

(e) "Franchise" does not include any contract, lease or other agreement whereby the franchisee is required to pay less than \$100 on an annual basis, except those franchises identified in paragraph (b).

(f) "Franchise" does not include a contract, lease or other agreement between a new motor vehicle manufacturer, distributor, or factory branch and a franchisee whereby the franchisee is granted the right to market automobiles, motorcycles, trucks, truck tractors, or self-propelled motor homes or campers if the foregoing are designed primarily for the transportation of persons or property on public highways.

Approved April 26, 1984

### CHAPTER 597 — H.F.No. 2314

*An act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; reducing and canceling certain appropriations; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1982, sections 16.72, subdivision 7; 16A.54; 16A.66, as amended; 16A.671; 16A.675; 85A.04, subdivision 3; 115.03, subdivision 1; 116.16, subdivisions 2, 4, 5, 9, and by adding a subdivision; 116.18, as amended; 136.40, subdivision 6; 475A.03, subdivision 1; 475A.05, subdivision 1, and by adding a subdivision; 475A.06, subdivision 7; Minnesota Statutes 1983 Supplement, sections 16A.672; 116J.926, subdivision 3; Laws 1983, chapter 344, section 6, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 16A; and repealing Minnesota Statutes 1982, sections 16A.63; 16A.64, as amended by Laws 1983, chapter 301, sections 94 and 95; 16A.65; and 116.16, subdivisions 6 and 7; and Laws 1981, chapter 275; Laws 1981, chapter 334, section 11, subdivision 4; Laws 1982, chapter 639, section 5.*

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

#### Section 1. CAPITAL IMPROVEMENTS; APPROPRIATIONS.

The sums set forth in the column designated "APPROPRIATIONS" are appropriated from the state building fund, or any other fund designated, to the state agencies indicated, to be expended to acquire and to better public land and buildings and other public improvements of a capital nature, as more specifically described in the following sections of this act.

#### SUMMARY

SUPREME COURT	\$ 400,000
ADMINISTRATION	12,959,500
CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	1,700,000

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

NATURAL RESOURCES	3,966,700
IRON RANGE RESOURCES AND REHABILITATION BOARD	1,120,000
ZOOLOGICAL BOARD	225,000
POLLUTION CONTROL AGENCY	12,000,000
ENERGY AND ECONOMIC DEVELOPMENT	1,400,000
MILITARY AFFAIRS	1,183,500
VETERANS AFFAIRS	103,100
TRANSPORTATION	23,207,700
MINNESOTA HISTORICAL SOCIETY	3,600,000
VOCATIONAL TECHNICAL EDUCATION	10,057,600
COMMUNITY COLLEGES	25,038,400
STATE UNIVERSITIES	19,505,000
UNIVERSITY OF MINNESOTA	57,981,000
CORRECTIONS	2,598,900
PUBLIC WELFARE	4,730,400
BOND SALE EXPENSES	153,000
INTEREST RATE REDUCTION EXPENSE	7,230,000
TOTAL	\$189,159,800
General Fund	24,437,300
Game and Fish Fund	31,400
Special Revenue Fund	100,000
Trunk Highway Fund	9,052,700
Transportation Fund	16,000,000
Building Fund	139,538,400
APPROPRIATION REDUCTIONS	(\$280,408,000)

**APPROPRIATIONS**

Sec. 2. SUPREME COURT

Judicial Building Design Competition	\$400,000
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Changes or additions are indicated by underline, deletions by ~~strikeout~~.

This appropriation is to the commissioner of administration, in consultation with the supreme court and the capitol area architectural and planning board, for preliminary planning and design competition for a judicial building that will utilize the existing historical society building and the site currently occupied by the mechanic arts high school gymnasium.

\$200,000 of this appropriation is from the general fund. The design competition must include a challenge to the competitors for maximum use of the existing historical society building. The design for reuse of that building, new construction, landscaping, and improving this site must not produce a total project cost that exceeds \$36,000,000.

The plans shall not involve the demolition of the existing mechanic arts high school main building.

Sec. 3. ADMINISTRATION

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section

12,959,500

Subd. 2. Supplemental or prior commitments

2,133,400

The appropriations in this subdivision are from the general fund.

(a) Remodel central motor pool building for life safety

40,200

(b) Remove and replace PCB equipment statewide, phase I

1,086,100

This appropriation, combined with the balance remaining from the appropriation in Laws 1983, chapter 344, section 2, clause (a), shall be used to replace or retrofill PCB contaminated equipment in the priority order established in the remedial action plan.

(c) Remove or contain asbestos in state buildings, phase I

1,007,100

This appropriation shall be used to remove or encapsulate asbestos-containing materials

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which have been identified as constituting risk factor 5 in the evaluation study dated January, 1984, and its supplement, and risk factor 4 to the extent funds permit.

Subd. 3. Facility integrity and life safety

2,302,500

The appropriations in this subdivision are from the general fund, except that items (a) and (b) are from the trunk highway fund and item (h) is from the special revenue fund.

(a) Renovate mechanical and electrical systems in the transportation building and laboratory

1,500,000

None of this appropriation shall be expended on the mechanical and electrical system in the transportation building until a study of the system is completed and the findings reported to the chairmen of the house appropriations and senate finance committees. Expenditures on the laboratory may proceed without the study.

(b) Provide fire code required venting, enclosed lobbies, and electric generator for transportation building

254,000

(c) Renovate laboratory ventilation system in health building

141,900

(d) Construct hazardous material storage facility and outside receiving facility at health building

110,500

(e) General purpose remodeling contingency

This contingency totaling \$550,000 is established from unexpended balances remaining in building fund accounts as itemized in committee workpapers.

This appropriation is available for individual project expenditure after consultation with the chairmen of the house appropriations and senate finance committees.

(f) Reset west entrance to Centennial building

136,500

(g) Install fire, smoke, and emergency warning system in Veterans Service building

59,600

(h) Seal coat Centennial parking ramp floors

100,000

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

This appropriation is from the account established in section 16.72, subdivision 7. Future sealcoating and routine maintenance projects shall be financed from the parking fees established pursuant to section 16.72.

Subd. 4. Energy conservation

1,992,600

(a) Energy conservation projects that have an estimated payback in energy savings in five years or less

1,897,400

Of this appropriation, \$1,775,000 is from the state building fund, \$31,400 is from the game and fish fund, and \$91,000 is from the trunk highway fund.

The construction paid for from this appropriation shall meet or exceed the interim and final energy conservation performance standards and guidelines for new commercial buildings promulgated by the United States secretary of energy under the Energy Conservation Standards for New Buildings Act of 1976, as amended, United States Code, title 33, section 6833.

(b) Modify and connect the Ford building heating system for district heating

95,200

Subd. 5. Program improvement and expansion

6,531,000

(a) Provide access for the handicapped to state buildings statewide

2,000,000

(b) Prepare a program and feasibility study of a combined services facility

100,000

This study shall assess the feasibility of including the information services bureau in the new facility.

(c) Remodel third floor of Centennial building

1,500,000

This appropriation may not be expended unless a report is submitted to the chairmen of the house appropriations and senate finance committees by October 1, 1984; a preliminary report is requested August 1, 1984. The report shall include a plan for improvements in the handling and flow of tax documents within the department of

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revenue, including improved coordination and automation of the mailroom, data entry, and cashier functions. The report shall also include the proposed layout for the remodeled space.

(d) Construct Brainerd services center

2,831,000

This appropriation shall establish a consolidated government services center at the community college site in Brainerd. The center is intended to include at least the local activities of the state departments of agriculture, labor and industry and corrections; the pollution control agency; and the consolidated programs of the department of natural resources.

(e) Prepare plans for renovation of mechanic arts high school building

100,000

This appropriation is to plan for the renovation of the mechanic arts high school building, excluding the gymnasium, to provide state agency office space. The preliminary plans for renovation must be reviewed by the capitol area architectural and planning board pursuant to Minnesota Statutes, section 15.50, subdivision 2.

(f) Land acquisition

By January 15, 1985, the commissioner shall present to the chairmen of the house appropriations and senate finance committees a report proposing criteria by which land located in or near the Capitol complex would be assessed as favorable for acquisition. In proposing these criteria, the commissioner shall consider including such factors as effects on property taxes, proposed programmatic uses, and specific geographical boundaries.

(g) Building project balances

The commissioner is directed to report to the chairmen of the house appropriations and senate finance committees by January 15 of each fiscal year. The report shall list each building project balance which was authorized more than four years earlier, its

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current status, whether any activity occurred during the year, and the commissioner's recommendation and rationale for continuance. The report shall also include those balances, and associated projects, which were canceled administratively during the previous 12 month period.

**Sec. 4. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD**

To the commissioner of administration for the purposes specified in this section

1,700,000

- |  |           |
|--|-----------|
| (a) Landscape capitol mall   | 1,200,000 |
| (b) Landscape John Ireland Boulevard   | 350,000   |
| (c) Preliminary engineering and design for parking facilities in the Capitol complex | 150,000   |

This appropriation is from the general fund. The general fund shall be reimbursed from the account established in Minnesota Statutes, section 16.72 as funds become available.

The commissioner of administration shall study and report to the legislature by January 1, 1985, recommendations for increasing state employee participation in the van pool program, so that the need for new state parking facilities in the capitol area may be reduced.

The board shall seek the cooperation of the school of architecture and landscape architecture at the University of Minnesota for (a) and (b) above.

The board shall emphasize the use of plant species native to Minnesota in (a) and (b) above.

The board shall seek private contributions for the landscaping projects in (a) and (b) above. Any contributions received shall be used to reduce the cost to the state.

**Sec. 5. NATURAL RESOURCES**

Subdivision 1. To the commissioner of administration or the commissioner of natural resources for the purposes more specif-

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ically described in the following subdivisions of this section

3,966,700

Subd. 2. To the commissioner of administration for the purposes specified in this subdivision

680,000

(a) Complete office and storage space at Grand Rapids regional headquarters 139,000

(b) Construct seedling storage at General Andrews nursery 74,000

(c) Expand storage building at Baudette area headquarters 50,000

(d) Construct New Ulm Shop and Warehouse 317,000

(e) Plan for consolidation at the Bemidji regional office of all natural resources employees in Bemidji, Cass Lake, and Guthrie 100,000

Subd. 3. To the commissioner of natural resources to reconstruct the state-owned dam at New London

126,700

Subd. 4. To the commissioner of natural resources for the purposes specified in this subdivision

3,160,000

(a) Construct convention center and dormitory facility at Deep Portage Conservation Reserve 800,000

This appropriation is for payment to Cass County. This appropriation is available only upon a determination by the commissioner of natural resources that the additional financing necessary to complete the project has been committed by nonstate sources. Cass County shall repay \$320,000 to the state over a period of not more than ten years from the date this appropriation is paid to the county. Repayments shall be made in equal installments deposited in the state treasury and credited to the state bond fund before November 1 each year.

(b) Develop River Bend Nature Center 200,000

This appropriation is for payment to the city of Faribault. This appropriation is availa-

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ble only upon a determination by the commissioner of natural resources that the additional financing necessary to complete the project has been committed by nonstate sources. The city of Faribault shall repay \$80,000 to the state over a period of not more than ten years from the date this appropriation is paid to the city. Repayments shall be made in equal installments deposited in the state treasury and credited to the state bond fund before November 1 each year.

(c) Develop facilities at Long Lake Conservation Center

160,000

This appropriation is for payment to Aitkin County. This appropriation is available only upon a determination by the commissioner of natural resources that the additional financing necessary to complete the project has been committed by nonstate sources. Aitkin County shall repay \$64,000 to the state over a period of not more than ten years from the date this appropriation is paid to the county. Repayments shall be made in equal installments deposited in the state treasury and credited to the state bond fund before November 1 each year.

(d) Construct Winger Dam

2,000,000

This appropriation is for payment to the Lower Red River Watershed Management Board to construct the Winger dam on the Sand Hill River, Winger township, Polk County. This appropriation is available only upon a determination by the commissioner of natural resources that the additional financing necessary to complete the project has been committed by other sources. The Lower Red River Watershed Management Board shall repay \$800,000 from its property tax receipts to the state over a period of not more than ten years from the date this appropriation is paid to the board. Repayments shall be made in equal installments deposited in the state treasury and credited to the state bond fund before November 1 each year.

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Notwithstanding sections 16A.41, 16.02, or any other law to the contrary, the commissioner of natural resources may pay to the city of Lanesboro up to \$60,000 of unexpended funds that were appropriated to the commissioner under Laws 1977, chapter 421, section 12, subdivision 3, for the acquisition of trails, upon receipt of a 30 year lease from the city of Lanesboro approved by the attorney general for use of an interpretive trail center on the Root River trail.

