

**CHAPTER 293—H.F.No. 1752**

*An act relating to capital improvements; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing programs; authorizing the sale and issuance of state bonds; modifying previous appropriations; authorizing Cook County to form a district for the construction of water facilities and provision of water service; authorizing the commissioner of natural resources to make certain acquisitions of land or interests in land; appropriating money; amending Minnesota Statutes 2010, sections 16A.633, by adding a subdivision; 16A.641, subdivision 9; 462A.21, by adding a subdivision; Minnesota Statutes 2011 Supplement, sections 16A.641, subdivision 7; 16A.96, by adding a subdivision; Laws 2006, chapter 258, sections 7, subdivision 23, as amended; 17, subdivision 3; Laws 2008, chapter 179, sections 7, subdivision 27, as amended; 17, subdivision 4; 18, subdivision 3, as amended; 19, subdivision 4, as amended; 21, subdivision 15, as amended; Laws 2009, chapter 93, article 1, section 12, subdivision 2; Laws 2010, chapter 189, sections 18, subdivision 5; 24, subdivision 3; Laws 2011, First Special Session chapter 12, sections 3, subdivisions 7, 8; 14, subdivision 2; 19; 22; proposing coding for new law in Minnesota Statutes, chapters 15B; 16B; 116J; 462A; repealing Laws 2011, chapter 107, section 101; Minnesota Rules, part 8895.0700, subpart 1.*

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

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

**SUMMARY**

<u>University of Minnesota</u>	§	<u>64,060,000</u>
<u>Minnesota State Colleges and Universities</u>		<u>132,126,000</u>
<u>Education</u>		<u>1,000,000</u>

<u>Minnesota State Academies</u>	<u>1,000,000</u>
<u>Perpich Center for Arts Education</u>	<u>263,000</u>
<u>Natural Resources</u>	<u>46,500,000</u>
<u>Pollution Control Agency</u>	<u>2,000,000</u>
<u>Board of Water and Soil Resources</u>	<u>12,000,000</u>
<u>Agriculture</u>	<u>706,000</u>
<u>Rural Finance Authority</u>	<u>33,000,000</u>
<u>Zoological Garden</u>	<u>4,000,000</u>
<u>Administration</u>	<u>50,555,000</u>
<u>Amateur Sports</u>	<u>375,000</u>
<u>Military Affairs</u>	<u>23,500,000</u>
<u>Transportation</u>	<u>49,400,000</u>
<u>Metropolitan Council</u>	<u>12,836,000</u>
<u>Human Services</u>	<u>7,683,000</u>
<u>Veterans Affairs</u>	<u>7,416,000</u>
<u>Corrections</u>	<u>9,128,000</u>
<u>Employment and Economic Development</u>	<u>76,500,000</u>
<u>Public Facilities Authority</u>	<u>23,500,000</u>
<u>Housing Finance Agency</u>	<u>5,500,000</u>
<u>Minnesota Historical Society</u>	<u>3,250,000</u>
<u>Bond Sale Expenses</u>	<u>560,000</u>
<b><u>TOTAL</u></b>	<b><u>\$ 566,858,000</u></b>
<u>Bond Proceeds Fund (General Fund Debt Service)</u>	<u>456,483,000</u>
<u>Bond Proceeds Fund (User Financed Debt Service)</u>	<u>70,375,000</u>
<u>State Transportation Fund (General Fund Debt Service)</u>	<u>40,000,000</u>

**APPROPRIATIONS**Sec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation** **\$ 64,060,000**

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

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

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

**Subd. 3. Twin Cities Campus**

**Combined Heat and Power Plant**

10,000,000

To predesign and design and initiate infrastructure improvements for the renovation of the Old Main Steam Plant facility on the Twin Cities campus.

**Subd. 4. Itasca Biological Station**

**Itasca Facility Improvements**

4,060,000

To design, construct, furnish, and equip a new technology-rich biological laboratory and classroom facility, and to design, construct, furnish, and equip the renovation of the historic Lakeside Lab and to remove obsolete single-function buildings at the University of Minnesota facility in Itasca State Park.

**Subd. 5. University Share**

Except for Higher Education Asset Preservation and Replacement (HEAPR) under subdivision 2, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

**Subd. 6. Unspent Appropriations**

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate

Finance Committee, on how the remaining money has been allocated or spent.

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

**Subdivision 1. Total Appropriation** § **132,126,000**

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

**Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)** **20,000,000**

For the purposes specified in Minnesota Statutes, section 135A.046, including safety and statutory compliance, building envelope integrity, mechanical systems, and space restoration.

