day Opportunity**
 31.29 **Center** 12,000,000

31.30 To the commissioner of human services for a
 31.31 grant to the city of St. Paul to predesign,
 31.32 design, construct, furnish, and equip an
 31.33 opportunity center to serve as an integrated
 31.34 one-stop delivery system connecting persons

32.1 at risk of becoming homeless, and persons
 32.2 working to move up and out of homelessness,
 32.3 and to provide services that improve their
 32.4 health, income, housing stability, or
 32.5 well-being, subject to Minnesota Statutes,
 32.6 section 16A.695. This appropriation may be
 32.7 used to acquire property for these purposes.
 32.8 This appropriation is not available until the
 32.9 commissioner of management and budget has
 32.10 determined that at least an equal amount has
 32.11 been committed to the project from nonstate
 32.12 sources.

32.13 **Subd. 7. Perspectives Family Center**

600,000

32.14 (a) From the general fund to the commissioner
 32.15 of human services for a grant to Perspectives,
 32.16 Inc., to predesign, design, construct, furnish,
 32.17 and equip the expansion and renovation of the
 32.18 existing Perspectives Family Center facility
 32.19 in St. Louis Park. The expanded and renovated
 32.20 facility must be used to promote the public
 32.21 welfare by providing any or all of the
 32.22 following programs and services:
 32.23 (1) supportive housing programs for homeless
 32.24 women and their children;
 32.25 (2) mental and chemical health programs;
 32.26 (3) employment services;
 32.27 (4) academic, social skills, and nutritional
 32.28 programs for homeless and at-risk children;
 32.29 (5) an all-day therapeutic early childhood
 32.30 development program for homeless and at-risk
 32.31 children; and
 32.32 (6) a culturally sensitive safe and nurturing
 32.33 environment for at-risk children to meet with
 32.34 their nonresidential parents.

33.1 (b) This appropriation is not available until
 33.2 the commissioner of management and budget
 33.3 has determined that at least an equal amount
 33.4 has been expended or committed to the project
 33.5 from nonstate sources. Nonstate money spent
 33.6 on the project since May 1, 2015, shall be
 33.7 included in the determination of nonstate
 33.8 commitments to the project.

33.9 **Subd. 8. Minneapolis - The Family Partnership**

1,600,000

33.10 From the general fund to the commissioner of
 33.11 human services for a grant to the Family
 33.12 Partnership in Minneapolis to predesign and
 33.13 design a facility to provide mental health, early
 33.14 childhood education, and other services to
 33.15 support children and families. This
 33.16 appropriation is not available until at least an
 33.17 equal amount of money is committed from
 33.18 nonstate resources.

33.19 **Subd. 9. Red Lake Indian Reservation - Social**
 33.20 **Service Building Construction and**
 33.21 **Whitefeather/Moe Education Technology Center**
 33.22 **Remodel**

15,000,000

33.23 (a) From the general fund to the commissioner
 33.24 of human services for a grant to the Red Lake
 33.25 Nation to:

33.26 (1) construct a building to house the social
 33.27 services of Oshkiimaajitahdah in Redby; and
 33.28 (2) remodel the Whitefeather/Moe Education
 33.29 Technology Center to return space to
 33.30 classrooms and laboratories for educational
 33.31 purposes.

33.32 (b) This appropriation is available after the
 33.33 commissioner of management and budget
 33.34 determines that \$200,000 is committed to the
 33.35 project or has been expended on the project

34.1	<u>by nonstate sources. Money spent for site</u>		
34.2	<u>preparation shall count toward the \$200,000</u>		
34.3	<u>nonstate contribution.</u>		
34.4	Sec. 19. <u>VETERANS AFFAIRS</u>		
34.5	<u>Subdivision 1. Total Appropriation</u>	\$	<u>12,851,000</u>
34.6	<u>To the commissioner of administration for the</u>		
34.7	<u>purposes specified in this section.</u>		
34.8	<u>Subd. 2. Asset Preservation</u>		<u>5,000,000</u>
34.9	<u>For asset preservation improvements and</u>		
34.10	<u>betterments of a capital nature at the veterans</u>		
34.11	<u>homes in Minneapolis, Hastings, Fergus Falls,</u>		
34.12	<u>Silver Bay, and Luverne, to be spent in</u>		
34.13	<u>accordance with Minnesota Statutes, section</u>		
34.14	<u>16B.307.</u>		
34.15	<u>Subd. 3. Minneapolis Veterans Home Truss</u>		
34.16	<u>Bridge Project</u>		<u>7,851,000</u>
34.17	<u>To design, construct, renovate, and equip the</u>		
34.18	<u>historic truss bridge on the Minneapolis</u>		
34.19	<u>Veterans Home campus, including asbestos</u>		
34.20	<u>and hazardous materials abatement and</u>		
34.21	<u>associated site work.</u>		
34.22	Sec. 20. <u>CORRECTIONS</u>		
34.23	<u>Subdivision 1. Total Appropriation</u>	\$	<u>40,900,000</u>
34.24	<u>To the commissioner of administration for the</u>		
34.25	<u>purposes specified in this section.</u>		
34.26	<u>Subd. 2. Asset Preservation</u>		<u>20,000,000</u>
34.27	<u>For asset preservation improvements and</u>		
34.28	<u>betterments of a capital nature at Minnesota</u>		
34.29	<u>correctional facilities statewide, to be spent in</u>		
34.30	<u>accordance with Minnesota Statutes, section</u>		
34.31	<u>16B.307.</u>		
34.32	<u>Subd. 3. Minnesota Correctional Facility - St.</u>		
34.33	<u>Cloud</u>		<u>19,000,000</u>

35.1	<u>To construct and equip a new intake unit and</u>	
35.2	<u>loading dock with a secure connection to a</u>	
35.3	<u>new central warehouse at the St. Cloud</u>	
35.4	<u>correctional facility.</u>	
35.5	<u>Subd. 4. Minnesota Correctional Facility - Moose</u>	
35.6	<u>Lake</u>	<u>1,900,000</u>
35.7	<u>To expand and renovate the outdated master</u>	
35.8	<u>control center to improve security and</u>	
35.9	<u>efficiency at the Minnesota Correctional</u>	
35.10	<u>Facility - Moose Lake. The renovation</u>	
35.11	<u>includes updating fire alarm panels and</u>	
35.12	<u>mechanical and electrical systems and</u>	
35.13	<u>improving visibility of the visiting area.</u>	
35.14	<u>Subd. 5. Unspent Appropriations</u>	
35.15	<u>The unspent portion of an appropriation for a</u>	
35.16	<u>Department of Corrections project in this</u>	
35.17	<u>section that is complete, upon written notice</u>	
35.18	<u>to the commissioner of management and</u>	
35.19	<u>budget, is available for asset preservation</u>	
35.20	<u>under Minnesota Statutes, section 16B.307.</u>	
35.21	<u>Minnesota Statutes, section 16A.642, applies</u>	
35.22	<u>from the date of the original appropriation to</u>	
35.23	<u>the unspent amount transferred.</u>	
35.24	<u>Sec. 21. EMPLOYMENT AND ECONOMIC</u>	
35.25	<u>DEVELOPMENT</u>	
35.26	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 106,155,000</u>
35.27	<u>To the commissioner of employment and</u>	
35.28	<u>economic development for the purposes</u>	
35.29	<u>specified in this section.</u>	
35.30	<u>Subd. 2. Transportation Economic Development</u>	<u>7,000,000</u>
35.31	<u>For grants under Minnesota Statutes, section</u>	
35.32	<u>116J.436.</u>	
35.33	<u>Subd. 3. Greater Minnesota Business</u>	
35.34	<u>Development Public Infrastructure Grants</u>	<u>12,000,000</u>

- 36.1 For grants under Minnesota Statutes, section
 36.2 116J.431.
- 36.3 **Subd. 4. Innovative Business Development Public**
 36.4 **Infrastructure Grants** 2,500,000
- 36.5 For grants under Minnesota Statutes, section
 36.6 116J.435.
- 36.7 **Subd. 5. Duluth - Steam Plant** 21,000,000
- 36.8 From the general fund for a grant to the city
 36.9 of Duluth to upgrade the municipal district
 36.10 heating facility and systems, including
 36.11 conversion of the distribution system along
 36.12 Superior Street from steam with no condensate
 36.13 return, to closed-loop hot water. This
 36.14 appropriation is for one or more of the project
 36.15 elements or phases: predesign, design,
 36.16 engineering, renovation, construction,
 36.17 furnishing, and equipping the facility, systems,
 36.18 and infrastructure. This appropriation is not
 36.19 available until the commissioner of
 36.20 management and budget determines that an
 36.21 amount sufficient to complete the project, or
 36.22 one or more of the distinct elements or phases
 36.23 of the project, is committed from nonstate
 36.24 sources.
- 36.25 **Subd. 6. Eagle's Healing Nest** 300,000
- 36.26 From the general fund for a grant to Eagle's
 36.27 Healing Nest in Sauk Centre.
- 36.28 **Subd. 7. Hennepin County - Hennepin Center**
 36.29 **for the Arts** 5,000,000
- 36.30 From the general fund for a grant to Hennepin
 36.31 County for improvements and betterments of
 36.32 a capital nature to renovate the historic
 36.33 Hennepin Center for the Arts. This
 36.34 appropriation is available after the
 36.35 commissioner of management and budget