Notwithstanding any other law to the contrary the commissioner of natural resources may use for the betterment of state trails, without a public hearing, up to \$24,081 of unexpended funds that were appropriated to the commissioner under Laws 1979, chapter 301, section 3, subdivision 1, for acquisition of state trails.

**Sec. 6. IRON RANGE RESOURCES AND REHABILITATION BOARD**

1,120,000

This appropriation is for construction of an outdoor amphitheater at the Iron Range Interpretative Center at Chisholm.

The board shall repay \$448,000 to the state bond fund over a period of not more than ten years from the date this appropriation is paid to the board. Repayments shall be made in equal installments deposited in the state treasury and credited to the state bond fund before November 1 each year.

**Sec. 7. ZOOLOGICAL BOARD**

To the commissioner of administration for a wolf and caribou exhibit

225,000

The appropriation in this section is from the general fund.

This appropriation is available only to match contributions received from nonstate sources in the amount of \$225,000. No money may be expended until the entire match has been received.

**Sec. 8. ENERGY AND ECONOMIC DEVELOPMENT**

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

## Regional Solid Waste Disposal

1,400,000

This appropriation is for payment of a grant to the city of Bagley to develop a solid waste disposal, incineration, and district heating pilot project involving seven counties. The purpose of the project must be to deal with solid waste disposal as a rural problem and provide more reliable energy to the incinerator site through a district heating system. The grant may not be paid until the commissioner of energy and economic development has determined that additional financing in the amount of \$10,000,000 has been committed by other sources.

This appropriation is from the general fund.

## Sec. 9. MILITARY AFFAIRS

To the adjutant general for the purposes specified in this section

1,183,500

The construction paid for from this appropriation shall meet or exceed the interim and final energy conservation performance standards and guidelines for new commercial buildings promulgated by the United States secretary of energy under the Energy Conservation Standards for New Buildings Act of 1976, as amended, United States Code, title 33, section 6833.

(a) Replace roofs statewide 362,500

(b) Replace windows or close up openings in facilities 40 years of age or older 478,000

This appropriation is from the general fund.

(c) Rehabilitate and improve armory at Austin 77,800

This appropriation is from the general fund.

(d) Rehabilitate and improve armory at 600 Cedar Street, St. Paul 265,200

This appropriation is from the general fund.

(e) \$13,000 of the appropriation made in Laws 1983, chapter 344, section 5, clause (a), for installing a heating plant at Worthington may be used to install two heating boilers at Camp Ripley.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

## (f) Armory Studies

Prior to expenditure of the funds contained in this section, the department shall submit to the chairmen of the house appropriations and senate finance committees an analysis of the current energy usage at the armories which are funded for improvements and the anticipated savings to be realized from these improvements.

The department of military affairs, with the assistance of the management analysis division of administration, will provide an analysis by February 1, 1985, of the options for multiple use or time-sharing of armories. This analysis will address space and support requirements, utilization strength, maintenance, and cost of the alternatives. The engineering and architectural component of this analysis will be provided by the building code division of the department of administration.

## Sec. 10. VETERANS AFFAIRS

To the commissioner of administration for the purposes specified in this section

103,100

The appropriations in this section are from the general fund.

(a) Replace roof on three buildings at veterans home - Hastings

40,100

The construction paid for from this appropriation shall meet or exceed the interim and final energy conservation performance standards and guidelines for new commercial buildings promulgated by the United States secretary of energy under the Energy Conservation Standards for New Buildings Act of 1976, as amended, United States Code, title 33, section 6833.

(b) Repair cooling system and upgrade linen room in building 16 at veterans home - Minneapolis

63,000

The commissioner shall prepare a report which presents and analyzes alternative uses, including residential use, of buildings 1 through 5 on the Minneapolis campus

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

which are compatible with the functions and programs of the veterans home. The report shall be submitted to the chairmen of the house appropriations and senate finance committees by January 15, 1985.

Sec. 11. TRANSPORTATION

Subdivision 1. To the commissioner of transportation for the purposes more specifically described in the following subdivisions of this section

23,207,700

Subd. 2. Operating Facilities

7,207,700

The appropriations in this subdivision are from the trunk highway fund.

(a) Construct interstate rest area near Pine City

207,900

The commissioner of transportation shall not expend this appropriation until contracts have been awarded for the construction of a highway interchange at the junction of interstate highway 35 and county state aid highway 11 at Pine City.

(b) Construct addition to Oakdale district headquarters

986,000

The addition shall include office space for the state patrol, which shall relocate from rental space in Eagan; and shop and storage space for electronic communications, which shall relocate from rental space in St. Paul.

(c) Construct equipment storage building at New Ulm truck station

263,000

(d) Construct equipment storage building at Dresbach truck station

270,000

(e) Construct equipment storage building at Buffalo truck station

325,000

(f) Construct equipment storage building at Morris maintenance headquarters

900,000

This appropriation is available upon determination by the commissioner of administration that the commissioner of transportation has entered into a contract for the sale of the existing Morris maintenance equipment storage building. The contract for

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purchase of the existing Morris equipment storage building shall not be less than \$235,000. Funds received from the sale shall be deposited in the trunk highway fund.

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|--|-----------|
| (g) Construct St. Croix interstate rest area and travel information center | 292,500   |
| (h) Construct St. Croix weigh station                                      | 1,052,000 |

The commissioner of transportation shall conduct an evaluation of the feasibility of utilizing weigh in motion facilities in conjunction with the construction and operation of the St. Croix weigh station.

The commissioner of public safety shall submit a report to the legislature regarding the utilization of the weigh stations located on trunk highway 61 near Winona and on trunk highway 3 near Farmington. The commissioner shall submit the report to the chairman of house appropriations and the chairman of senate finance by January 15, 1985.

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|--|---------|
| (i) Construct interstate rest area near Mah-towa                     | 207,900 |
| (j) Construct equipment storage building at Pine River truck station | 238,000 |
| (k) Construct cold storage sheds statewide                           | 65,000  |
| (l) Construct highway information center at Chisholm                 | 200,000 |

None of the costs of maintaining, staffing, and operating the highway information center at the Iron Range Interpretative Center shall be paid from the trunk highway fund.

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|--|---------|
| (m) Construct rest area and travel information center near International Falls | 654,400 |
| (n) Construct rest area and travel information center at Pigeon River          | 956,000 |
| (o) Construct equipment storage building for Chaska truck station              | 590,000 |

This appropriation is available upon determination by the commissioner of adminis-

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

tration that the commissioner of transportation has entered into contract for the sale of the existing Chaska equipment storage building. Funds received from the sale shall be deposited in the trunk highway fund.

Subd. 3. Interstate Substitution

4,000,000

This appropriation is from the state transportation fund to provide not to exceed one-half of the nonfederal share of right-of-way, preliminary and construction engineering, and construction costs of local projects that are paid for with interstate substitution money.

The balance of the appropriation in Laws 1981, chapter 361, section 4, subdivision 5, item (b) for interstate substitution projects may only be expended to provide not to exceed one-half of the nonfederal share of right-of-way, preliminary and construction engineering, and construction costs of local projects that are paid for with interstate substitution money.

Notwithstanding any other law to the contrary, the commissioner of transportation shall not provide funds from this appropriation for the purpose of preliminary planning, design, or construction of an intercampus bus expressway between Minneapolis and Saint Paul

Subd. 4. Railroad Assistance

12,000,000

This appropriation is from the state transportation fund for the purposes specified in Minnesota Statutes, sections 222.49 to 222.63.

Sec. 12. MINNESOTA HISTORICAL SOCIETY

To the Minnesota historical society for the purposes specified in this section

3,600,000

(a) Plan for construction of State History Center

400,000

This appropriation is to the capitol area architectural and planning board, for ex-

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

penditure in consultation with the Minnesota Historical Society, for a design competition for a new state history center.

This appropriation is available for expenditure only after a site study has been presented to the chairmen of the house appropriations and senate finance committees and they have made their advisory recommendations on it.

The study shall be paid for by \$150,000 of the appropriation made in Laws 1983, chapter 344, section 2, clause (f), which remains from the appropriation to the capitol area architectural and planning board for the history center's design competition. The study shall be submitted no later than November 1, 1984. The capitol area architectural and planning board, acting with three members to be designated by the director of the Minnesota historical society, must make a final siting recommendation to the chairman of the house appropriation committee and the chairman of the senate finance committee and include their rationale.

The historical society, capitol area architectural and planning board, and the commissioner of administration shall cooperate with this study and provide staff assistance as requested.

This appropriation authorizes and continues the design competition now in progress for the state history center.

The design competition for a new history center, landscaping, and site improvements shall not produce a total projected cost that exceeds \$41,000,000.

The historical society shall evaluate and report to the legislature on the potential for private sector support for program enhancements for the state history center, including but not limited to facility furnishings and equipment.

(b) Develop Split Rock Lighthouse historic site	1,550,000
(c) Develop Red River Valley Center	1,000,000

Changes or additions are indicated by underline, deletions by ~~strikeout~~.



This appropriation shall be expended in accordance with Minnesota Statutes, sections 138.92 and 138.93.

(d) Lake Superior Museum of Transportation and Industry 50,000

This appropriation shall be expended in accordance with Minnesota Statutes, sections 138.92 and 138.93.

The appropriations in items (e) to (i) are from the general fund.

(e) Develop historic interpretive facilities statewide 150,000

(f) Stabilize Grand Mound 75,000

(g) Historic site restoration and preventive maintenance 100,000

(h) Restore and preserve historical objects in Capitol building 250,000

(i) Repair state monuments, markers, and waysides 25,000

### Sec. 13. VOCATIONAL-TECHNICAL EDUCATION

Subdivision 1. To the state board of vocational-technical education for post-secondary vocational-technical construction in the school districts listed in this section 10,057,600

Independent School District No. 11, Anoka 1,046,400

This appropriation is to remodel warehouse and other space for other purposes. The total cost of the project shall not exceed \$1,231,000, whether paid from state, local, or federal money.

Independent School District No. 492, Austin 195,300

This appropriation is to remodel connecting links. The total cost of the project shall not exceed \$229,800, whether paid from state, local, or federal money.

Independent School District No. 31, Bemidji 138,400

(1) \$96,200 is to replace a roof.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The total cost of the project shall not exceed \$113,200, whether paid from state, local, or federal money. This appropriation is from the general fund.

(2) \$42,200 is to construct a vestibule.

The total cost of the project shall not exceed \$49,700, whether paid from state, local, or federal money. This appropriation is from the general fund.

Independent School District No. 181, Brainerd 124,000

This appropriation is for an addition to the auto body shop. The total cost of the project shall not exceed \$145,900, whether paid from state, local, or federal money.

Independent School District No. 891, Canby 22,700

This appropriation is to complete the replacement of a roof. The total cost of the project shall not exceed \$26,800, whether paid from state, local, or federal money. This appropriation is from the general fund.

Special Intermediate School District No. 917, Dakota County 34,100

This appropriation is to modify boilers. The total cost of the project shall not exceed \$40,200, whether paid from state, local, or federal money. This appropriation is from the general fund.

Independent School District No. 709, Duluth 2,388,500

(1) \$2,125,000 is to construct additional space for electronics, health, data processing, and business.

The total cost of the project shall not exceed \$2,500,000, whether paid from state, local, or federal money.

(2) \$212,500 is to resurface a parking lot.

The total cost of the project shall not exceed \$250,000, whether paid from state, local, or federal money. This appropriation is from the general fund.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(3) \$51,000 is to install electronic heat and ventilation controls.

The total cost of the project shall not exceed \$60,000, whether paid from state, local, or federal money. This appropriation is from the general fund.

Independent School District No. 697, Eveleth 439,500

This appropriation is to construct a commons area, kitchen and receiving area, and instrumentation laboratory. The total cost of the project shall not exceed \$517,000, whether paid from state, local, or federal money.

Independent School District No. 423, Hutchinson 638,700

(1) \$500,000 or so much thereof as is necessary is for the costs to acquire the Crow River Vocational Cooperative Center Building

The total cost of this acquisition shall not exceed \$588,200, whether paid from state, local, or federal money.

(2) \$138,700 is to connect utility units to natural gas.

The total cost of the project shall not exceed \$163,200, whether paid from state, local, or federal money. This appropriation is from the general fund.

Independent School District No. 77, Mankato 102,000

This appropriation is to construct a graphic arts classroom and laboratory. The total cost of the project shall not exceed \$120,000, whether paid from state, local, or federal money.

Special School District No. 1, Minneapolis 1,700,000

This appropriation is to acquire and to better the Aviation Center facility. The total cost of this project shall not exceed \$2,000,000, whether paid from state, local, or federal money.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Special School District No. 1, Minneapolis, may purchase the facility presently used by the Minneapolis Technical Institute for the Aviation Training Center. Renovation or expansion of this facility shall not proceed until such time as the purchase is complete and title has been transferred.

Enrollment in aviation mechanics programs at Minneapolis Technical Institute shall not be increased beyond the current level without submission of documentation that placement rates have improved. Requests to increase enrollment shall be reviewed by the chairmen of the House Appropriations and Senate Finance Committees and the chairmen shall make recommendations on the requests. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

Independent School District No. 152, Moorhead

495,600

(1) \$303,900 is for a project for the air conditioning and refrigeration program.

Total costs of this project shall not exceed \$357,500, whether paid from state, local, or federal money.

(2) \$191,700 to reroof the 1971 addition.

The total cost of the project shall not exceed \$225,500, whether paid from state, local, or federal money. This appropriation is from the general fund.

Special Intermediate School District No. 916

998,100

(1) \$369,900 is for decking the refrigeration and heating, graphic arts, and mobile home repair shops.

The total cost of the project shall not exceed \$435,100, whether paid from state, local, or federal money.

(2) \$120,000 is to construct a warehouse.

The total cost of the project shall not exceed \$141,200, whether paid from state, local, or federal money.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(3) \$303,400 is to encapsulate asbestos.

The total cost of the project shall not exceed \$356,900, whether paid from state, local, or federal money. This appropriation is from the general fund.

(4) \$35,500 is to add an air lock to the east entrance.

The total cost of the project shall not exceed \$41,800, whether paid from state, local, or federal money. This appropriation is from the general fund.

(5) \$169,300 is to insulate shop ceilings.

The total cost of the project shall not exceed \$199,200, whether paid from state, local, or federal money. This appropriation is from the general fund.

Independent School District No. 625, St. Paul

731,300

(1) \$270,600 is to remove asbestos.

The total cost of the project shall not exceed \$318,200, whether paid from state, local, or federal money. This appropriation is from the general fund.

(2) \$460,700 is to reroof the building and repair interior and exterior walls.

The total cost of the project shall not exceed \$542,000, whether paid from state, local, or federal money. This appropriation is from the general fund.

Independent School District No. 793, Staples

76,500

This appropriation is to replace overhead doors. The total cost of the project shall not exceed \$90,000, whether paid from state, local, or federal money. This appropriation is from the general fund.

Independent School District No. 347, Willmar

773,500

(1) \$680,000 is for additional agriculture program classrooms and labs.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The total cost of the project shall not exceed \$800,000, whether paid from state, local, or federal money.

(2) \$93,500 is for various energy conservation measures.

The total cost of the project shall not exceed \$110,000, whether paid from state, local, or federal money. This appropriation is from the general fund.

Independent School District No. 861, Winona

153,000

This appropriation is to resurface a parking lot. The total cost of the project shall not exceed \$180,000, whether paid from state, local, or federal money. This appropriation is from the general fund.

#### Sec. 14. COMMUNITY COLLEGES

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section

25,038,400

Subd. 2. Anoka-Ramsey Community College

4,300,000

This building fund appropriation is for the following:

(a) \$2,800,000 for improvements or expansion of the library, classrooms, college center, and physical education facilities.

(b) \$1,000,000 for the Cambridge Community College Center. Of this amount, \$185,000 or so much thereof as is necessary, is for the costs to acquire by direct purchase the present facility owned by the Cambridge Business Development Company. The remaining \$815,000 is for the costs to construct an additional building on the present site, additional parking, and equipment.

(c) \$500,000 to acquire by direct purchase the Advent Lutheran Church building and land which is adjacent to the Anoka-Ramsey Community College campus.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 3. Itasca Community College  
Planning for library, college center, class-  
room buildings and physical education  
building addition 175,000

Subd. 4. Minneapolis Community Col-  
lege  
Construct classroom, library, college center,  
and plan for a fine arts building 8,600,000

Subd. 5. North Hennepin Community  
College 2,713,000

Construct a business technology building  
and improvements and plan for additions to  
the physical education facility.

Subd. 6. Rainy River Community Col-  
lege Construct college center and physical  
education building addition 1,200,000

Subd. 7. Rochester Community College 2,850,000

This appropriation is to plan, construct,  
equip, and furnish a 30,000 gross square  
foot addition to Rochester Community Col-  
lege. This appropriation shall not be spent  
until a portion of the former Rochester state  
hospital is sold and all of the net proceeds  
are deposited in the state treasury and cred-  
ited to the general fund.

“Net proceeds” means the gross proceeds  
less: (1) the accumulated operating costs  
associated with the heating, maintenance,  
and improvements for the property sold and  
provision for security for the period begin-  
ning December 29, 1982, and ending on the  
date of sale of the real property; (2) costs  
incurred by Olmsted County for roof repairs  
previously made to hospital buildings and  
road improvements made necessary because  
of the sale of the property; and (3) consult-  
ant fees and advertising costs related to the  
sale of the property.

The purpose of this addition is to house the  
Winona State University Center. This ap-  
propriation is from the state building fund.

It is intended that the Winona State Univer-  
sity Center at Rochester shall be used joint-

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

ly by Winona State University for upper division and graduate instruction and by Rochester Community College.

The chancellor of the community college system and the chancellor of the state university system or their designees shall participate jointly in the design and oversight of the building construction. Winona State University, in consultation with Rochester Community College, shall be responsible for scheduling instructional facilities. Rochester Community College shall be assured reasonable access to and use of the building.

Rochester Community College shall be responsible for the operation and maintenance of the physical plant. Winona State University will reimburse Rochester Community College on a prorated basis for fuel, utilities, maintenance, and other attributable expenses consistent with the procedure agreed upon by the state university and community college system chancellors.

Subd. 8. Vermilion Community College Construct college center and physical education building addition

1,900,000

Subd. 9. Systemwide repairs and betterments

3,300,400

The appropriations in this subdivision are from the general fund to the community college board.

Notwithstanding Minnesota Statutes, section 16.02, the community college board shall supervise and control the making of necessary repairs to all community college buildings and structures.

(a) Replace leaking roofs and repair leaking membranes	225,000
(b) Construct or remodel hazardous chemical storage areas	336,000
(c) Install emergency lighting	159,000
(d) Repair roads and parking lots	450,000
(e) Repair brick-paver sidewalks at Inver Hills Community College	132,400
(f) Automate building energy systems	700,000

Changes or additions are indicated by underline, deletions by ~~strikeout~~.



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|------------------------------------|-----------|
| (g) Systemwide removal of asbestos | 1,100,000 |
| (h) Replace transformers           | 198,000   |

### Sec. 15. STATE UNIVERSITIES

Subdivision 1. To the State University Board for the purposes more specifically described in the following subdivisions of this section

19,505,000

Notwithstanding Minnesota Statutes, section 16.02, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of the state university buildings, structures, and improvements provided for in this section. The state university board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

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|--|-----------|
| Subd. 2. Bemidji Campus  | 1,280,000 |
| (a) Plan to remodel or replace education and art building                  | 230,000   |
| (b) Renovate the exterior and plan for the rehabilitation of Sattgast Hall | 1,050,000 |
| Subd. 3. Mankato Campus  | 5,480,000 |
| (a) Plan, construct, equip, and furnish classroom/laboratory building      | 5,400,000 |
| (b) Correct fire code deficiencies   | 80,000    |
| This appropriation is from the general fund.                               |           |
| Subd. 4. Moorhead Campus   | 695,000   |
| (a) Plan, construct, equip, and furnish addition to Nemzek Hall            | 490,000   |
| (b) Planning for construction of a library addition                        | 205,000   |
| Subd. 5. St. Cloud Campus  | 4,305,000 |
| (a) Preliminary planning for Stewart Hall                                  | 60,000    |

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(b) Plan and renovate Gray Campus Laboratory School	3,500,000	
(c) Install air conditioning system chiller loop	745,000	
Subd. 6. Southwest campus Grade and plant trees to form a windbreak		115,000
This appropriation is from the general fund.		
Subd. 7. Winona Campus		
(a) Plan, renovate, equip, and furnish Somsen Hall		4,000,000
This appropriation includes \$360,000 for planning and working drawings for the renovation of Somsen Hall.		
(b) The State University System may seek nonstate funds from friends of Winona State University and others in the Winona area for the campus landscaping and site-work project. Once nonstate funds are obtained, the State University System may proceed with planning and construction of the project.		
Subd. 8. Systemwide planning and coordination - building projects		100,000
Subd. 9. Systemwide		3,530,000
The appropriations in this subdivision are from the general fund.		
(a) Install automatic emergency lighting	300,000	
(b) Replace transformers and capacitors	1,054,000	
(c) Remove asbestos systemwide	576,000	
(d) Replace roofs	1,300,000	
(e) Prepare systemwide study of need for new construction, major remodeling, library facilities, sports and physical education facilities, and industrial arts facilities	300,000	
Sec. 16. UNIVERSITY OF MINNESOTA		
Subdivision 1. To the regents of the University of Minnesota for the purposes more specifically described in the following subdivisions of this section		57,981,000

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. Twin Cities Campus	46,803,000
(a) Appleby Hall	420,000
<p>This appropriation is for working drawings to remodel and/or add on to Appleby Hall. The total cost of the project may not exceed \$7,000,000.</p>	
(b) Electrical engineering and computer science building	2,700,000
<p>This appropriation is for two purposes. The first purpose is for working drawings to build and equip a facility not to exceed a total cost of \$40,000,000. The second purpose is for the preparation of a master building plan for physical facilities for the Institute of Technology.</p>	
(c) Prepare working drawings and construct animal facilities on the St. Paul campus or at the Rosemount Experiment Station	4,000,000
<p>Notwithstanding the provisions of Minnesota Statutes, sections 16.821 to 16.827, the Regents of the University of Minnesota are not required to abide by the state designer selection board act for the remodeling and renovation portions of the animal housing facilities.</p>	
(d) Green Hall Planning	656,000
(e) Remodel Smith Hall	21,000,000
(f) Repair roof and install energy conservation measures of Folwell Hall	855,000
(g) Remodel Amundson Hall and Mines and Metallurgy building	1,200,000
<p>Of this appropriation \$60,000 is for preliminary planning for phase II construction.</p>	
(h) Remodel parts of Mayo building for department of microbiology and school of public health	8,160,000
(i) Music Library	1,275,000
(j) Music performance laboratory	1,638,000

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

This amount must be matched by no less than an equal amount from nonstate sources.

(k) Teaching Greenhouse and Headhouse 800,000

(l) Prepare preliminary plans for Minneapolis Campus recreational sports facilities and St. Paul Campus gymnasium improvements 210,000

This appropriation is for preliminary plans to build and equip a facility not to exceed a total cost to the state of \$10,000,000. The plans are to include an assessment of the availability of recreational sports facilities in parks and schools which are physically close to the Minneapolis and St. Paul campuses.

The regents of the University of Minnesota may use nonstate funds for the construction of new facilities for intercollegiate football and to install an artificial playing surface in the Field House.

(m) Modify Williams Arena to correct life safety deficiencies 621,000

This appropriation is from the general fund.

(n) Repay bank loan for modifying Minneapolis Campus heating plant 1,000,000

This appropriation is from the general fund.

(o) Convert primary electrical system on the Minneapolis Campus 978,000

(p) Convert primary electrical system on the St. Paul Campus and air condition Goldstein Gallery 1,290,000

Subd. 3. Duluth Campus 6,570,000

(a) Recreational sports/physical education facilities 4,400,000

This amount is to be matched by at least \$487,000 from nonstate sources.