- 37.1 determines that \$3,000,000 has been
 37.2 committed to complete the project from
 37.3 nonstate sources.
- 37.4 **Subd. 8. Hermantown - Arrowhead Regional**
 37.5 **Health and Wellness Center** 8,000,000
- 37.6 For a grant to the city of Hermantown to
 37.7 prepare the middle school site on the
 37.8 Hermantown School District campus,
 37.9 including demolition of a portion of the middle
 37.10 school, and to design, construct a new addition
 37.11 to the middle school building and renovate the
 37.12 remaining existing building, furnish, and equip
 37.13 the facility as the Arrowhead Regional Health
 37.14 and Wellness Center. The city may enter into
 37.15 lease or management agreements under
 37.16 Minnesota Statutes, section 16A.695, for
 37.17 operation of the center. This appropriation is
 37.18 not available until at least an equal amount is
 37.19 committed to the project from nonstate
 37.20 sources.
- 37.21 **Subd. 9. Litchfield - Phase 2 Power Generation**
 37.22 **Improvements** 3,000,000
- 37.23 For a grant to the city of Litchfield to design
 37.24 and construct electrical generation
 37.25 improvements in the city of Litchfield to
 37.26 expand the current standby capacity, including
 37.27 replacement of two old generators. This
 37.28 appropriation is not available until the
 37.29 commissioner of management and budget
 37.30 determines that at least an equal amount is
 37.31 committed to the project from nonstate
 37.32 sources.
- 37.33 **Subd. 10. Madelia - Public Infrastructure** 98,000
- 37.34 From the general fund for a grant to the city
 37.35 of Madelia to reimburse the city for the costs

- 38.1 of repair and replacement of a capital nature
 38.2 of public infrastructure damaged by a fire in
 38.3 Madelia in February 2016. This appropriation
 38.4 does not require a nonstate contribution.
- 38.5 **Subd. 11. Minneapolis - American Indian Center** 155,000
- 38.6 From the general fund for a grant to the
 38.7 Minneapolis American Indian Center to
 38.8 predesign the renovation of the center on
 38.9 Franklin Avenue, taking into account and
 38.10 protecting the significant and unique art and
 38.11 features of the center.
- 38.12 **Subd. 12. Minneapolis - People's Center** 2,750,000
- 38.13 From the general fund to the commissioner of
 38.14 human services for a grant to the People's
 38.15 Center in Minneapolis to design, renovate,
 38.16 improve, construct, and equip a facility that
 38.17 provides medical, dental, mental health, and
 38.18 wellness services to all patients, regardless of
 38.19 their ability to pay. This appropriation is not
 38.20 available until the commissioner of
 38.21 management and budget confirms that at least
 38.22 \$1,500,000 is committed to the project from
 38.23 nonstate sources.
- 38.24 **Subd. 13. Minneapolis - Pioneers and Soldiers**
 38.25 **Cemetery Restoration** 1,029,000
- 38.26 For a grant to the city of Minneapolis to
 38.27 restore the historic steel and limestone pillar
 38.28 fence along Cedar Avenue and Lake Street,
 38.29 install a new steel fence and pillars along 21st
 38.30 Avenue South, and install a waterproofing
 38.31 system for preservation of the fence and pillars
 38.32 at the Pioneer and Soldiers Cemetery. This
 38.33 appropriation is available after the
 38.34 commissioner of management and budget

- 39.1 determines that \$394,000 is committed from
 39.2 nonstate sources.
- 39.3 **Subd. 14. Polk County - North Country Food**
 39.4 **Bank** 3,000,000
- 39.5 For a grant to Polk County to predesign,
 39.6 design, construct, renovate, furnish, and equip
 39.7 a regional charitable food warehouse,
 39.8 distribution, and office facility in the city of
 39.9 Crookston, subject to Minnesota Statutes,
 39.10 section 16A.695. This appropriation is not
 39.11 available until the commissioner of
 39.12 management and budget determines that an
 39.13 equal amount has been committed to the
 39.14 project from nonstate sources. The value of
 39.15 the land purchased or acquired by the county
 39.16 after January 1, 2013, for this facility shall
 39.17 count toward the nonstate match.
- 39.18 **Subd. 15. Red Wing - River Town Renaissance** 4,480,000
- 39.19 For a grant to the city of Red Wing to
 39.20 complete removal and replacement of 250
 39.21 linear feet of the harbor retaining wall; to
 39.22 design, construct, furnish, and equip the
 39.23 renovation of the historic T.B. Sheldon
 39.24 Performing Arts Theater; and to design and
 39.25 construct transient riverboat docking facilities,
 39.26 levee wall extension, and levee promenade
 39.27 improvements at Levee Park. This
 39.28 appropriation is not available until the
 39.29 commissioner of management and budget
 39.30 determines that an amount sufficient to
 39.31 complete the project has been committed from
 39.32 nonstate sources.
- 39.33 **Subd. 16. St. James - Public Infrastructure** 3,443,000
- 39.34 For a grant to the city of St. James. Of this
 39.35 amount, \$2,193,000 is for engineering,

40.1 right-of-way acquisition, and reconstruction
 40.2 of streets, sidewalks, storm water and sanitary
 40.3 sewer, water mains, lighting, utilities, and
 40.4 other capital improvements of publicly owned
 40.5 infrastructure required for the reconstruction
 40.6 of marked Trunk Highway 4 in the city of St.
 40.7 James, and \$1,250,000 is to replace the storm
 40.8 sewer drain that serves St. James Lake and the
 40.9 entire southern section of the city of St. James.

40.10 **Subd. 17. St. Paul - Science Museum of**
 40.11 **Minnesota Building Preservation**

13,000,000

40.12 For a grant to the city of St. Paul for predesign,
 40.13 design, and construction work to replace
 40.14 water-damaged elements of the Science
 40.15 Museum of Minnesota's exterior envelope and
 40.16 some resultant interior damage caused by
 40.17 latent design and construction defects, subject
 40.18 to Minnesota Statutes, section 16A.695. This
 40.19 appropriation is not available until the
 40.20 commissioner of management and budget
 40.21 determines that an equal amount has been
 40.22 committed to the project from nonstate
 40.23 sources. Capital costs paid by the Science
 40.24 Museum of Minnesota since January 1, 2014,
 40.25 relating to the water intrusion damage, shall
 40.26 count toward the match requirement.

40.27 **Subd. 18. St. Paul Port Authority - Minnesota**
 40.28 **Museum of American Art**

6,000,000

40.29 For a grant to the St. Paul Port Authority to
 40.30 design, construct, furnish, and equip new
 40.31 museum galleries and an art study facility for
 40.32 the Minnesota Museum of American Art. The
 40.33 museum provides space to celebrate the legacy
 40.34 of Minnesota art and artists and is part of the
 40.35 restoration of the historic Pioneer Endicott
 40.36 Building. The museum is part of a multiphase

41.1 project of which only the museum galleries
 41.2 and art study facility constructed with the
 41.3 appropriation shall be state bond financed
 41.4 property subject to Minnesota Statutes, section
 41.5 16A.695. This appropriation is not available
 41.6 until the commissioner of management and
 41.7 budget has determined that (1) at least an equal
 41.8 amount of nonstate funds has been committed
 41.9 to the project or expended for design,
 41.10 construction, and furnishing of the adjacent
 41.11 Minnesota Museum of American Art Center
 41.12 for Creativity facilities, which are not subject
 41.13 to Minnesota Statutes, section 16A.695, and
 41.14 (2) sufficient resources, state and nonstate, are
 41.15 available to complete the museum galleries
 41.16 and art study facility. Funds invested in the
 41.17 Center for Creativity facilities by an investor
 41.18 receiving an assignment of state historic tax
 41.19 credits pursuant to Minnesota Statutes, section
 41.20 290.0681, are nonstate funds for purposes of
 41.21 this requirement. Only expenditures made after
 41.22 January 1, 2012, qualify for the required
 41.23 match. Due to the integrated nature of the
 41.24 overall development, public bidding is not
 41.25 required.