(b) Natural Resources Research Institute-Remodel and equip sage building 1,800,000

(c) Planning for remodeling and construction of engineering facilities 270,000

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(d) Study heating plant and steam distribution	100,000
This appropriation is from the general fund.	
Subd. 4. Morris Campus Construct Greenhouse	200,000
Subd. 5. Crookston Campus	1,584,000
(a) Remodel Owen Hall	1,500,000
Of this amount, \$25,000 is to plan a partial replacement of the Dairy Facility at the Northwest Experiment Station, with 15 animal stations for use by the Technical College.	
(b) Construct addition to coal storage facilities	34,000
This appropriation is from the general fund.	
(c) Food service building air conditioning	50,000
Subd. 6. Waseca Campus Construct mechanized agriculture shops addition and east portion of ring road	1,200,000
Subd. 7. Hormel Institute, Austin Complete, equip, and furnish the Animal Research Annex	237,000
Subd. 8. Northwest Experiment Station, Crookston	
Remodel existing agricultural research center auditorium	150,000
Subd. 9. Rosemount Experiment Station Construct addition to hazardous waste storage facilities	75,000
This appropriation is from the general fund.	
Subd. 10. Southern Experiment Station, Waseca Construct farm implement storage facility	114,000
Subd. 11. Southwest Experiment Station, Lamberton Acquire land	98,000
Subd. 12. Systemwide	950,000
(a) Remodel facilities to accommodate the physically handicapped	750,000

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(b) Remodel facilities to meet life and fire safety standards 200,000

This appropriation is from the general fund.

#### Sec. 17. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section 2,598,900

The appropriations in this section are from the general fund, unless otherwise indicated.

Subd. 2. Minnesota Correctional Facility - Lino Lakes 148,000

(a) Fire control system - "B" Building 119,000

(b) Upgrade security surveillance 29,000

Subd. 3. Minnesota Correctional Facility - Red Wing 240,000

(a) Roof replacement, Harvard and Stanford cottages 90,000

(b) Repair roof, replace eaves and gutters, and tuckpoint chapel 50,000

(c) Install sprinkler system in three maintenance buildings 100,000

Subd. 4. Minnesota Correctional Facility - St. Cloud 554,900

(a) Roof replacement, power plant and administration building 41,300

(b) Replace plumbing in cell houses A and B 184,000

(c) Replace light fixtures in cells 47,000

(d) Replace windows in two shops and administration building 43,000

(e) Tuckpointing 137,600

(f) Demolish farm buildings 2,000

(g) Replace doors and locks in school building 100,000

Item (g) is appropriated from the state building fund.

Subd. 5. Minnesota Correctional Facility - Sauk Centre 186,000

(a) Repair roofs on four buildings 29,000

(b) Install fire exit stairways from three

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residential cottages	30,000
(c) Install carpet and ceiling tile in Mary Lyon School	21,000
(d) Resurface recreation area and parking lot	10,000
(e) Remodel Sullivan Cottage	96,000

Subd. 6. Minnesota Correctional Facility - Stillwater 1,373,000

(a) OSHA, fire and life safety projects	120,000
(b) Ventilation and heating in cell halls A and B	52,000
(c) Replace plumbing in cell halls A and B	210,000
(d) Enlarge and remodel communication room	68,000
(e) Tuckpointing	553,000
(f) Lock replacement in cell hall B	180,000
(g) Renovate steam and return lines	190,000

Subd. 7. Willow River Camp 97,000

(a) Pave camp road	50,000
(b) Addition to administration building	47,000

**Sec. 18. PUBLIC WELFARE**

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section 4,730,400

The appropriations in this section are from the general fund, unless otherwise indicated.

Subd. 2. Faribault State Hospital 344,400

(a) Reconstruct roads and parking areas	303,400
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Of the amount appropriated \$6,000 shall be for sealcoating.

(b) Renovate power plant and laundry condensation system	41,000
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Subd. 3. Fergus Falls State Hospital 502,000

(a) For air conditioning in buildings 27 and 28	222,000
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(b) Replace boiler emission control unit with electrostatic precipitator	280,000
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Item (b) is appropriated from the state building fund.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 4. Moose Lake State Hospital	810,000
(a) For purchase and installment of a new ventilation system in buildings 1, 2, 3, and 4	578,000
(b) Renovate and replace plumbing and shower fixtures in buildings 51 and 52	53,000
(c) Boiler conversion	179,000
Subd. 5. St. Peter State Hospital	
Demolish the old Minnesota Security Hospital building	300,000
Subd. 6. Roof Repair and Replacement	408,000
This appropriation shall be limited to projects at state hospitals in Anoka, Cambridge, Faribault, Fergus Falls, Moose Lake, and St. Peter.	
Subd. 7. Floor Covering	650,000
This appropriation shall be limited to projects for carpeting or alternative floor coverings at state hospitals in Brainerd, Cambridge, Faribault, Fergus Falls, Moose Lake, St. Peter, and Willmar.	
Subd. 8. Systemwide furniture replacement	400,000
Subd. 9. Road and parking lot repair	184,000
This appropriation shall be limited to projects for patching, resurfacing, and seal-coating at Ah Gwah Ching State Nursing Home and state hospitals in Anoka, Brainerd, Cambridge, Fergus Falls, Moose Lake, St. Peter, and Willmar.	
Subd. 10. Mechanical system renovation	450,000
This appropriation shall be used for various boiler heating and hot water projects at Oak Terrace State Nursing Home and state hospitals in Anoka, Brainerd, Faribault, Moose Lake, and Willmar.	
Subd. 11. Special Building Contingent	682,000
(a) Building renovation and structural corrections at Ah Gwah Ching State Nursing Home and state hospitals in Anoka, Brainerd, Cambridge, Faribault, Moose Lake, and	

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Willmar	500,000
(b) Remodeling bathrooms at Faribault and Moose Lake State Hospitals and Ah Gwah Ching State Nursing Home	182,000

The appropriations for the projects in this subdivision shall be available only after a plan for the future use of state hospitals has been submitted by the state planning agency to the 1985 legislature and subsequent consideration of these projects with the chairmen of the senate finance committee and the house appropriations committee.

**Sec. 19. BOND SALE EXPENSES**

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8 153,000

**Sec. 20. INTEREST RATE REDUCTION EXPENSES**

To the commissioner of finance for payments made under contracts for interest rate reduction measures as authorized by this act 7,230,000

**Sec. 21. BOND SALE; DEBT SERVICE.**

To provide the money appropriated in this act from the state building fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$139,540,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.63 to 16A.672, and by the Constitution, article XI, sections 4 to 7.

**Sec. 22. TRANSPORTATION BONDS.**

To provide the money appropriated in this act from the state transportation fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$16,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 174.50, 174.51, and by the Constitution, article XI, sections 4 to 7.

**Sec. 23. CONSULTATION REQUIRED.**

No land shall be purchased and no buildings shall be purchased, constructed, or erected on lands of the University of Minnesota until the regents have first consulted with the chairman of the senate finance committee and the chairman of the house appropriations committee and obtained their recommendations, which are advisory only.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

**Sec. 24. REVIEW OF PLANS.**

The commissioner of administration, the commissioner of transportation, the state university board, and the board of regents of the University of Minnesota shall not prepare final plans and specifications for any construction or major remodeling authorized by this act until the using agency or department has presented the program and schematic plans and cost estimates for all elements necessary to complete the project to the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

**Sec. 25. APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.**

Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement authorized by this act, the commissioners of administration and transportation, the state university board, and the board of regents of the University of Minnesota as to appropriations made to them may transfer any unencumbered balance in the project account to any other project enumerated in the same section of the appropriation act as the project about to be completed. The money transferred pursuant to this section is appropriated for the purposes for which transferred. The commissioners of administration and transportation and the board of regents of the University of Minnesota shall report to the chairman of the house appropriations committee and the chairman of the senate finance committee on any transfer made pursuant to this section.

**Sec. 26. APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.**

The commissioner of administration, the commissioner of transportation, the state university board, and the board of regents of the University of Minnesota shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization shall be made only after the commissioner of administration, the commissioner of transportation, and the board of regents, as appropriate, have consulted with the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

**Sec. 27. METHODS OF ACQUISITION.**

Where money has been appropriated by this act to the commissioner of administration to acquire lands or sites for public buildings or real estate,

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings shall be under Minnesota Statutes, chapter 117.

**Sec. 28. APPROPRIATION REDUCTIONS; CANCELLATIONS.**

The appropriation in Laws 1981, chapter 4, section 9, subdivision 9, item (a), to remodel building 8 at Rochester state hospital, is reduced by \$68,000. The appropriation in Laws 1981, chapter 334, section 11, subdivision 3, for district heating at Moorhead state university, is reduced by \$2,485,000.

The appropriation in Laws 1981, chapter 361, section 2, item (e), to construct a tunnel from the Historical Society building to the Mechanic Arts School building, is reduced by \$412,000.

The appropriation in Laws 1981, chapter 361, section 2, item (g), for Fergus Falls State Hospital Power Plant Conversion, is reduced by \$2,550,000. The appropriation in Laws 1981, chapter 361, section 4, subdivision 5, for transportation projects, is reduced by \$58,900,000. The appropriation in Laws 1981, chapter 362, section 5, subdivision 3, to construct an agronomy and plant genetics, plant pathology, and soil science building, is reduced by \$1,400,000. The appropriation in Laws 1983, chapter 344, section 2, item (h), to acquire the MEA building, and in item (i), to renovate the MEA building, are canceled.

The appropriation in Laws 1983, chapter 344, section 10, subdivision 2, item (b), to construct a music facility on the West Bank campus, is reduced by \$4,525,000.

**Sec. 29. BOND SALE REDUCTIONS.**

The bond sale authorization in Laws 1981, chapter 4, section 13, is reduced by \$68,000. The bond sale authorization in Laws 1981, chapter 334, section 12, is reduced by \$3,685,000. The bond sale authorization in Laws 1981, chapter 361, section 9, is reduced by \$2,962,000. The bond sale authorization in Laws 1981, chapter 361, section 10, is reduced by \$58,900,000. The bond sale authorization in Laws 1981, chapter 362, section 7, is reduced by \$1,400,000. The bond sale authorization in Laws 1982, chapter 639, section 13, is reduced by \$63,000. The bond sale authorization in Laws 1983, chapter 344, section 15, is reduced by \$7,660,000.

Sec. 30. Minnesota Statutes 1982, section 16.72, subdivision 7, is amended to read:

**Subd. 7. SURCHARGE FOR VEHICLES OCCUPIED BY ONE PERSON.** The commissioner of administration shall impose a surcharge of 25 percent for vehicles occupied by only one person parking in a state parking facility in the capitol area, as described by section 15.50, subdivision 2. The revenue from this additional charge shall be placed by the commissioner in a special account. For the benefit of employees employed in the capitol area, the money in the account is appropriated to the commissioner and shall be used by the commissioner in the following order of priority: (1) to acquire or lease

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commuter vans pursuant to section 16.756 and; (2) within such limits and upon such conditions as the commissioner determines to be necessary, to reimburse state departments or agencies for costs resulting from agreements with the metropolitan transit commission or other operators pursuant to section 473.409; and (3) to be used for maintaining and improving parking lots or facilities owned or operated by the state. The commissioner may adopt rules necessary to administer the provisions of this subdivision, subdivision 5, and section 473.409. The rules may exempt from the surcharge vehicles operated by persons who the commissioner determines have job requirements that make car pooling impractical.

Sec. 31. [16A.011] DEFINITIONS.

Subdivision 1. APPLICABILITY. The definitions in this section apply to chapter 16A.

Subd. 2. ALLOTMENT. "Allotment" means a limit placed by the commissioner on the amount to be spent or encumbered during a period of time pursuant to an appropriation.

Subd. 3. APPROPRIATION. "Appropriation" means an authorization by law to expend or encumber an amount in the treasury.

Subd. 4. COMMISSIONER. "Commissioner" means the commissioner of finance.

Subd. 5. ENCUMBRANCE. "Encumbrance" means the commitment of a portion or all of an allotment in order to meet an obligation that is expected to be incurred to pay for goods or services received by the state or to pay a grant.

Subd. 6. TREASURER. "Treasurer" means the state treasurer.

Subd. 7. TREASURY. "Treasury" means the state treasury.

Sec. 32. Minnesota Statutes 1982, section 16A.54, is amended to read:

16A.54 GENERAL FUND DEFINED.

Except as provided in section 16A.671, subdivision 3, the term "general fund" appearing in any existing or hereafter enacted law relating to revenues deposited in or expenditures appropriated from the state treasury means such moneys as have been deposited in the state treasury for the usual, ordinary, running, and incidental expenses of the state government and does not include moneys deposited in the state treasury for a special or dedicated purpose.

Sec. 33. [16A.631] STATE BUILDING FUND.

The state building fund is established to receive state bond proceeds appropriated to agencies to acquire and to better public lands and buildings and other public improvements of a capital nature, as authorized by the Constitution, article XI, section 5, clause (a).

Changes or additions are indicated by underline, deletions by strikeout.

**Sec. 34. [16A.641] STATE BONDS; APPROPRIATIONS.**

Subdivision 1. AUTHORITY. When authorized by a law enacted in accordance with the Constitution, article XI, sections 5 and 7, the commissioner of finance may sell and issue general obligation bonds of the state evidencing public debt incurred for any purpose stated in those sections. The full faith, credit, and taxing powers of the state are irrevocably pledged for the prompt and full payment of the bonds and interest.

Subd. 2. REPORT. Before a sale of general obligation bonds, the commissioner shall report the amount of bonds to be issued and a detailed list of the projects or a statement of the program to be financed to the chairmen of the house appropriations and tax committees and of the senate finance and tax committees, and the minority leaders of the house and senate, for their advisory recommendation. The recommendation is positive if not received within ten days.

Subd. 3. SERIES OF BONDS. Bonds authorized by a law may be issued in more than one series, and bonds authorized by more than one law may be combined in a single series, as determined by order of the commissioner. The order must state the principal amount of the bonds to be issued under each law, and the aggregate principal amount and the maturity dates and amounts of the bonds included in the series that are to be issued for the purpose of each special fund.

Subd. 4. SALE AND ISSUANCE. State bonds must be sold and issued upon sealed bids in the manner and on the terms and conditions determined by the commissioner in accordance with the laws authorizing them and subject to the approval of the attorney general, but not subject to chapter 14. For each series, in addition to provisions required by subdivision 3, the commissioner may determine:

- (1) the time, place, and notice of sale and method of comparing bids;
- (2) the price, not less than par for highway bonds;
- (3) the principal amount and date of issue;
- (4) the interest rates and payment dates;
- (5) the maturity amounts and dates, not more than 20 years from the date of issue, subject to subdivision 5;
- (6) the terms, if any, on which the bonds may or must be redeemed before maturity, including notice, times, and redemption prices; and
- (7) the form of the bonds and the method of execution, delivery, payment, registration, conversion, and exchange, in accordance with section 16A.672.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

**Subd. 5. PLANNING MATURITIES.** In issuing each series of state bonds the commissioner shall try to establish the maturities and other terms so that transfers to the state bond fund required in each year of the then current biennium under subdivision 10 may be made with the least practical effect on orderly spending plans for other appropriations from the general fund.

**Subd. 6. CERTIFICATION.** The commissioner of finance shall ascertain from state records and certify to the holders of each series of state bonds, subject to the approval of the attorney general, that all conditions exist and all actions have been taken that are needed to make the bonds valid and binding general obligations of the state in accordance with their terms. The commissioner shall also certify for the state the facts, estimates, and circumstances on the date of issue that lead the commissioner reasonably to expect that the proceeds will not be used in a way that would make the bonds arbitrage bonds under section 103(c) of the Internal Revenue Code and related federal regulations.

**Subd. 7. CREDIT OF PROCEEDS.** (a) Proceeds of bonds issued under each law must be credited by the commissioner to a special fund, as provided in this subdivision.

(b) Accrued interest and any premium received on sale of the bonds must be credited to the state bond fund created by the Constitution, article XI, section 7.

(c) Proceeds of state building bonds must be credited to the state building fund under section 16A.631.

(d) Proceeds of state highway bonds must be credited to the trunk highway fund under the Constitution, article XIV, section 6.

(e) Proceeds of bonds issued for programs of grants or loans to political subdivisions must be credited to special funds established by laws stating the purposes of the grants or loans, and the standards and criteria under which an executive agency is authorized to make them.

(f) Proceeds of refunding bonds must be credited to the state bond fund as provided in section 16A.66, subdivision 1.

**Subd. 8. APPROPRIATION OF PROCEEDS.** (a) The proceeds of bonds issued under each law are appropriated for the purposes described in the law and in this subdivision. This appropriation may never be canceled.

(b) Before the proceeds are received in the proper special fund, the commissioner may transfer to that fund from the general fund amounts not exceeding the expected proceeds. The commissioner shall return these amounts to the general fund by transferring proceeds when received. The amounts of these transfers are appropriated from the general fund and from the bond proceeds.

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(c) Actual and necessary travel and subsistence expenses of employees and all other expenses incidental to the sale, printing, execution, and delivery of bonds must be paid from the proceeds. The proceeds are appropriated for this purpose.

(d) Bond proceeds remaining in a special fund after the purposes for which the bonds were issued are accomplished or abandoned, as certified by the head of the agency administering the special fund, or as determined by the commissioner, unless devoted under the appropriation act to another purpose designated in the act, shall be transferred to the state bond fund.

**Subd. 9. SPECIAL ACCOUNTS; APPROPRIATION.** (a) The commissioner of finance shall establish separate accounts in the state bond fund for:

(1) state building bonds, and for other state bonds issued for each program of grants to political subdivisions for a particular class of capital expenditures, to record debt service payments and receipts of amounts appropriated from the general fund under subdivision 10;

(2) state highway bonds, to record debt service payments, receipts of amounts appropriated for debt service from the trunk highway fund pursuant to the Constitution, article XIV, section 6, and additional receipts, if any, of amounts appropriated from the general fund under subdivision 10;

(3) state bonds issued for each capital loan and for each program of capital loans to agencies or political subdivisions, to record debt service payments, receipts of loan repayments appropriated for debt service or reimbursement of debt service by the law authorizing the loan or program, and any additional receipts of amounts appropriated from the general fund under subdivision 10; and

(4) refunding bonds, as provided in section 16A.66, subdivision 1.

(b) All money credited, transferred, or appropriated to the state bond fund and all income from the investment of that money is appropriated to the commissioner for the payment of principal and interest on state bonds.

**Subd. 10. APPROPRIATION FROM GENERAL FUND.** There is annually appropriated to the state bond fund from the general fund the amount that, added to the amount in the state bond fund on November 1 each year, is needed to pay the principal of and interest on all state bonds due and to become due through July 1 in the second ensuing year. The money appropriated must be available in the state bond fund each year before the tax otherwise required by the Constitution, article XI, section 7, is levied.

**Subd. 11. CONSTITUTIONAL TAX LEVY.** Under the Constitution, article XI, section 7, the state auditor must levy each year on all taxable property within the state a tax sufficient, with the amount then on hand in the state bond fund, to pay all principal and interest on state bonds due and to become due to and including July 1 in the second ensuing year. If levied, this tax must be

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assessed and extended against real property used for the purposes of a homestead, as well as other taxable property, notwithstanding section 273.13, subdivisions 6 and 7. The tax is not subject to limitation of rate or amount. However, the amount of money appropriated from other sources as provided in subdivision 10, and actually received and on hand prior to the levy in any year, reduces the amount of the tax otherwise required to be levied. The proceeds of the tax must be credited to the state bond fund.

**Subd. 12. SUPPLEMENTAL APPROPRIATION FROM GENERAL FUND.** If the proceeds of the tax levied under subdivision 11 are ever insufficient to make the principal and interest payments on state bonds when due, the balance must be paid out of the general fund. The amount needed to pay the balance is appropriated from the general fund to the commissioner.

**Sec. 35. [16A.651] INTEREST RATE REDUCTION.**

The commissioner may enter into contracts providing for the issuance of letters of credit, put options, or other contractual rights deemed necessary or desirable to reduce the interest rate on state general obligation bonds to be issued by the commissioner, and may pay the cost of the contracts from bond proceeds, including premiums and accrued interest, received from purchasers. The amount of bonds authorized to be issued by the commissioner under any other law adopted before the effective date of this section is increased by up to five percent in order to provide all or a portion of the money required to be paid under the contracts. The expenditure of bond proceeds for this purpose is deemed to be an expenditure for the primary purpose for which the bonds covered by the contract are authorized to be issued by the Constitution and applicable law. So much of the proceeds of bonds issued by the commissioner as is necessary to pay the costs of the letters of credit, put options, or other contractual rights is appropriated for this purpose.

Sec. 36. Minnesota Statutes 1982, section 16A.66, as amended by Laws 1983, chapter 301, sections 96, 97, and 98, is amended to read:

**16A.66 MINNESOTA STATE REFUNDING BONDS.**

**Subdivision 1. AUTHORITY; REDUCTION OF TAX AND APPROPRIATION FOR REFUNDED BONDS.** For the purpose of refunding state bonds of any series heretofore or hereafter authorized, including interest on them, The commissioner of finance may, with approval by resolution of the executive council, issue state bonds of the state of Minnesota in the manner and upon the terms and conditions prescribed in this in accordance with section and in the Constitution, article XI, section 7. For the prompt and full payment of all such refunding bonds and the interest thereon the full faith and credit and taxing powers of the state are irrevocably pledged 16A.641 to refund any outstanding state bonds and interest on them. The proceeds of such refunding bonds shall be credited to the account established within the state bond fund created by the

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Constitution, and within that fund to such separate bookkeeping account as shall have been created for the payment of the bonds to be refunded and the interest thereon, and shall be credited only against the appropriations in section 16A.641, subdivisions 9 and 10 and the tax otherwise required by the constitution to be levied with respect to the refunded bonds and interest.

**Subd. 2. SPECIAL PROVISIONS FOR SALE AND ISSUANCE.** Unless otherwise expressly provided in the law authorizing the issuance of any series of bonds, such authorization shall include authorization to the commissioner to issue refunding bonds for the purpose of refunding the same in the manner and upon the terms and conditions prescribed in this section. Any act directing the issuance of bonds for any purpose shall, together with this section, constitute complete authority for the issuance of bonds to refund the same, and such refunding bonds shall not be subject to the restrictions or limitations contained in any other law.

**Subd. 3.** Such Refunding bonds shall be issued and sold upon sealed bids, or may be sold publicly, or directly to the state board of investment without bids, or may be exchanged for bonds refunded by agreement with the their holders thereof, and shall be prepared, executed, and delivered, and when issued shall be secured, in the same manner in all respects way as provided by law and the Constitution for the refunded bonds refunded thereby. The proceeds of the refunding bonds may be deposited, invested, and applied to accomplish the refunding in the manner and upon the conditions as provided in section 475.67, subdivisions 5 to 10. The interest rate on refunding bonds may exceed that on the refunded bonds refunded when in the judgment of if the commissioner and council purpose of refunding is nevertheless necessary or desirable for the purpose of extending to extend the maturities and reducing to reduce the annual amount of the property tax or other funds needed annually to pay and to secure the bonds and interest debt.

**Subd. 4 3. APPROPRIATION.** Such moneys as are required The money needed to carry out the purposes of this section are is appropriated annually therefor.

**Subd. 5.** Prior to each sale of general obligation bonds, the commissioner of finance shall report to the chairmen of the house appropriations and senate finance committees, house and senate tax committees, and the minority leaders of the house and senate, the amount of bonding to be issued and a detailed list of the projects which are to be financed and shall receive their recommendations. These recommendations are advisory only; failure to reply within ten days is deemed a positive response.

Sec. 37. Minnesota Statutes 1982, section 16A.671, is amended to read:

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### 16A.671 CERTIFICATES OF INDEBTEDNESS.

Subdivision 1. **AUTHORIZATION.** For the purpose of assuring To ensure that cash or cash equivalent assets will be is available at all times during each biennium when needed to pay all warrants drawn on the general fund pursuant to under appropriations and allotments for expenditure for any purpose during that biennium, the governor may authorize the commissioner of finance (1) to issue certificates of indebtedness in anticipation of the collection of taxes levied for and other revenues appropriated to the general fund, for expenditure during each biennium; and (2) to issue additional certificates to refund outstanding certificates or and interest thereon, under the provisions of on them, under the constitution, article XI, section 6.

Subd. 2. **ADVISORY RECOMMENDATION.** Before certificates of indebtedness are initially sold and issued pursuant to any authorization, except for the purpose of refunding by any of the methods authorized in subdivision 6, the governor shall secure seek the advisory recommendation of the legislative advisory commission as to or, if there is no commission, the executive council, on (1) the necessity thereof of issuing them, (2) the terms and conditions of the sale and issuance, and (3) the maximum amount to be issued and outstanding under the authorization. When certificates of indebtedness are to be sold and issued pursuant to subdivision 5, clause (b) or (c), the governor shall secure a recommendation before the line of credit is established or the underwriting or placement agreement is entered into, but need not secure If the commission or council does not make a recommendation promptly, the recommendation is negative. An additional recommendation is not required for refunding outstanding certificates or for each issuance of certificates of indebtedness pursuant to that in accordance with an approved line of credit, underwriting, or placement agreement. The recommendation of the commission shall be advisory only. The failure of the commission to make a recommendation promptly is a negative recommendation. If there is no legislative advisory commission, the governor shall request an advisory recommendation from the executive council.