41.26 **Subd. 19. Virginia - Highway 53 Utility**
 41.27 **Relocation**

3,400,000

41.28 From the general fund for grants to the city of
 41.29 Virginia and the city of Virginia Public
 41.30 Utilities Commission to acquire land for and
 41.31 to predesign, design, construct, furnish, and
 41.32 equip relocated public utilities, including
 41.33 sanitary and storm water sewers and water,
 41.34 electrical, and gas utilities; and to demolish
 41.35 and remove old utility infrastructure, all
 41.36 associated with the relocation of marked State

- 42.1 Highway 53. This appropriation may be used
 42.2 in part or in whole to reimburse the grantees
 42.3 for costs of the projects already paid for and
 42.4 does not require a nonstate contribution.
- 42.5 **Subd. 20. West St. Paul - Robert Street** 10,000,000
- 42.6 From the general fund for a grant to the city
 42.7 of West St. Paul to complete the reconstruction
 42.8 of South Robert Street. This appropriation may
 42.9 be used in part or in whole to reimburse the
 42.10 city for costs of the project already paid for
 42.11 and does not require a nonstate contribution.
- 42.12 **Sec. 22. PUBLIC FACILITIES AUTHORITY**
- 42.13 **Subdivision 1. Total Appropriation** **\$ 143,366,000**
- 42.14 To the Public Facilities Authority for the
 42.15 purposes specified in this section. The Public
 42.16 Facilities Authority may use the funds in this
 42.17 section or other available funds to amend
 42.18 project financing agreements awarded after
 42.19 July 1, 2016, based on program changes in
 42.20 article 2, sections 9 and 10.
- 42.21 **Subd. 2. State Match for Federal Grants** 17,000,000
- 42.22 To match federal grants for the clean water
 42.23 revolving fund under Minnesota Statutes,
 42.24 section 446A.07, and the drinking water
 42.25 revolving fund under Minnesota Statutes,
 42.26 section 446A.081. This appropriation must be
 42.27 used for qualified capital projects.
- 42.28 **Subd. 3. Water Infrastructure Funding Program** 70,000,000
- 42.29 (a) For grants to eligible municipalities under
 42.30 the water infrastructure funding program under
 42.31 Minnesota Statutes, section 446A.072.
- 42.32 (b) \$50,000,000 is for wastewater projects
 42.33 listed on the Pollution Control Agency's

43.1 project priority list in the fundable range under
 43.2 the clean water revolving fund program.

43.3 (c) \$20,000,000 is for drinking water projects
 43.4 listed on the Department of Health's project
 43.5 priority list in the fundable range under the
 43.6 drinking water revolving fund program.

43.7 (d) After all eligible projects under paragraph
 43.8 (b) or (c) have been funded, the Public
 43.9 Facilities Authority may transfer any
 43.10 remaining, uncommitted money to eligible
 43.11 projects under a program defined in paragraph
 43.12 (b) or (c) based on that program's project
 43.13 priority list.

43.14 (e) Notwithstanding Minnesota Statutes,
 43.15 section 446A.072, subdivision 5a, paragraph
 43.16 (b), the Western Lake Superior Sanitary
 43.17 District is eligible for a grant to predesign,
 43.18 design, construct, furnish, and equip a
 43.19 combined heat and power system.

43.20 **Subd. 4. Point Source Implementation Grants**
 43.21 **Program**

46,500,000

43.22 For grants to eligible municipalities under the
 43.23 point source implementation grants program
 43.24 under Minnesota Statutes, section 446A.073.

43.25 This appropriation must be used for qualified
 43.26 capital projects.

43.27 **Subd. 5. Big Lake Area Sanitary District - Sewer**
 43.28 **System and Force Main**

1,200,000

43.29 For a grant to the Big Lake Area Sanitary
 43.30 District to construct a pressure sewer system
 43.31 and force main to convey sewage to the
 43.32 Western Lake Superior Sanitary District
 43.33 connection in the city of Cloquet. This
 43.34 appropriation is not available until the
 43.35 commissioner of management and budget

44.1 determines that an equal amount is committed
 44.2 from nonstate sources. This appropriation is
 44.3 in addition to the appropriation in Laws 2014,
 44.4 chapter 294, article 1, section 22, subdivision
 44.5 4.

44.6 **Subd. 6. Dennison - Sewage Treatment System**
 44.7 **Improvements**

726,000

44.8 For a grant to the city of Dennison to
 44.9 predesign, design, and construct a new lift
 44.10 station and make sewage pond improvements.
 44.11 This appropriation does not require a nonstate
 44.12 contribution.

44.13 **Subd. 7. East Grand Forks - Wastewater**
 44.14 **Interconnection Infrastructure**

5,300,000

44.15 For a grant to the city of East Grand Forks to
 44.16 design and construct wastewater infrastructure
 44.17 improvements interconnecting the wastewater
 44.18 system of East Grand Forks to the wastewater
 44.19 treatment system in Grand Forks, North
 44.20 Dakota. This appropriation may not be used
 44.21 for improvements outside the state. This
 44.22 appropriation is in addition to grants under
 44.23 Minnesota Statutes, section 446A.072. A
 44.24 nonstate match is not required.

44.25 **Subd. 8. Koochiching County - Voyageurs**
 44.26 **National Park Clean Water Project**

2,000,000

44.27 (a) For a grant to Koochiching County to
 44.28 acquire land or interests in land, and to design,
 44.29 engineer, construct, and equip sanitary sewage
 44.30 systems and facilities to implement a portion
 44.31 or portions of the Voyageurs National Park
 44.32 clean water project comprehensive plan. This
 44.33 appropriation is available after the
 44.34 commissioner of management and budget
 44.35 determines that \$4,500,000 is committed from
 44.36 nonstate sources.

45.1 (b) This appropriation is in addition to the
 45.2 appropriation in Laws 2014, chapter 294,
 45.3 article 1, section 22, subdivision 7.
 45.4 Notwithstanding the match requirement in
 45.5 Laws 2014, chapter 294, article 1, section 22,
 45.6 subdivision 7, the nonstate match required for
 45.7 this appropriation and the 2014 appropriation
 45.8 for a grant to Koochiching County is 25
 45.9 percent of the state grant amounts. Any money
 45.10 remaining from this appropriation after
 45.11 completion of the projects in paragraph (a) is
 45.12 available for grants to Koochiching or St.
 45.13 Louis County to be used for other capital
 45.14 projects described in the comprehensive plan
 45.15 and as determined by the Voyageur's National
 45.16 Park Clean Water Joint Powers Board.

45.17 **Subd. 9. Oronoco - Wastewater Collection and**
 45.18 **Treatment Facilities**

500,000

45.19 From the general fund for a grant to the city
 45.20 of Oronoco to commission a study to evaluate
 45.21 options for solving the wastewater
 45.22 infrastructure needs for the region including
 45.23 the city of Oronoco, the city of Pine Island, or
 45.24 the city of Rochester. This appropriation does
 45.25 not require a nonstate match.

45.26 **Subd. 10. Lilydale - Highway 13 Storm Water**
 45.27 **Conveyance**

140,000

45.28 From the general fund for a grant to the city
 45.29 of Lilydale to design, acquire, construct, and
 45.30 install a storm water sewer and drop structure
 45.31 along Trunk Highway 13 in Lilydale that will
 45.32 be large enough to effectively collect water
 45.33 from springs and storm water runoff from
 45.34 above the road and safely convey the water to
 45.35 below the bluff. The city must coordinate this
 45.36 project with the Department of

46.1 Transportation's Trunk Highway 13 project.
 46.2 The appropriation and project also include
 46.3 capital repairs and improvements to existing
 46.4 drainage structures along the Big Rivers
 46.5 Regional Trail at the base of the bluff. This
 46.6 appropriation may be used in part or in whole
 46.7 to reimburse the city for project costs already
 46.8 paid for and does not require a nonstate
 46.9 contribution.