Subd. 2 3. **DEFINITIONS.** As used in this section, the following terms have the meanings given them:

(a) "Allotment" means a limitation placed by the commissioner of finance pursuant to law, upon the amount to be expended or encumbered during any period during a biennium pursuant to an appropriation.

(b) "Appropriation" means an authorization by law to expend or encumber an amount in the general fund during a biennium, including but not limited to:

- (1) Direct appropriations;
- (2) Open and standing appropriations;

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(3) Appropriations of sums sufficient for stated purposes, the amounts of which shall be deemed to be as estimated by the commissioner of finance from time to time; and

(4) Appropriations of amounts to be paid or transferred in financial records from the general fund to any special or dedicated fund.

(e) (a) "General fund" means all cash and investments from time to time received and held in the state treasury, except proceeds of state bonds and amounts received and held in special or dedicated funds created by the state constitution, or by or pursuant to federal laws or regulations thereunder, or by bond or trust instruments, pension contracts, or other agreements of the state or its agencies with private persons, entered into pursuant to state law.

(d) (b) "Maximum current cash flow requirement" means a the commissioner's written estimate by the commissioner of finance of the largest of the amounts by which, on a particular designated date in each month of the term for which certificates are to be issued, the sum of (1) the warrants then outstanding against the general fund plus (2) those that must be drawn ~~thereon~~ on the fund before the same date in the following month, in payment of claims due for expenditure pursuant to under all appropriations and allotments, will exceed the amount of cash or cash equivalent assets held in the general fund on the first of these dates, excluding the proceeds of the certificates to be issued.

Subd. 3 4. **LIMITATIONS OF AMOUNT.** The principal amount of certificates of indebtedness to be issued at any time shall must not exceed the smallest ~~smaller~~ of the following:

(a) (1) An amount which, with interest thereon to maturity, added to the then outstanding amount of certificates, ~~less the amount thereof, if any, which will be not simultaneously paid from the proceeds, and interest thereon to maturity and retired,~~ will equal the then unexpended balance of all money which will be credited to the general fund during the current biennium under existing laws, as estimated by the commissioner of finance; or

(b) (2) The maximum current cash flow requirement.

Subd. 4 5. **TERMS.** The commissioner of finance may establish by order in accordance with the provisions of this section, and with the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62, the principal amount of each series of certificates of indebtedness, the time or times and terms of sale, the denominations and form, whether registered or payable to bearer, with or without interest coupons, the interest rate or rates or the basis of computation of a variable rate, the maturity date or dates and amounts, the provisions, if any, for redemption at times and prices and upon notice specified, a place or places of payment which may be suitable financial institutions within or outside the state, any provisions for registration of ownership of principal, or both principal and

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interest, and for transfer and exchange, and any other terms the commissioner may determine with the approval of the attorney general. All certificates shall mature not later than the end of the biennium in which they are issued chapter 14, the terms of each series of certificates of indebtedness including:

- (1) the manner of sale under subdivision 6;
- (2) the price, principal amount, and date of issue;
- (3) the interest rate or rates and payment dates, or the basis of computation of a variable rate;
- (4) the maturity date or dates, within the current biennium except as provided in subdivision 10;
- (5) the terms, if any, of redemption before maturity;
- (6) the form and method of execution, delivery, payment, registration, conversion, and exchange, under section 16A.672.

Subd. 5 6: **SALE.** Certificates of indebtedness may be sold by the commissioner of finance upon public advertisement for competitive bids, or: in any of the ways listed in paragraphs (a) to (c).

(a) They may be sold to the state board of investment without advertisement for bids, upon terms at least as favorable as those on which, in the judgment of the board, direct obligations of the United States government of comparable maturities can at the time be purchased from funds under its control, including the special or dedicated funds described in clause (c) of subdivision 2, other than pension funds; The commissioner may advertise for competitive bids.

(b) The commissioner may negotiate contracts with a suitable bank or banks within or outside the state for a line in or out of state to establish lines of credit whereby, for an agreed compensation, The contracts must provide that the commissioner may issue certificates of indebtedness may be issued from time to time up to a maximum outstanding amount within an agreed period, bearing interest at a fixed or variable interest rate and. The certificates must be subject to redemption at par plus accrued interest at any time at the commissioner's option of the commissioner; or.

(c) The commissioner may negotiate contracts with a firm or firms of underwriters for the that will purchase of certificates of indebtedness or to act as an agent agents in the placement of certificates of indebtedness, which issued within an agreed period, up to a maximum amount outstanding. The certificates may be sold to the underwriters or investors (1) at a specified an agreed discount representing with the interest included in the face amount payable at maturity, or (2) bearing interest at a stated interest rate on a stated principal the face amount, payable on one or more dates. For the further security of the these certificates of indebtedness the commissioner may negotiate a agreements for lines of credit

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agreement pursuant to under paragraph (b), providing for the payment thereof to pay the certificates with interest to maturity, if necessary, by the issuance of new certificates of indebtedness to the bank or banks extending the under the lines of credit.

Subd. 6. **EXECUTION.** Certificates of indebtedness shall be executed by the signatures of the commissioner of finance and the state treasurer under their official seals, and any attached interest coupons by the signature of the commissioner. The signatures and seals may be printed, lithographed, photocopied, or stamped, except that at least one officer shall sign manually on the face of each certificate, unless the commissioner designates and the certificate on its face requires a suitable financial institution to authenticate the certificate by the manual signature of its authorized representative.

Subd. 6a. **FISCAL AGENT BANK.** (d) The commissioner may enter into an agreement make contracts for agreed fees with a suitable bank or banks located within or outside the in or out of state to authenticate, issue, pay principal and interest on, cancel or, and otherwise deal as fiscal agents of the state with certificates of indebtedness issued pursuant to this section, for an agreed compensation under paragraphs (a), (b), or (c).

(e) The commissioner may sell certificates of indebtedness to the state board of investment without advertising for bids. The board must determine that the terms are not less favorable than those available at the time for the purchase of direct obligations of the federal government or its agencies, of comparable maturities. The board may purchase the certificates with any money under its control except money in a pension fund.

Subd. 7. **APPROPRIATION OF PROCEEDS.** The proceeds of all certificates of indebtedness issued pursuant to this section are appropriated to must be deposited in the general fund, and shall be available for expenditure pursuant to spending under any appropriation from that fund for any purpose, including those referred subject to in subdivision 8 9.

Subd. 8. **APPROPRIATION AND ACCOUNTING FOR PAYMENT OF CERTIFICATES AND COSTS EXPENSES FROM THE GENERAL FUND.** The principal of and interest and premium, if any, on all certificates of indebtedness issued hereunder, and all expenses incidental to the sale, guaranty of sale, placement, printing, execution, authorization, registration, and delivery thereof, including but not limited to actual and necessary travel and subsistence expenses of state officers and employees, and costs arising from lines of credit obtained with respect to outstanding debt shall be paid from the general fund and shall be included in the computation of current cash flow requirements and of amounts available for allotment pursuant to appropriations, and The amounts necessary needed for these the purposes in this subdivision are appropriated and must be paid from the general fund. These appropriations are irrevocable and shall not be canceled. They must be included in the computation of current cash

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flow requirements and of amounts available for allotment. The purposes of the appropriations are:

(1) payment of the principal of and interest and premium, if any, on all certificates when due;

(2) actual and necessary travel and subsistence expenses of state officers and employees and other expenses incidental to the sale or placement, printing, execution, and delivery of certificates; and

(3) costs of lines of credit.

**Subd. 9. PRIORITY OF CERTIFICATE PAYMENTS; CONVENTANTS.** (a) The proceeds of certificates of indebtedness issued in whole or in part to refund outstanding certificates and interest as authorized in the constitution are available only for that purpose until the refunded certificates and interest are paid.

(b) The commissioner of finance may enter into a covenant by order, on behalf of the state, for the security of the holders of any certificates of indebtedness, for the segregation of, to segregate cash and cash equivalent assets in a special account within the general fund for the payment of interest, principal, and premium, if any, in the amounts and at the times in advance of the due dates that the commissioner determines to be advisable for the state in marketing the certificates of indebtedness, and to take action required act under section 16A.15, subdivision 1, to enable the performance of perform the covenant. The amount in the account is available only to pay the principal of and interest and premium, if any, on the certificates referred to in the order.

**Subd. 9 10. BIENNIAL CASH DEFICIENCY COVENANT TO REFUND.** If cash and cash equivalent amounts held assets in the general fund on the date on which any certificates of indebtedness come due, in excess of the amount of outstanding warrants then outstanding, are is not sufficient to pay all such any certificates of indebtedness and any or interest when due thereon, the deficiency may be paid by the issuance of, the commissioner may issue refunding certificates of indebtedness maturing not later than December 1 in the ensuing next calendar year to pay the deficiency. The commissioner, With the approval of the governor, the commissioner may enter into a covenant on behalf of the state that such, in the order issuing any certificates, to offer refunding certificates of indebtedness will be offered for sale in the event if a deficiency is anticipated expected.

**Subd. 11. CONSTITUTIONAL TAX LEVY.** If cash and cash equivalent amounts held assets in the general fund in excess of the amount of outstanding warrants, on December 1 immediately following the close of the a biennium, in excess of warrants then outstanding, are is not sufficient to pay:

(1) all such refunding certificates of indebtedness and any;

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(2) all other certificates of indebtedness outstanding at the end of the biennium and not refunded, with; and

(3) all interest then accrued thereon, on the certificates referred to in clauses (1) and (2);

the state auditor shall levy upon all taxable property in the state a the tax required by the constitution, article XI, section 6, collectible in the ensuing next calendar year and sufficient to pay the same all amounts described in clauses (1), (2), and (3) on or before December 1 in the ensuing collection year with interest to the date or dates of payment.

Sec. 38. Minnesota Statutes 1983 Supplement, section 16A.672, is amended to read:

### 16A.672 BONDS AND CERTIFICATES OF INDEBTEDNESS.

Subdivision 1. **GENERAL AUTHORITY.** ~~Notwithstanding any contrary provision of other law, The commissioner of finance and the state treasurer shall have the powers specified in this section with respect to the issuance, form, execution, delivery, registration of transfer and exchange, and payment of may issue, execute, deliver, register, and pay bonds and certificates of indebtedness heretofore or hereafter in the form and manner provided in this section, when authorized to be issued or issued by the state under section 16A.641 or 16A.671.~~

Subd. 2. **FORM OF OBLIGATIONS APPLICATION OF COMMERCIAL CODE.** ~~The bonds or certificates of indebtedness may be issued in bearer form with interest coupons attached, with or without provision for registration as to principal only, or in fully registered form, in one or more denominations, and with provisions for conversion of form, exchange of denominations, and transfer of ownership as prescribed by the commissioner of finance. All bonds and certificates of indebtedness, when issued according to orders of the commissioner of finance, shall be are securities within the meaning of under sections 336.8-101 to 336.8-408, and. The commissioner of finance and the state treasurer may do on behalf of for the state all acts and things which are permitted or required of issuers of securities whatever may or must be done under those sections 336.8-101 to 336.8-408 and are consistent to comply with the orders authorizing them. The bonds or certificates may be issued:~~

(1) in one or more denominations;

(2) in bearer form, with interest coupons attached; and

(3) with provision for registration as to principal only; or

(4) in fully registered form; and

(5) with provision for registration of conversion and exchange of forms and denominations, transfer of ownership, and replacement of lost or damaged bonds.

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**Subd. 3. PREPARATION AND EXECUTION.** ~~The (a) Bonds or and certificates of indebtedness may be printed, lithographed, or otherwise reproduced in the style and form the commissioner prescribes, but the form shall. They may state in a general way the purpose for which they are issued and the security provided for their payment or may incorporate the authorizing order by reference.~~

**Subd. 3. EXECUTION OF OBLIGATIONS.** ~~The bonds and certificates of indebtedness shall (b) They must be executed by the commissioner of finance and attested by the state treasurer under their official seals. Facsimile The signatures and seals of either or both of these officers may, as the commissioner of finance deems appropriate, be printed, lithographed, stamped, engraved, or otherwise reproduced. Every facsimiles, but no bond and or certificate issued, whether initially or upon transfer, exchange, or replacement, shall be is valid for any purpose unless it is manually signed on its face by one of these officers, the commissioner or treasurer or by a duly authorized representative of a bank or trust company designated named by order of the commissioner of finance, whether at or after the time of initial issue, as registrar or otherwise as an agent of the state to authenticate it.~~

**Subd. 4. DELIVERY OF OBLIGATIONS.** ~~The commissioner of finance may appoint name a bank or trust company within or outside in or out of the state to act as delivery the state's agent on behalf of the state, and to deliver the bonds or certificates of indebtedness to the initial purchaser upon payment therefor of the purchase price.~~

**Subd. 5. REGISTRAR.** ~~The commissioner of finance, in the order for the issuance of to issue any bonds or certificates of indebtedness, may designate name a corporate registrar to perform on behalf of act for the state the duties of a registrar as set forth in under sections 336.8-101 to 336.8-408, including but not limited to authentication and delivery and to authenticate and deliver obligations upon initial issuance and upon registration of transfer, exchange, or conversion into another form. Any The registrar shall must be an incorporated bank or trust company, within or outside in or out of the state, authorized by the laws of the United States or of the state in which it is located to perform these duties.~~

**Subd. 6. PAYMENT OF OBLIGATIONS.** ~~The order authorizing the issuance of any bonds or certificates of indebtedness to be issued may provide for the payment of principal and interest in the manner and by the means contain provisions that the commissioner deems considers necessary to ensure full and prompt payment of principal and interest when due, and. The order may provide for the payment at the office of a bank or trust company within or outside in or out of the state. In the case of fully registered bonds or certificates of indebtedness, The order may provide that the interest coming due on any interest payment date shall be is payable to the person or entity who is shown as the registered owner on of the bond or certificate in the register on a specified~~

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date preceding the interest payment date, by check, draft, or other transfer to the order of the registered that owner.

Subd. 7. **AGREEMENTS.** The commissioner of finance may enter into make agreements containing terms which are necessary or desirable to carry out the authority given him in this section, pursuant to applicable orders of the commissioner issued under this section. The agreements may provide for the payment of compensation paying for services to be performed and expenses to be incurred on behalf of the state, and may provide for their payment from the:

- (1) proceeds of the bonds or certificates of indebtedness, or from;
- (2) other money appropriated to the commissioner of finance, or from;
- (3) charges to be imposed on the holders of the bonds or certificates of indebtedness; or from
- (4) a combination of these sources in clauses (1), (2), and (3).

Subd. 8. **APPROPRIATIONS.** As much of The proceeds of the bonds or certificates as necessary is under subdivision 7 are appropriated for this purpose as necessary to pay expenses incurred under that subdivision.

Subd. 8 9. **APPROPRIATION.** There is appropriated annually to the commissioner of finance from the general fund in the state treasury an amount of The money sufficient needed to pay when due all the compensation and expenses due to of registrars, delivery agents, and paying agents for state bonds and certificates of indebtedness under the terms of agreements entered into according to subdivision 7 is appropriated annually to the commissioner from the general fund.

Subd. 9 10. **APPROVAL BY ATTORNEY GENERAL.** No An agreement described in under subdivision 7 shall become is not effective until it has been approved as to form and execution by the state attorney general or his designee.

Subd. 10 11. **REGISTRATION DATA PRIVATE NOT PUBLIC INFORMATION.** All Information contained in any register maintained by the state treasurer or a corporate registrar with respect to the of ownership of state bonds or certificates of indebtedness constitutes is nonpublic data as defined in under section 13.02, subdivision 9, or private data on individuals as defined in under section 13.02, subdivision 12. The information is not public and is accessible open only to the individual, corporation, or other entity which is the subject of it, except as disclosure;

(a) (1) is necessary for the performance of the duties of the registrar, the state commissioner of finance, the state treasurer, or the state legislative auditor, to perform a duty; or

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(b) (2) is requested by an authorized representative of the state commissioner of revenue ~~or, the state attorney general, or of the United States commissioner of internal revenue of the United States for the purpose of ascertaining to determine~~ the application of any estate, inheritance, or other a tax; or

(e) (3) is required under section 13.03, subdivision 4.

Sec. 39. Minnesota Statutes 1982, section 16A.675, is amended to read:

**16A.675 BONDS AND NOTES; NONLIABILITY OF INDIVIDUALS PERSONS EXECUTING OBLIGATIONS NOT LIABLE.**

Neither the commissioner of finance nor any No officer or other person executing state bonds or notes shall be certificates is liable personally on the bonds or notes or be subject to any personal liability them or accountability accountable by reason of the issuance of issuing them.

Sec. 40. Minnesota Statutes 1982, section 85A.04, subdivision 3, is amended to read:

Subd. 3. **ZOO GIFT STORE CONCESSION ACCOUNT.** A working capital concession account is established for the gift store of the Minnesota zoological garden. Concessions are the sale of all goods and services other than admissions, parking, food concessions, and equipment rentals. All concession receipts from the gift store operation shall be deposited in the state treasury and credited to the account and are appropriated for the purposes of the gift store concession operations. Gift store Concession expenses, including inventory, personnel costs, space rental, and overhead, shall be paid from the account. The unencumbered balance in the account on June 30 of each year in excess of the value of the inventory of the gift store on June 30, 1981 shall be calculated and disbursed as follows: For the periods years ending June 30, 1982, and June 30, 1983, the entire amount net income from concession operations reported on the income statement in the Minnesota zoological garden annual financial report shall be transferred to the general fund; For the year ending June 30, 1984, and each year thereafter, the amount attributable to the period July 1, 1982, to June 30, 1983, shall be transferred to the general fund and the remainder net income shall be retained by the zoological garden. Any The amount so retained shall be dedicated to is appropriated for capital improvements at the zoological garden and are appropriated for that purpose. If improvements or expansions are planned for the gift store operation to be paid with gift store receipts, the plan must be first approved by the governor after receiving the recommendation of the legislative advisory commission. The board shall include a report on the capital improvements in the report required by section 85A.02, subdivision 12.

Sec. 41. Minnesota Statutes 1982, section 115.03, subdivision 1, is amended to read:

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Subdivision 1. The agency is hereby given and charged with the following powers and duties:

(a) To administer and enforce all laws relating to the pollution of any of the waters of the state;

(b) To investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(c) To establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(d) To encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(e) To adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, regulations, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities;

(1) Requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(2) Prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or regulations promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) Prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) Requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to

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prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) Establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any non-water quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed regulations prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973 and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(6) Establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(7) Requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

(8) Notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of

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more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 5, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(9) Modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977 upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants;

(f) To require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(g) To prescribe and alter rules and regulations, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule or regulation affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(h) To conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance

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of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

(i) For the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(j) To train water pollution control personnel, and charge such fees therefor as are necessary to cover the agency's costs. All such fees received shall be paid into the state treasury and credited to the water pollution control training fund of the agency, from which the agency shall have the power to make disbursements to pay expenses relating to such training;

(k) To impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder; and

(l) To set a period not to exceed five years for the duration of any National Pollutant Discharge Elimination System permit; and

(m) To require a governmental subdivision that owns or operates a wastewater disposal system to have a plan to address its ability to pay the costs of making major repairs to the existing system and planning and constructing an adequate replacement system at the end of the existing system's expected useful life.

Sec. 42. Minnesota Statutes 1982, section 116.16, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** In this section and ~~section~~ sections 116.17 and 116.18:

(1) Agency means the Minnesota pollution control agency created by this chapter;

(2) Municipality means any county, city, and town, the metropolitan waste control commission established in chapter 473 and the metropolitan council when acting under the provisions of that chapter or an Indian tribe or an authorized Indian tribal organization, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state;

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(3) Pollution control fund means the Minnesota state water pollution control fund created by subdivision 1;

(4) Bond account means the Minnesota state water pollution control bond account created in the state bond fund by section 116.17, subdivision 4;

(5) Terms defined in section 115.01 have the meanings therein given them;

(6) The eligible cost of any municipal project, except as otherwise provided in ~~clause~~ clauses (7) and (8), includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension of disposal systems; (e) inspection and supervision of construction; and (f) all other expenses of the kinds enumerated in section 475.65.

(7) For state grant purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314, et seq.

(8) Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost includes the acquisition of land for stabilization ponds and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost does not include the provision of collector sewers as defined in agency rules, the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs.

Sec. 43. Minnesota Statutes 1982, section 116.16, subdivision 4, is amended to read:

Subd. 4. **DISBURSEMENTS.** Disbursements from the fund shall be made by the state treasurer upon order of the commissioner of finance at the times and in the amounts requested by the agency in accordance with the applicable state and federal laws and regulations and the state appropriation acts law governing such disbursements; except that no appropriation or loan of state funds for any project shall be disbursed to any municipality until and unless the agency has by resolution determined the total estimated cost of the project, and ascertained that financing of the project is assured by:

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(1) A grant to the municipality by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state; or

(2) A grant of funds appropriated by state law; or

(3) A loan authorized by state law; or

(4) The appropriation of proceeds of bonds or other funds of the municipality to a fund for the construction of the project; or

(5) Any or all of the means referred to in paragraphs (1) to (4); and

(6) An irrevocable undertaking, by resolution of the governing body of the municipality, to use all funds so made available exclusively for the construction of the project, and to pay any additional amount by which the cost of the project exceeds the estimate, by the appropriation to the construction fund of additional municipal funds or the proceeds of additional bonds to be issued by the municipality; and

(7) Conformity of the project and of the loan or grant application with the state water pollution control plan as certified to the federal government and with all other conditions under applicable state and federal laws and regulations law for a grant of state or federal funds of the nature and in the amount involved.

Sec. 44. Minnesota Statutes 1982, section 116.16, subdivision 5, is amended to read:

Subd. 5. **RULES.** (a) The agency shall promulgate permanent rules and may promulgate temporary rules for the administration of grants and loans authorized to be made from the fund or from federal funds under the Federal Water Pollution Control Act, as amended, which rules, however, shall not be applicable to the issuance of bonds by the commissioner of finance as provided in section 116.17. The rules shall contain as a minimum:

(1) procedures for application by municipalities;

(2) conditions for the administration of the grant or loan;

(3) criteria for ~~eligibility~~ the ranking of projects in order of priority for grants or loans, ~~including those specified in subdivision 6 based on factors including the extent and nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multi-municipal systems;~~ and

(4) such other matters as the agency and the director find necessary to the proper administration of the grant program.

(b) Except as otherwise provided in sections 116.16 to 116.18, the rules for the administration of state independent grants must comply, to the extent practicable, with provisions relating directly to protection of the environment

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contained in the Federal Water Pollution Control Act, as amended, and regulations and guidelines of the United States environmental protection agency promulgated under the act, except provisions regarding allocation contained in section 205 of the act and regulations and guidelines promulgated under section 205 of the act. This provision does not require approval from federal agencies for the issuance of grants or for the construction of projects under the state independent grants program.

Sec. 45. Minnesota Statutes 1982, section 116.16, subdivision 9, is amended to read:

Subd. 9. **APPLICATIONS.** Applications by municipalities for grants or loans from the fund shall be made to the director of the agency on forms requiring information prescribed by rules of the agency. The director shall certify to the agency those applications which appear to meet the criteria set forth in sections 116.16 to 116.18 and the rules promulgated hereunder, and the agency shall award grants or loans on the basis of the criteria and priorities established in its rules and in sections 116.16 to 116.18. A municipality that is designated under agency rules to receive state or federal funding for a project and that does not make a timely application for or that refuses the funding is not eligible for either state or federal funding for that project in that fiscal year or the subsequent year.

Sec. 46. Minnesota Statutes 1982, section 116.16, is amended by adding a subdivision to read:

Subd. 9a. **SUBSEQUENT GRANTS.** A municipality awarded a final grant of funding for a project under the program established by the 1972 Federal Water Pollution Control Act amendments or the state independent grants program is not eligible for additional funding to replace that project under the federal program or the state program, unless the funding is necessary as a result of subsequent changes in state water quality standards, effluent limits, or technical design requirements, or for a municipality awarded the final grant before October 1, 1984, if the funding is necessary for the provision of increased capacity.