46.10 **Sec. 23. MINNESOTA HOUSING FINANCE**
 46.11 **AGENCY**

\$ 10,000,000

46.12 For transfer to the housing development fund
 46.13 to finance the costs of rehabilitation to
 46.14 preserve public housing under Minnesota
 46.15 Statutes, section 462A.202, subdivision 3a.
 46.16 For purposes of this section, "public housing"
 46.17 means housing for low-income persons and
 46.18 households financed by the federal
 46.19 government and owned and operated by the
 46.20 public housing authorities and agencies formed
 46.21 by cities and counties. Public housing
 46.22 authorities receiving a public housing
 46.23 assessment composite score of 80 or above or
 46.24 an equivalent designation are eligible to
 46.25 receive funding. Priority must be given to
 46.26 proposals that maximize federal or local
 46.27 resources to finance the capital costs. The
 46.28 priority in Minnesota Statutes, section
 46.29 462A.202, subdivision 3a, for projects to
 46.30 increase the supply of affordable housing and
 46.31 the restrictions of Minnesota Statutes, section
 46.32 462A.202, subdivision 7, do not apply to this
 46.33 appropriation.

46.34 **Sec. 24. MINNESOTA HISTORICAL**
 46.35 **SOCIETY**

47.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 36,500,000</u>
47.2	<u>To the Minnesota Historical Society for the</u>	
47.3	<u>purposes specified in this section.</u>	
47.4	<u>Subd. 2. Historic Fort Snelling</u>	<u>34,000,000</u>
47.5	<u>(a) To design, renovate, construct, furnish, and</u>	
47.6	<u>equip facilities to support visitor services and</u>	
47.7	<u>history programs at Historic Fort Snelling.</u>	
47.8	<u>(b) This appropriation includes up to</u>	
47.9	<u>\$4,000,000 to design facilities to support</u>	
47.10	<u>visitor services and history programs at</u>	
47.11	<u>Historic Fort Snelling. Money for design is</u>	
47.12	<u>available the day following final enactment</u>	
47.13	<u>and is not contingent on demonstrating a</u>	
47.14	<u>nonstate contribution to the project. Upon</u>	
47.15	<u>completion of the design, the unspent portion</u>	
47.16	<u>of the amount specified in this paragraph is</u>	
47.17	<u>available for the purposes of paragraph (c).</u>	
47.18	<u>(c) The balance of this appropriation is to</u>	
47.19	<u>demolish the existing visitor center, renovate,</u>	
47.20	<u>construct, furnish, and equip facilities,</u>	
47.21	<u>including landscaping and wayfinding, at</u>	
47.22	<u>Historic Fort Snelling. This appropriation is</u>	
47.23	<u>not available until the commissioner of</u>	
47.24	<u>management and budget determines that an</u>	
47.25	<u>amount sufficient to complete the project has</u>	
47.26	<u>been committed from nonstate sources.</u>	
47.27	<u>Subd. 3. Historic Sites Asset Preservation</u>	<u>2,500,000</u>
47.28	<u>For capital improvements and betterments at</u>	
47.29	<u>state historic sites, buildings, landscaping at</u>	
47.30	<u>historic buildings, exhibits, markers, and</u>	
47.31	<u>monuments, to be spent in accordance with</u>	
47.32	<u>Minnesota Statutes, section 16B.307. The</u>	
47.33	<u>society shall determine project priorities as</u>	
47.34	<u>appropriate based on need.</u>	

48.1 **Sec. 25. BOND SALE EXPENSES** **\$ 1,085,000**

48.2 To the commissioner of management and
 48.3 budget for bond sale expenses under
 48.4 Minnesota Statutes, section 16A.641,
 48.5 subdivision 8.

48.6 **Sec. 26. BOND SALE AUTHORIZATION.**

48.7 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from
 48.8 the bond proceeds fund, the commissioner of management and budget shall sell and issue
 48.9 bonds of the state in an amount up to \$1,037,951,000 in the manner, upon the terms, and
 48.10 with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
 48.11 Minnesota Constitution, article XI, sections 4 to 7.

48.12 Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the
 48.13 state transportation fund, the commissioner of management and budget shall sell and issue
 48.14 bonds of the state in an amount up to \$57,036,000 in the manner, upon the terms, and with
 48.15 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
 48.16 Minnesota Constitution, article XI, sections 4 to 7.

48.17 **Sec. 27. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

48.18 (a) The bond sale authorization in Laws 1990, chapter 610, article 1, section 30,
 48.19 subdivision 1, as amended, is reduced by \$3,129.

48.20 (b) The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1,
 48.21 as amended, is reduced by \$24,480.

48.22 (c) The bond sale authorization in Laws 1997, Second Special Session chapter 2, section
 48.23 12, as amended, is reduced by \$96,992.

48.24 (d) The bond sale authorization in Laws 1999, chapter 240, article 1, section 13,
 48.25 subdivision 1, as amended, is reduced by \$212,472.

48.26 (e) The bond sale authorization in Laws 2000, chapter 492, article 1, section 26,
 48.27 subdivision 1, as amended, is reduced by \$7,933,538.

48.28 (f) The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as
 48.29 amended, is reduced by \$188,471.

48.30 (g) The bond sale authorization in Laws 2002, First Special Session chapter 1, section
 48.31 9, subdivision 1, is reduced by \$217,959.

49.1 (h) The bond sale authorization in Laws 2003, First Special Session chapter 19, article
49.2 3, section 2, is reduced by \$201,530.

49.3 (i) The bond sale authorization in Laws 2003, First Special Session chapter 19, article
49.4 4, section 4, is reduced by \$326,534.

49.5 (j) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision
49.6 1, as amended, is reduced by \$3,366,628.

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

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

49.15 (m) \$1,380,000 of the appropriation from the bond proceeds fund in Laws 2012, First
49.16 Special Session chapter 1, article 1, section 6, to the Public Facilities Authority for disaster
49.17 relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter
49.18 1, article 1, section 16, subdivision 1, is reduced by the same amount.

49.19 (n) \$1,085,000 of the appropriation from the bond proceeds fund in Laws 2012, First
49.20 Special Session chapter 1, article 1, section 9, subdivision 2, to the commissioner of natural
49.21 resources for disaster relief, is canceled, and the bond sale authorization in Laws 2012, First
49.22 Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

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

49.25 **Sec. 28. BOND SALE SCHEDULE.**

49.26 The commissioner of management and budget shall schedule the sale of state general
49.27 obligation bonds so that, during the biennium ending June 30, 2019, no more than \$.....
49.28 will need to be transferred from the general fund to the state bond fund to pay principal and
49.29 interest due and to become due on outstanding state general obligation bonds. During the
49.30 biennium, before each sale of state general obligation bonds, the commissioner of
49.31 management and budget shall calculate the amount of debt service payments needed on
49.32 bonds previously issued and shall estimate the amount of debt service payments that will
49.33 be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of

50.1 bonds scheduled to be sold so as to remain within the limit set by this section. The amount
 50.2 needed to make the debt service payments is appropriated from the general fund as provided
 50.3 in Minnesota Statutes, section 16A.641.

50.4 Sec. 29. EFFECTIVE DATE.

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

50.6 **ARTICLE 2**

50.7 **MISCELLANEOUS**

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

50.9 **16A.967 LEWIS AND CLARK APPROPRIATION BONDS.**

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

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

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

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

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

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

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

50.23 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of
 50.24 this subdivision, the commissioner may sell and issue appropriation bonds of the state under
 50.25 this section for public purposes as provided by law, ~~including, in particular, the financing~~
 50.26 ~~of the land acquisition, design, engineering, and construction of facilities and infrastructure~~
 50.27 ~~necessary to complete the next phase of the Lewis and Clark Regional Water System project,~~
 50.28 ~~including completion of the pipeline to Magnolia, extension of the project to the~~
 50.29 ~~Lincoln Pipestone Rural Water System connection near Adrian, and engineering, design,~~
 50.30 ~~and easement acquisition for the final phase of the project to Worthington. No bonds shall~~
 50.31 ~~be sold until the commissioner determines that a nonstate match of at least \$9,000,000 is~~

51.1 ~~committed to this project phase.~~ Grant agreements entered into under this section must
 51.2 provide for reimbursement to the state from any federal money provided for the project,
 51.3 consistent with the Lewis and Clark Regional Water System, Inc., agreement.

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

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

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

51.23 ~~(e)~~ (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any
 51.24 time thereafter, so long as the appropriation bonds are outstanding, the commissioner may
 51.25 enter into agreements and ancillary arrangements relating to the appropriation bonds,
 51.26 including but not limited to trust indentures, grant agreements, lease or use agreements,
 51.27 operating agreements, management agreements, liquidity facilities, remarketing or dealer
 51.28 agreements, letter of credit agreements, insurance policies, guaranty agreements,
 51.29 reimbursement agreements, indexing agreements, or interest exchange agreements. Any
 51.30 payments made or received according to the agreement or ancillary arrangement shall be
 51.31 made from or deposited as provided in the agreement or ancillary arrangement. The
 51.32 determination of the commissioner included in an interest exchange agreement that the
 51.33 agreement relates to an appropriation bond shall be conclusive.

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

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

52.10 Subd. 2a. **Project authorization.** Appropriation bonds may be sold and issued in amounts
 52.11 that, in the opinion of the commissioner, are necessary to provide sufficient money to the
 52.12 Public Facilities Authority under subdivision 7, paragraph (a), not to exceed \$19,000,000
 52.13 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt
 52.14 service including capitalized interest, costs of issuance, costs of credit enhancement, or
 52.15 make payments under other agreements entered into under subdivision 2, paragraph (d).
 52.16 The bonds authorized by this subdivision are for the purposes of financing the land
 52.17 acquisition, design, engineering, and construction of facilities and infrastructure necessary
 52.18 to complete Phase 2 of the Lewis and Clark Regional Water System project, including
 52.19 completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone
 52.20 Rural Water System connection near Adrian; and engineering, design, and easement
 52.21 acquisition for the final phase of the project to Worthington. No bonds shall be sold under
 52.22 this subdivision until the commissioner determines that a nonstate match of at least
 52.23 \$9,000,000 is committed to this project phase. Upon certification by the Lewis and Clark
 52.24 Joint Powers Board that the bond sale authorization provided by this subdivision has fully
 52.25 met the needs of Phase 2 of the project, and to the extent there is additional authorization
 52.26 remaining, this authorization is also available for the purposes of and on the same conditions
 52.27 as subdivision 2b.

52.28 Subd. 2b. **Additional project authorization.** Appropriation bonds may be sold and
 52.29 issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient
 52.30 money to the Public Facilities Authority under subdivision 7, paragraph (b), not to exceed
 52.31 \$11,500,000 net of costs of issuance, for the purposes as provided under this subdivision,
 52.32 and pay debt service including capitalized interest, costs of issuance, costs of credit
 52.33 enhancement, or make payments under other agreements entered into under subdivision 2,
 52.34 paragraph (d). The bonds authorized by this subdivision are for the purposes of financing
 52.35 the land acquisition, design, engineering, and construction of facilities and infrastructure

53.1 necessary to complete Phase 3 of the Lewis and Clark Regional Water System project,
53.2 including extension of the project from the Lincoln-Pipestone Rural Water System connection
53.3 near Adrian to Worthington, construction of a reservoir in Nobles County and a meter
53.4 building in Worthington, and acquisition and installation of a supervisory control and data
53.5 acquisition (SCADA) system. No bonds shall be sold under this subdivision until the
53.6 commissioner determines that a nonstate match of at least \$9,000,000 is committed to the
53.7 final phase of the project.

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

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

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

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

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

53.20 Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds for the
53.21 purpose of refunding any appropriation bonds then outstanding, including the payment of
53.22 any redemption premiums on the bonds, any interest accrued or to accrue to the redemption
53.23 date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any
53.24 refunding bonds may, in the discretion of the commissioner, be applied to the purchase or
53.25 payment at maturity of the appropriation bonds to be refunded, to the redemption of the
53.26 outstanding appropriation bonds on any redemption date, or to pay interest on the refunding
53.27 bonds and may, pending application, be placed in escrow to be applied to the purchase,
53.28 payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be
53.29 invested and reinvested in obligations that are authorized investments under section 11A.24.
53.30 The income earned or realized on the investment may also be applied to the payment of the
53.31 appropriation bonds to be refunded or interest or premiums on the refunded appropriation
53.32 bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been
53.33 fully satisfied, any balance of the proceeds and any investment income may be returned to
53.34 the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds

54.1 fund for use in any lawful manner. All refunding bonds issued under this subdivision must
 54.2 be prepared, executed, delivered, and secured by appropriations in the same manner as the
 54.3 appropriation bonds to be refunded.

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

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

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

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

54.13 Subd. 6. **No full faith and credit; state not required to make appropriations.** The
 54.14 appropriation bonds are not public debt of the state, and the full faith, credit, and taxing
 54.15 powers of the state are not pledged to the payment of the appropriation bonds or to any
 54.16 payment that the state agrees to make under this section. Appropriation bonds shall not be
 54.17 obligations paid directly, in whole or in part, from a tax of statewide application on any
 54.18 class of property, income, transaction, or privilege. Appropriation bonds shall be payable
 54.19 in each fiscal year only from amounts that the legislature may appropriate for debt service
 54.20 for any fiscal year, provided that nothing in this section shall be construed to require the
 54.21 state to appropriate money sufficient to make debt service payments with respect to the
 54.22 appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no
 54.23 longer be outstanding on the earlier of (1) the first day of a fiscal year for which the
 54.24 legislature shall not have appropriated amounts sufficient for debt service, or (2) the date
 54.25 of final payment of the principal of and interest on the appropriation bonds.

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

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

54.32 (2) to the commissioner for debt service on the bonds including capitalized interest,
 54.33 nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and

55.1 payments under any agreements entered into under subdivision 2, paragraph ~~(e)~~ (d), each
 55.2 as permitted by state and federal law, ~~and such proceeds may be granted, loaned, or otherwise~~
 55.3 ~~provided for the public purposes provided by subdivision 2, paragraph (a).~~

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

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

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

55.12 **Subd. 8. Appropriation for debt service and other purposes.** (a) An amount, up to
 55.13 \$1,351,000 needed to pay principal and interest on appropriation bonds issued under ~~this~~
 55.14 ~~section~~ subdivision 2a is appropriated each fiscal year from the general fund to the
 55.15 commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
 55.16 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
 55.17 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
 55.18 appropriation is available beginning in fiscal year 2017 and through fiscal year 2038.

55.19 (b) An amount up to \$876,000 needed to pay principal and interest on appropriation
 55.20 bonds issued under subdivision 2b is appropriated each fiscal year from the general fund
 55.21 to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
 55.22 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
 55.23 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
 55.24 appropriation is available beginning in fiscal year 2018 and through fiscal year 2039. The
 55.25 appropriation in fiscal year 2018 is limited to \$438,000.

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

55.29 **Sec. 2.** Minnesota Statutes 2016, section 84.946, subdivision 2, is amended to read:

55.30 **Subd. 2. Standards.** (a) An appropriation for asset preservation may be used only for a
 55.31 capital expenditure on a capital asset previously owned by the state, within the meaning of
 55.32 generally accepted accounting principles as applied to public expenditures. The commissioner
 55.33 of natural resources will consult with the commissioner of management and budget to the

56.1 extent necessary to ensure this and will furnish the commissioner of management and budget
 56.2 a list of projects to be financed from the account in order of their priority. The legislature
 56.3 assumes that many projects for preservation and replacement of portions of existing capital
 56.4 assets will constitute betterments and capital improvements within the meaning of the
 56.5 Constitution and capital expenditures under generally accepted accounting principles, and
 56.6 will be financed more efficiently and economically under this section than by direct
 56.7 appropriations for specific projects.

56.8 (b) An appropriation for asset preservation must not be used to acquire land or to acquire
 56.9 or construct buildings or other facilities.

56.10 (c) Capital budget expenditures for natural resource asset preservation and replacement
 56.11 projects must be for one or more of the following types of capital projects that support the
 56.12 existing programmatic mission of the department: code compliance including health and
 56.13 safety, Americans with Disabilities Act requirements, hazardous material abatement, access
 56.14 improvement, or air quality improvement; building energy efficiency improvements using
 56.15 current best practices; building or infrastructure repairs necessary to preserve the interior
 56.16 and exterior of existing buildings; projects to remove life safety hazards such as building
 56.17 code violations or structural defects; or renovation of other existing improvements to land,
 56.18 including but not limited to trails and bridges.

56.19 (d) Up to ten percent of an appropriation awarded under this section may be used for
 56.20 design costs for projects eligible to be funded from this account in anticipation of future
 56.21 funding from the account.