Sec. 47. Minnesota Statutes 1982, section 116.18, as amended by Laws 1983, chapter 301, section 117, is amended to read:

**116.18 WATER POLLUTION CONTROL FUNDS; APPROPRIATIONS AND BONDS.**

Subdivision 1. **APPROPRIATION FROM THE FUND.** The sum of \$155,000,000 \$167,000,000, or so much thereof as may be necessary, is appropriated from the Minnesota state water pollution control fund in the state treasury to the pollution control agency, for the period commencing on July 23, 1971 and ending June 30, 1985, to be granted and disbursed to municipalities and agencies of the state in aid of the construction of projects conforming to section 116.16, in

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accordance with the rules, priorities, and criteria therein described. Except as otherwise provided in this subdivision and in subdivision 2, these state funds shall be expended at 15 per centum of the eligible cost of construction and shall be expended only

**Subd. 2. STATE MATCHING GRANTS PROGRAM ENDING SEPTEMBER 30, 1984.** (a) For projects tendered, by September 30, 1984, a grant of federal funds under section 201(g), section 202, section 203 or section 206(f) of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314 et seq. United States Code, title 33, sections 1251 to 1376, at 75 per centum of the eligible cost for construction of the treatment works, state money appropriated under subdivision 1 must be expended at 15 percent of the eligible cost of construction, except as otherwise provided in this subdivision; provided, that not less than ten percent of the cost shall be paid by the municipality or agency constructing the project. In the event that a municipality is tendered federal and state grants in a percentage cumulatively exceeding 90 per centum of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to assure that not less than ten percent of the cost shall be paid by the municipality. It is the purpose of this appropriation that a grant of state funds for each project approved in each of the fiscal years ending June 30, 1971 through 1985, shall be made in an amount not less than that required in federal law and regulations as a condition for the grant of federal funds for the project and for all other water pollution control projects for which federal grants are allocated in the same year, in the maximum amount permissible under law and regulations.

~~Notwithstanding any other provision, the agency may, in its discretion, and after consideration of the amount of state funds required to match federal funds, make a grant of state funds not exceeding 15 per centum to a municipality that would qualify for a grant of federal funds but desires to initiate construction of a project without a federal grant. The agency may limit the scope and eligible cost of the project.~~

(b) If a municipality is tendered a grant of federal funds under section 201, paragraph (g), section 202, section 203 or section 206, paragraph (f) of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314 et seq. United States Code, title 33, sections 1251 to 1376, at 85 percent of the eligible cost for construction of treatment works utilizing innovative or alternative wastewater treatment processes and techniques, state funds shall be expended at nine percent of the eligible cost of construction; provided, that not less than six percent of the eligible cost of construction shall be paid by the municipality or agency constructing the project. In the event that a municipality is tendered federal and state grants in a percentage cumulatively exceeding 94 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to assure that the municipality receives no more than 94 percent of the eligible cost of construction.

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**Subd. 2. ADDITIONAL PURPOSES OF APPROPRIATION.** (c) If the pollution control agency, acting in accordance with section 116.16, subdivision 4 and rules promulgated by the agency establishing criteria for financial hardship cases, determines that the prevention, control, and abatement of water pollution and the public health of the state requires the construction of a project by a municipality or agency that is unable to provide 10 percent of the eligible cost thereof, the funds appropriated in subdivision 1 may be expended to reduce or eliminate its contribution to the eligible cost.

**Subd. 2a. STATE MATCHING GRANTS PROGRAM BEGINNING OCTOBER 1, 1984.** For projects tendered, on or after October 1, 1984, a grant of federal money under section 201(g), section 202, 203, or 206(f) of the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1251 to 1376, at 55 percent or more of the eligible cost for construction of the treatment works, state money appropriated under subdivision 1 must be expended for up to 15 percent of the eligible cost of construction for municipalities for which the construction would otherwise impose significant financial hardship; provided, that not less than 25 percent of the eligible cost must be paid by the municipality or agency constructing the project. If a municipality is tendered federal and state grants in a percentage cumulatively exceeding 75 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to ensure that not less than 25 percent of the eligible cost will be paid by the municipality. The amounts of the matching grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation.

**Subd. 3a. STATE INDEPENDENT GRANTS PROGRAM.** (a) The agency may award independent grants for projects for 50 percent or, if the agency requires advanced treatment, 65 percent of the eligible cost of construction. The agency may award independent grants for up to an additional 15 percent or, if the agency requires advanced treatment, up to an additional ten percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship; the amounts of the additional grants shall be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. These grants may be awarded in separate steps for planning and design in addition to actual construction. Not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded for projects for the control of combined sewer overflow as defined by federal regulation. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

(b) Up to ten percent of the money to be awarded as grants under this subdivision in any single fiscal year shall be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its

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municipal needs list to the commissioner of energy and economic development at the beginning of each fiscal year, and the commissioner shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with agency priorities, the set-aside shall be used by the agency to award grants to remaining municipalities that have been identified.

(c) Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and apply to be reimbursed in the subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the agency may commit in any single fiscal year is equal to the amount newly appropriated under subdivision 1 for that year.

**Subd. 4. BOND AUTHORIZATION.** For the purpose of providing money appropriated in subdivision 1 for expenditure from the Minnesota state water pollution control fund through grants to municipalities and agencies of the state for the acquisition and betterment of public land, buildings, and improvements of a capital nature needed for the prevention, control, and abatement of water pollution, the commissioner of finance is authorized upon request of the pollution control agency to sell and issue Minnesota state water pollution control bonds in the amount of ~~\$144,000,000~~ \$156,000,000, in the manner and upon the conditions prescribed in section 116.17 and in the Constitution, Article XI, Sections 4 to 7. The proceeds of the bonds, except as provided in section 116.17, subdivision 5, are appropriated and shall be credited to the Minnesota state water pollution control fund. The amount of bonds issued pursuant to this authorization shall not exceed at any time the amount needed to produce a balance in the water pollution control fund equal to the aggregate amount of grants then approved and not previously disbursed, plus the amount of grants to be approved in the current and the following fiscal year, as estimated by the pollution control agency.

**Subd. 5. FEDERAL AND OTHER FUNDS.** All federal and other funds made available for any purpose of the water pollution control fund are also appropriated to that fund.

**Subd. 6. CONTINUANCE OF APPROPRIATIONS.** None of the appropriations made in this section shall lapse until the purpose for which it is made has been accomplished or abandoned. The amount of each grant approved for disbursement from the water pollution control fund shall be and remain appropriated for that purpose until the grant is fully disbursed or part or all thereof is revoked by the pollution control agency.

**Sec. 48.** Minnesota Statutes 1983 Supplement, section 116J.926, subdivision 3, is amended to read:

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Subd. 3. **MUNICIPAL OBLIGATION.** A loan shall not be made to a municipality until it has entered into an agreement with the state providing that the municipality shall make payments of principal and interest at least equal in the aggregate to the principal amount of the loan plus interest at the rate payable on the state bonds. The annual amounts of the payments shall be determined by the commissioner of finance, and need not coincide with the principal and interest payments on the bonds. However, the amounts due each year shall be payable prior to the times transfers are required to be made pursuant to section ~~16A.65~~ 16A.641. The agreement shall obligate the municipality to levy an ad valorem property tax equal to the amounts necessary to make the payments. The amount required to be levied may be reduced by any other available amounts contained in a special fund dedicated to payment of the loan obligation.

Sec. 49. Minnesota Statutes 1982, section 136.40, subdivision 6, is amended to read:

Subd. 6. **APPROPRIATIONS TO STATE UNIVERSITY BOND ACCOUNT.** All loan payments to be deposited in the state bond fund in accordance with subdivision 2 shall be credited to the state university bond account therein. In order to reduce the amount of taxes otherwise required to be levied, in accordance with section ~~16A.65~~ 16A.641, there shall also be transferred to the state university bond account from the general fund in the state treasury, on November 1 in each year, a sum of money sufficient in amount, when added to the balance then on hand therein, to pay all Minnesota state university bonds and interest thereon due and to become due to and including July 1 in the second ensuing year. All money so credited and all income from the investment thereof is annually appropriated for the payment of such bonds and interest thereon, and shall be available in the state university bond account prior to the levy of the tax in any year required by the Constitution, Article 11, Section 7. The legislature may also appropriate to the state university bond account any other moneys in the state treasury not otherwise appropriated, for the security of Minnesota state university bonds in the event that sufficient money should not be available in the account from the sources herein appropriated, prior to the levy of such tax in any year. The commissioner of finance and treasurer are directed to make the appropriate entries in the accounts of the respective funds.

Sec. 50. Minnesota Statutes 1982, section 475A.03, subdivision 1, is amended to read:

Subdivision 1. The governing body of any municipality, upon compliance with the terms of sections 475A.01 to 475A.06 and approval of the commissioner of finance may, after July 1, 1971 and before May 1, 1984, include in general obligation bonds of the municipality issued for the purpose of providing funds for acquisition to acquire or betterment of to better public lands and buildings and other public improvements of a capital nature, or bonds issued

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to refund guaranteed bonds, the following statement or such modification thereof consistent with sections 475A.01 to 475A.06 as the secretary shall prescribe:

The payment of this bond and the interest thereon is secured by the state municipal bond guaranty fund in accordance with the Minnesota municipal debt service aid law.

The bonds may also include the designation "secured by the state municipal bond guaranty fund", and the notice of sale of such bonds may include a reference to such guaranty.

Sec. 51. Minnesota Statutes 1982, section 475A.05, subdivision 1, is amended to read:

Subdivision 1. For the purpose of providing money to be loaned to municipalities ~~for the acquisition to acquire and betterment of to better~~ public lands and buildings and other public improvements of a capital nature, when needed to pay the principal of or interest on bonds issued for this purpose, or bonds issued to refund such guaranteed bonds, the municipal bond guaranty loan fund is created as a separate bookkeeping account in the general books of account of the state. All proceeds of state bonds credited to this fund, all amounts transferred from the general fund, all guaranty fees received, and all repayments of principal and interest on loans made from the fund are appropriated for construction and other permanent improvement and shall be available until the purposes for which the appropriation was made have been accomplished, except that at any time when the balance on hand in the state municipal bond guaranty fund exceeds ten percent of the principal amount of all then outstanding bonds secured by the fund, the state may reappropriate to the general fund the balance in excess of this amount.

Sec. 52. Minnesota Statutes 1982, section 475A.05, is amended by adding a subdivision to read:

Subd. 1a. GENERAL FUND APPROPRIATION. In order to eliminate the need to sell Minnesota state municipal aid bonds, there is annually appropriated from the general fund to the commissioner of finance for transfer to the municipal bond guaranty loan fund the amounts needed to meet the state's obligations under sections 475A.01 to 475A.06, not to exceed a total of \$4,330,000. This subdivision does not prevent the sale of state municipal aid bonds to the extent that the amount available for transfer from the general fund is not sufficient to meet all the state's obligations under sections 475A.01 to 475A.06.

Sec. 53. Minnesota Statutes 1982, section 475A.06, subdivision 7, is amended to read:

Subd. 7. The commissioner of finance is authorized to sell and issue Minnesota state municipal aid bonds in an aggregate principal amount not to

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exceed \$20,000,000 \$4,330,000, the proceeds of which, except as provided in subdivision 1, are appropriated to the state municipal bond guaranty fund for the purpose of providing funds to be loaned to municipalities for the acquisition and betterment of public lands and buildings and other public improvements of a capital nature, when needed to pay the principal of or interest on bonds issued for this purpose or bonds issued to refund such guaranteed bonds, in accordance with the provisions of sections 475A.01 to 475A.06. The bonds shall be sold, issued, and secured as provided in subdivisions 1 to 6 and in Article XI, Section 7 of the Constitution.

Sec. 54. Laws 1983, chapter 344, section 6, subdivision 8, is amended to read:

Subd. 8. ~~Split Rock~~ Baptism River Rest Area 620,000

Sec. 55. **REPEALER.**

Minnesota Statutes 1982, sections 16A.63; 16A.64, as amended by Laws 1983, chapter 301, sections 94 and 95; 16A.65; and 116.16, subdivisions 6 and 7; and Laws 1981, chapter 275; Laws 1981, chapter 334, section 11, subdivision 4; Laws 1982, chapter 639, section 5, are repealed.

Sec. 56. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Approved April 26, 1984

**CHAPTER 598 — S.F.No. 1974**

*An act relating to commerce; clarifying the limitations on enforcement of indemnification agreements in construction contracts; amending Minnesota Statutes 1983 Supplement, sections 337.01, subdivisions 2, 3, and 4; 337.02; 337.03; and 337.05, subdivision 2, and by adding subdivisions; and Laws 1983, chapter 333, section 6; proposing new law coded in Minnesota Statutes, chapter 337.*

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

Section 1. Minnesota Statutes 1983 Supplement, section 337.01, subdivision 2, is amended to read:

Subd. 2. **BUILDING AND CONSTRUCTION CONTRACT.** "Building and construction contract" means a contract for the design, construction, alteration, improvement, repair or maintenance of real property, highways, roads or bridges. The term does not include contracts for the maintenance or repair of machinery, equipment or other such devices used as part of a manufacturing,

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