56.22 Sec. 3. Minnesota Statutes 2016, section 85.34, subdivision 1, is amended to read:

56.23 Subdivision 1. **Upper bluff; lease terms.** The commissioner of natural resources with
 56.24 the approval of the Executive Council may lease for purposes of restoration, preservation,
 56.25 historical, recreational, educational, and commercial use and development, that portion of
 56.26 Fort Snelling State Park known as the upper bluff consisting of officer's row, area J, the
 56.27 polo grounds, the adjacent golf course, and all buildings and improvements located thereon,
 56.28 all lying within an area bounded by Minneapolis-St. Paul International Airport, Trunk
 56.29 Highways numbered 5 and 55, and Bloomington Road. The lease or leases shall be in a
 56.30 form approved by the attorney general and for a term of not to exceed 99 years. The lease
 56.31 or leases may provide for the provision of capital improvements or other performance by
 56.32 the tenant or tenants in lieu of all or some of the payments of rent that would otherwise be
 56.33 required. Notwithstanding the continuing ownership of the upper bluff by the state, any
 56.34 lease of one or more buildings improved with state general obligation bond proceeds that

57.1 exceeds 50 years shall be treated as a sale of the buildings for purposes of section 16A.695,
57.2 subdivision 3. Any disposition proceeds payable to the commissioner upon execution of a
57.3 lease relating to state bond-financed buildings at the upper bluff shall be applied according
57.4 to section 16A.695, subdivision 3, and used to pay, redeem, or defease state general obligation
57.5 bonds issued for purposes of improving those buildings. Any lease revenues paid to the
57.6 commissioner subsequent to the payment, redemption, or defeasance of state general
57.7 obligation bonds shall be used by the commissioner as further described in this section.

57.8 Sec. 4. **[219.016] CRUDE OIL AND HAZARDOUS MATERIALS RAIL SAFETY**
57.9 **ACCOUNT.**

57.10 Subdivision 1. **Purpose.** A hazardous materials rail safety program is established for
57.11 the purpose of reducing the risks associated with the transportation of hazardous material
57.12 by rail.

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

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

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

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

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

- 58.1 (2) roadway traffic volumes and speeds;
58.2 (3) train volumes and speeds;
58.3 (4) adjacent land use;
58.4 (5) crash history;
58.5 (6) use of the crossing by emergency vehicles;
58.6 (7) use of the crossing by vehicles carrying hazardous materials; and
58.7 (8) local financial contributions to the project.

58.8 Sec. 5. Minnesota Statutes 2016, section 363A.36, is amended to read:

58.9 **363A.36 CERTIFICATES OF COMPLIANCE FOR PUBLIC CONTRACTS.**

58.10 Subdivision 1. **Scope of application.** (a) For all contracts for goods and services in
58.11 excess of \$100,000, no department or agency of the state shall accept any bid or proposal
58.12 for a contract or agreement from any business having more than 40 full-time employees
58.13 within this state on a single working day during the previous 12 months, unless the
58.14 commissioner is in receipt of the business' affirmative action plan for the employment of
58.15 minority persons, women, and qualified disabled individuals. No department or agency of
58.16 the state shall execute any such contract or agreement until the affirmative action plan has
58.17 been approved by the commissioner. Receipt of a certificate of compliance issued by the
58.18 commissioner shall signify that a firm or business has an affirmative action plan that has
58.19 been approved by the commissioner. A certificate shall be valid for a period of four years.
58.20 A municipality as defined in section 466.01, subdivision 1, that receives state money for
58.21 any reason is encouraged to prepare and implement an affirmative action plan for the
58.22 employment of minority persons, women, and the qualified disabled and submit the plan
58.23 to the commissioner.

58.24 (b) This paragraph applies to a contract for goods or services in excess of \$100,000 to
58.25 be entered into between a department or agency of the state and a business that is not subject
58.26 to paragraph (a), but that has more than 40 full-time employees on a single working day
58.27 during the previous 12 months in the state where the business has its primary place of
58.28 business. A department or agency of the state may not execute a contract or agreement with
58.29 a business covered by this paragraph unless the business has a certificate of compliance
58.30 issued by the commissioner under paragraph (a) or the business certifies that it is in
58.31 compliance with federal affirmative action requirements.

59.1 (c) This section does not apply to contracts entered into by the State Board of Investment
59.2 for investment options under section 356.645.

59.3 (d) The commissioner shall issue a certificate of compliance or notice of denial within
59.4 15 days of the application submitted by the business or firm.

59.5 (e) The requirements in paragraphs (a) and (b) apply to all contracts or agreements
59.6 executed by public officers or agencies for goods and services in excess of \$100,000 for
59.7 projects subject to section 16A.695.

59.8 Subd. 2. **Filing fee; account; appropriation.** The commissioner shall collect a \$150
59.9 fee for each certificate of compliance issued by the commissioner or the commissioner's
59.10 designated agent. The proceeds of the fee must be deposited in a human rights fee special
59.11 revenue account. Money in the account is appropriated to the commissioner to fund the cost
59.12 of issuing certificates and investigating grievances.

59.13 Subd. 3. **Revocation of certificate.** Certificates of compliance may be suspended or
59.14 revoked by the commissioner if a holder of a certificate has not made a good faith effort to
59.15 implement an affirmative action plan that has been approved by the commissioner. If a
59.16 contractor does not effectively implement an affirmative action plan approved by the
59.17 commissioner pursuant to subdivision 1, or fails to make a good faith effort to do so, the
59.18 commissioner may refuse to approve subsequent plans submitted by that firm or business.

59.19 Subd. 4. **Revocation of contract.** A contract awarded by a department or agency of the
59.20 state, or any other public officer or agency subject to section 16A.695, may be terminated
59.21 or abridged by the department or agency, or other public officer or agency subject to section
59.22 16A.695, because of suspension or revocation of a certificate based upon a contractor's
59.23 failure to implement or make a good faith effort to implement an affirmative action plan
59.24 approved by the commissioner under this section. If a contract is awarded to a person who
59.25 does not have a contract compliance certificate required under subdivision 1, the
59.26 commissioner may void the contract on behalf of the state.

59.27 Subd. 5. **Technical assistance.** In the case of a contractor whose certificate of compliance
59.28 has been suspended, the commissioner shall provide technical assistance that may enable
59.29 the contractor to be recertified within 90 days after the contractor's certificate has been
59.30 suspended.

59.31 Sec. 6. Minnesota Statutes 2016, section 363A.44, subdivision 1, is amended to read:

59.32 Subdivision 1. **Scope.** (a) No department, agency of the state, the Metropolitan Council,
59.33 or an agency subject to section 473.143, subdivision 1, shall execute a contract for goods

60.1 or services or an agreement for goods or services in excess of \$500,000 with a business that
 60.2 has 40 or more full-time employees in this state or a state where the business has its primary
 60.3 place of business on a single day during the prior 12 months, unless the business has an
 60.4 equal pay certificate or it has certified in writing that it is exempt. A certificate is valid for
 60.5 four years.

60.6 (b) This section does not apply to a business with respect to a specific contract if the
 60.7 commissioner of administration determines that application of this section would cause
 60.8 undue hardship to the contracting entity. This section does not apply to a contract to provide
 60.9 goods and services to individuals under chapters 43A, 62A, 62C, 62D, 62E, 256B, 256I,
 60.10 256L, and 268A, with a business that has a license, certification, registration, provider
 60.11 agreement, or provider enrollment contract that is prerequisite to providing those goods and
 60.12 services. This section does not apply to contracts entered into by the State Board of
 60.13 Investment for investment options under section 352.965, subdivision 4.

60.14 (c) The requirements in paragraph (a) apply to all contracts or agreements executed by
 60.15 public officers or agencies for goods and services in excess of \$500,000 for projects subject
 60.16 to section 16A.695.

60.17 Sec. 7. Minnesota Statutes 2016, section 446A.072, is amended to read:

60.18 **446A.072 ~~WASTEWATER~~ WATER INFRASTRUCTURE FUNDING PROGRAM.**

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

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

61.1 (1) whose projects are listed on the Pollution Control Agency's project priority list or
61.2 the Department of Health's project priority list;

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

61.5 (3) whose projects are approved by the USDA/RECD or certified by the commissioner
61.6 of the Pollution Control Agency or the Department of Health.

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

61.11 (c) For a governmental unit not receiving grant funding from the USDA/RECD,
61.12 application must be made to the authority on forms prescribed by the authority for the clean
61.13 water revolving fund program or the drinking water revolving fund program with additional
61.14 information as required by the authority. In accordance with section 116.182, the Pollution
61.15 Control Agency or Department of Health shall:

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

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

61.22 (d) Each fiscal year the authority shall make funds available for projects based on their
61.23 ranking on the Pollution Control Agency's project priority list or the Department of Health's
61.24 project priority list. The authority shall reserve funds for a project when the applicant receives
61.25 a funding commitment from the United States Department of Agriculture Rural Development
61.26 (USDA/RECD) or ~~submits plans and specifications to~~ the project is certified by the Pollution
61.27 Control Agency or Department of Health. Funds must be reserved in an amount based on
61.28 the project cost estimate submitted to the authority ~~prior to the appropriation of the funds~~
61.29 ~~and awarded based on the lesser of that amount or the as-bid cost~~ when the project is certified
61.30 or the as-bid cost, whichever is less.

61.31 Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant
61.32 funding from the USDA/RECD, the authority may provide assistance in the form of a grant
61.33 of up to 65 percent of the eligible grant need determined by USDA/RECD. A governmental

62.1 unit may not receive a grant under this paragraph for more than ~~\$4,000,000~~ \$5,000,000 per
62.2 project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically
62.3 approved by law.

62.4 (b) For a governmental unit receiving a loan from the clean water revolving fund under
62.5 section 446A.07, the authority may provide assistance under this section in the form of a
62.6 grant if the average annual residential wastewater system cost after completion of the project
62.7 would otherwise exceed 1.4 percent of the median household income of the project service
62.8 area. In determining whether the average annual residential wastewater system cost would
62.9 exceed 1.4 percent, the authority must consider the total costs associated with building,
62.10 operating, and maintaining the wastewater system, including existing wastewater debt
62.11 service, debt service on the eligible project cost, and operation and maintenance costs. Debt
62.12 service costs for the proposed project are calculated based on the maximum loan term
62.13 permitted for the clean water revolving fund loan under section 446A.07, subdivision 7.
62.14 The amount of the grant is equal to 80 percent of the amount needed to reduce the average
62.15 annual residential wastewater system cost to 1.4 percent of median household income in
62.16 the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~
62.17 \$20,000 per existing connection, whichever is less, unless specifically approved by law.
62.18 The eligible project cost is determined by multiplying the total project costs minus any other
62.19 grants by the essential project component percentage calculated under subdivision 3,
62.20 paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the
62.21 eligible project cost.

62.22 (c) For a governmental unit receiving a loan from the drinking water revolving fund
62.23 under section 446A.081, the authority may provide assistance under this section in the form
62.24 of a grant if the average annual residential drinking water system cost after completion of
62.25 the project would otherwise exceed 1.2 percent of the median household income of the
62.26 project service area. In determining whether the average annual residential drinking water
62.27 system cost would exceed 1.2 percent, the authority must consider the total costs associated
62.28 with building, operating, and maintaining the drinking water system, including existing
62.29 drinking water debt service, debt service on the eligible project cost, and operation and
62.30 maintenance costs. Debt service costs for the proposed project are calculated based on the
62.31 maximum loan term permitted for the drinking water revolving fund loan under section
62.32 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of
62.33 the amount needed to reduce the average annual residential drinking water system cost to
62.34 1.2 percent of median household income in the project service area, to a maximum of
62.35 \$5,000,000 per project or \$20,000 per existing connection, whichever is less, unless

63.1 specifically approved by law. The eligible project cost is determined by multiplying the
 63.2 total project costs minus any other grants by the essential project component percentage
 63.3 calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the
 63.4 grant exceed 80 percent of the eligible project cost.

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

63.11 ~~Subd. 5b. **Special assessment deferral.** A governmental unit receiving a loan under~~
 63.12 ~~subdivision 5a that levies special assessments to repay the loan under subdivision 5a or~~
 63.13 ~~section 446A.07 may defer payment of such assessments under the provisions of sections~~
 63.14 ~~435.193 to 435.195.~~

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

63.19 ~~Subd. 7. **Loan repayments.** Notwithstanding the limitations set forth in section 475.54,~~
 63.20 ~~subdivision 1, this subdivision shall govern the maturities and mandatory sinking fund~~
 63.21 ~~redemptions of the loans under this section. A governmental unit receiving a loan under~~
 63.22 ~~this section shall repay the loan in semiannual payment amounts determined by the authority.~~
 63.23 ~~The payment amount must be based on the average payments on the governmental unit's~~
 63.24 ~~clean water revolving fund loan or, if greater, the minimum amount required to fully repay~~
 63.25 ~~the loan by the maturity date. Payments must begin within one year of the date of the~~
 63.26 ~~governmental unit's final payment on the clean water revolving fund loan. The final maturity~~
 63.27 ~~date of the loan under this section must be no later than 20 years from the date of the first~~
 63.28 ~~payment on the loan under this section and no later than 40 years from the date of the first~~
 63.29 ~~payment on the clean water revolving fund loan.~~

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

63.33 Subd. 9. **Funding limitation.** Supplemental assistance may not be used to reduce the
 63.34 ~~sewer~~ service charges of a significant ~~wastewater contributor~~ industrial user that has a

64.1 separate service charge agreement with the recipient, or a single user that has caused the
 64.2 need for the project or whose current or projected ~~flow and load exceed~~ usage exceeds
 64.3 one-half of the current wastewater ~~treatment plant's~~ or drinking water system capacity.

64.4 Subd. 11. **Report on needs.** By February 1 of each even-numbered year, the authority,
 64.5 in conjunction with the Pollution Control Agency and Department of Health, shall prepare
 64.6 a report to the Finance Division of the senate Environment and Natural Resources Committee
 64.7 and the house of representatives Environment and Natural Resources Finance Committee
 64.8 on wastewater and drinking water funding assistance needs of governmental units under
 64.9 this section.

64.10 Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or~~ grant
 64.11 under this section shall establish a system replacement fund and shall annually deposit a
 64.12 minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or~~ expansion, or
 64.13 replacement of the ~~treatment~~ wastewater or drinking water system, or replacement of the
 64.14 ~~treatment system at the end of its useful life~~. Money must remain in the account for the life
 64.15 of the corresponding project loan from the authority or USDA/RECD, unless use of the
 64.16 fund is approved in writing by the authority for major rehabilitation, expansion, or
 64.17 replacement of the ~~treatment~~ wastewater or drinking water system. By March 1 each year
 64.18 during the life of the loan, each recipient shall submit a report to the authority regarding the
 64.19 amount deposited and the fund balance for the prior calendar year. A recipient is not required
 64.20 to maintain a fund balance greater than the amount of the grant received. Failure to comply
 64.21 with the requirements of this subdivision shall result in the authority assessing a penalty
 64.22 fee to the recipient equal to one percent of the supplemental assistance amount for each
 64.23 year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as~~
 64.24 ~~required constitutes a default on the loan.~~

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

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

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

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

65.1 Sec. 8. Minnesota Statutes 2016, section 446A.073, is amended to read:

65.2 **446A.073 POINT SOURCE IMPLEMENTATION GRANTS.**

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

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

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

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

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

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

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

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

65.27 Subd. 3. **Project priorities.** ~~When money is appropriated for grants under this program,~~
65.28 ~~The authority shall accept applications under this program during the month of July and.~~
65.29 When a project is certified by the Pollution Control Agency, the authority shall reserve
65.30 money for projects expected to proceed with construction by the end of the fiscal year the
65.31 project in the order listed on the Pollution Control Agency's project priority list and in an
65.32 amount based on the cost estimate submitted to the authority in the grant application when
65.33 the project is certified or the as-bid costs, whichever is less. Notwithstanding Minnesota

66.1 Rules, chapter 7077, the Pollution Control Agency may rank a drinking water infrastructure
66.2 project on the agency's project priority list if the project is necessary to meet an applicable
66.3 requirement in subdivision 1.

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

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

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

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

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

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

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

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

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

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

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

66.28 (5) to earn interest on fund accounts;

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

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

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

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

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

67.13 ~~(b) Principal forgiveness or grants under paragraph (a), clause (8), must only be provided~~
67.14 ~~if the average annual residential drinking water system cost after completion of the project~~
67.15 ~~would otherwise exceed 1.2 percent of the median household income in the project service~~
67.16 ~~area. In determining whether the average annual residential drinking water system cost~~
67.17 ~~would exceed 1.2 percent, the authority must consider the total costs associated with building,~~
67.18 ~~operating, and maintaining the drinking water system, including debt service and operation~~
67.19 ~~and maintenance costs. Debt service costs for the proposed project must be calculated based~~
67.20 ~~on the maximum loan term permitted for the drinking water revolving fund loan under this~~
67.21 ~~section. The amount of the principal forgiveness or grant must be equal to 80 percent of the~~
67.22 ~~amount needed to reduce the average annual residential drinking water system cost to 1.2~~
67.23 ~~percent of median household income in the project service area, to a maximum of \$4,000,000~~
67.24 ~~or \$15,000 per connection, whichever is less, and not to exceed 80 percent of the total project~~
67.25 ~~cost.~~

67.26 ~~(e)~~ (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not
67.27 exceed 25 percent of the eligible project costs as determined by the Department of Health
67.28 for project components directly related to green infrastructure, water or energy efficiency
67.29 improvements, or other environmentally innovative activities, up to a maximum of
67.30 \$1,000,000.

67.31 ~~(d) The authority may reduce the percentage of median household income at which a~~
67.32 ~~loan term could extend to 30 years under subdivision 8, paragraph (c), and at which principal~~
67.33 ~~forgiveness or grants could be provided under paragraph (b) if it determines that the federal~~
67.34 ~~money allotted to the state cannot be fully utilized without the reduction. If it determines~~

68.1 ~~that the reduction is necessary to fully utilize the federal money, the authority must effect~~
68.2 ~~the change through its approval of the annual intended use plan.~~

68.3 Sec. 10. Minnesota Statutes 2016, section 446A.12, subdivision 1, is amended to read:

68.4 Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a
68.5 principal amount that the authority determines necessary to provide sufficient funds for
68.6 achieving its purposes, including the making of loans and purchase of securities, the payment
68.7 of interest on bonds of the authority, the establishment of reserves to secure its bonds, the
68.8 payment of fees to a third party providing credit enhancement, and the payment of all other
68.9 expenditures of the authority incident to and necessary or convenient to carry out its corporate
68.10 purposes and powers, but not including the making of grants. Bonds of the authority may
68.11 be issued as bonds or notes or in any other form authorized by law. The principal amount
68.12 of bonds issued and outstanding under this section at any time may not exceed
68.13 ~~\$1,500,000,000~~ \$2,000,000,000, excluding bonds for which refunding bonds or crossover
68.14 refunding bonds have been issued, and excluding any bonds issued for the credit enhanced
68.15 bond program or refunding or crossover refunding bonds issued under the program. The
68.16 principal amount of bonds issued and outstanding under section 446A.087, may not exceed
68.17 \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds
68.18 have been issued.

68.19 Sec. 11. Minnesota Statutes 2016, section 462A.37, subdivision 1, is amended to read:

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

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

68.23 (c) "Community land trust" means an entity that meets the requirements of section
68.24 462A.31, subdivisions 1 and 2.

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

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

68.31 (f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter
68.32 that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal

69.1 Revenue Code, finance qualified residential rental projects within the meaning of Section
 69.2 142(d) of the Internal Revenue Code, or are tax-exempt bonds that are not private activity
 69.3 bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose
 69.4 of financing or refinancing affordable housing authorized under this chapter.

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

69.6 (h) "Senior" means a person 55 years of age or older with an annual income not greater
 69.7 than 50 percent of:

69.8 (1) the metropolitan area median income for persons in the metropolitan area; or

69.9 (2) the statewide median income for persons outside the metropolitan area.

69.10 (i) "Senior housing" means housing intended and operated for occupancy by at least one
 69.11 senior per unit with at least 80 percent of the units occupied by at least one senior per unit,
 69.12 and for which there is publication of, and adherence to, policies and procedures that
 69.13 demonstrate an intent by the owner or manager to provide housing for seniors. Senior
 69.14 housing may be developed in conjunction with and as a distinct portion of mixed-income
 69.15 senior housing developments that use a variety of public or private financing sources.

69.16 ~~(h)~~ (j) "Supportive housing" means housing that is not time-limited and provides or
 69.17 coordinates with linkages to services necessary for residents to maintain housing stability
 69.18 and maximize opportunities for education and employment.

69.19 Sec. 12. Minnesota Statutes 2016, section 462A.37, subdivision 2, is amended to read:

69.20 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
 69.21 principal amount of housing infrastructure bonds in one or more series to which the payment
 69.22 made under this section may be pledged. The housing infrastructure bonds authorized in
 69.23 this subdivision may be issued to fund loans, on terms and conditions the agency deems
 69.24 appropriate, made for one or more of the following purposes:

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

69.27 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
 69.28 housing to be used for affordable rental housing and the costs of new construction of rental
 69.29 housing on abandoned or foreclosed property where the existing structures will be demolished
 69.30 or removed;

70.1 (3) to finance that portion of the costs of acquisition of property that is attributable to
70.2 the land to be leased by community land trusts to low- and moderate-income homebuyers;
70.3 ~~and~~

70.4 (4) to finance the costs of acquisition and rehabilitation of federally assisted rental
70.5 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
70.6 of federally assisted rental housing, including providing funds to refund, in whole or in part,
70.7 outstanding bonds previously issued by the agency or another government unit to finance
70.8 or refinance such costs; and

70.9 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
70.10 of senior housing.

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

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

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

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

70.20 (1) demonstrate a commitment to maintaining the housing financed as affordable to
70.21 seniors;

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

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

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

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

71.1 To the extent practicable, the agency shall balance the loans made between projects in the
71.2 metropolitan area and projects outside the metropolitan area. Of the loans made to projects
71.3 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans
71.4 made between projects in counties or cities with a population of 20,000 or less, as established
71.5 by the most recent decennial census, and projects in counties or cities with populations in
71.6 excess of 20,000.

71.7 Sec. 13. Minnesota Statutes 2016, section 462A.37, subdivision 2a, is amended to read:

71.8 Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision
71.9 2, the agency may issue up to ~~\$80,000,000~~ \$97,000,000 of housing infrastructure bonds in
71.10 one or more series to which the payments made under this section may be pledged.

71.11 Sec. 14. Minnesota Statutes 2016, section 462A.37, subdivision 2b, is amended to read:

71.12 Subd. 2b. **Additional authorization.** In addition to the amount authorized in subdivisions
71.13 2 and 2a, the agency may issue up to ~~\$10,000,000~~ \$13,000,000 of housing infrastructure
71.14 bonds in one or more series to which the payments made under this section may be pledged.

71.15 Sec. 15. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision
71.16 to read:

71.17 Subd. 2c. **Additional authorization.** In addition to the amount authorized in subdivisions
71.18 2, 2a, and 2b, the agency may issue up to \$35,000,000 in housing infrastructure bonds in
71.19 one or more series to which the payments under this section may be pledged.

71.20 Sec. 16. Minnesota Statutes 2016, section 462A.37, subdivision 5, is amended to read:

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

71.24 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
71.25 bonds issued under subdivision 2a remain outstanding, the commissioner of management
71.26 and budget must transfer to the housing infrastructure bond account established under section
71.27 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000
71.28 annually. The amounts necessary to make the transfers are appropriated from the general
71.29 fund to the commissioner of management and budget.

71.30 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
71.31 bonds issued under subdivision 2b remain outstanding, the commissioner of management

72.1 and budget must transfer to the housing infrastructure bond account established under section
 72.2 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000
 72.3 annually. The amounts necessary to make the transfers are appropriated from the general
 72.4 fund to the commissioner of management and budget.

72.5 (d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure
 72.6 bonds issued under subdivision 2c remain outstanding, the commissioner of management
 72.7 and budget must transfer to the housing infrastructure bond account established under section
 72.8 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$1,250,000
 72.9 in fiscal year 2018 and \$2,500,000 annually thereafter. The amounts necessary to make the
 72.10 transfers are appropriated from the general fund to the commissioner of management and
 72.11 budget.

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

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

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

72.17 For a grant to the city of West St. Paul to
 72.18 predesign, design, and construct a ~~pedestrian~~
 72.19 ~~bridge for the North Urban Regional Trail as~~
 72.20 ~~an overpass~~ grade-separated crossing of Robert
 72.21 Street in the area near Wentworth Avenue in
 72.22 West St. Paul for the River to River Regional
 72.23 Greenway. This appropriation may also be
 72.24 used to acquire property or purchase
 72.25 rights-of-way needed for ~~bridge~~ construction.
 72.26 A nonstate match is not required.

72.27 Sec. 18. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 7,
 72.28 is amended to read:

72.29 Subd. 7. **Richfield - 77th Street Underpass** 10,000,000

72.30 For a grant to the city of Richfield for
 72.31 right-of-way acquisition ~~and construction of~~
 72.32 for an extension of 77th Street under marked
 72.33 Trunk Highway 77/Cedar Avenue in the city

73.1 of Richfield to provide local and regional
73.2 access between Richfield, the Minneapolis/St.
73.3 Paul International Airport, the city of
73.4 Bloomington, and the Mall of America. After
73.5 right-of-way acquisition is completed, the city
73.6 may use any remaining money appropriated
73.7 in this subdivision for construction of the
73.8 extension. Notwithstanding Minnesota
73.9 Statutes, section 16A.642, the bond sale
73.10 authorization and appropriation of bond
73.11 proceeds for the project in this subdivision are
73.12 available until December 31, 2021.

73.13 Sec. 19. **REPEALER.**

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

73.15 Sec. 20. **EFFECTIVE DATE.**

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

APPENDIX
Article locations in 17-4032

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ARTICLE 2	MISCELLANEOUS	Page.Ln 50.6

APPENDIX
Repealed Minnesota Statutes: 17-4032

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.