**Subd. 3. Anoka-Ramsey Community College, Coon Rapids**

**Bioscience and Allied Health Addition and Renovation** **980,000**

To complete design for the construction of a Bioscience and Allied Health addition and to design, renovate, and equip classrooms and related space.

**Subd. 4. Bemidji State University**

**Business Building Addition, Renovation Design, Demolition** **3,303,000**

To abate and demolish Maple Hall and Sanford Hall, and to complete design for the renovation of Decker Hall, Hobson Hall, and Memorial Hall into multiuse classrooms and study spaces, including replacing the HVAC system and constructing an addition to Memorial Hall for better accessibility.

**Subd. 5. Century College**

**Classroom Addition** **5,000,000**

To complete design of and to construct, renovate, furnish, and equip classrooms and related spaces.

**Subd. 6. Dakota County Technical College**

**Transportation and Emerging Technologies Lab Renovation**

7,230,000

To complete design of and to renovate, furnish, and equip transportation and emerging technologies classrooms, laboratories, and related spaces.

**Subd. 7. Minnesota State University, Mankato**

2,065,000

To design a clinical science building at Minnesota State University, Mankato.

**Subd. 8. Minneapolis Community and Technical College**

**Workforce Program Renovation**

13,389,000

To complete design of and to renovate, furnish, and equip instructional space, support space, and infrastructure for workforce programs.

**Subd. 9. North Hennepin Community College**

**Bioscience and Health Careers Addition**

26,292,000

To complete design of and to construct, furnish, and equip Bioscience and Health Careers laboratories, classrooms, and related spaces.

**Subd. 10. Northland Community and Technical College**

**Aviation Maintenance Facility Expansion**

300,000

To design the expansion and renovation of the aviation maintenance facilities at Northland Community and Technical College.

**Subd. 11. Ridgewater College, Willmar**

**Technical Instruction Lab Renovation**13,851,000

To design, renovate, furnish, and equip classroom, student service, instructional lab, and related spaces and to demolish the Administration Building.

**Subd. 12. St. Cloud Technical and Community College**4,000,000

To complete the design of, and to construct, renovate, furnish, equip, and demolish space for the medium heavy truck and autobody program on the St. Cloud Technical and Community College campus.

**Subd. 13. St. Paul College****Health and Science Alliance Center**1,500,000

To design the Health and Science Alliance Center addition and to design, renovate, furnish, and equip, existing health spaces.

**Subd. 14. Minnesota West Community and Technical College, Worthington****Renovation and Addition**4,606,000

To renovate, furnish, and equip existing classroom and lab spaces and to design, construct, furnish, and equip a classroom, lab, and entryway addition, and replace HVAC systems.

**Subd. 15. Northeast Higher Education District - Itasca Community College****Renovation, Addition, and Demolition**4,549,000

To complete the design of and to renovate, furnish, and equip existing instructional and student services spaces, to design, construct, furnish, and equip an addition with multipurpose classrooms, and to demolish Donovan Hall.

**Subd. 16. Rochester Community and Technical College**

**Work Force Center Colocation**8,746,000

To complete the design of and to construct, furnish, and equip an addition to the Heintz Center at Rochester Community and Technical College and to renovate the heating, ventilating, and air conditioning systems. The addition will house the Rochester Area Work Force Center. The board of trustees must consult with the commissioner of employment and economic development on the design of the renovations and addition. The board must enter into a lease agreement with the commissioner of employment and economic development for use of the work force center. The lease agreement must provide that lease payments made by the commissioner will pay for the college's reasonable costs in support of the work force center and the debt service required of the board associated with the work force center portion of the project. Notwithstanding the ten-year lease limit under Minnesota Statutes, section 16B.24, subdivision 6, the commissioner of administration may enter into a lease agreement of up to 20 years for the space to house the Rochester Area Work Force Center at the Rochester Community and Technical College.

**Subd. 17. South Central College, Faribault****Classroom Renovation and Addition**13,315,000

To complete design of and to renovate, construct, furnish, and equip classrooms, a learning resource center, and related spaces, and laboratories.

**Subd. 18. Southwest Minnesota State University, Marshall****Science Lab Renovation**500,000

To complete design for renovation of the Science and Math building and classroom spaces and an addition to the Plant Science building.

**Subd. 19. Science, Technology, Engineering, and Math Initiatives**2,500,000

To design, renovate, furnish, and equip science laboratories at campuses statewide. Campuses may use internal and nonstate funds to increase the size of the projects. This appropriation may be used at the following campuses: Bemidji State University; Century College; Inver Hills Community College; Minnesota State Community and Technical College, Moorhead; Minnesota State University, Moorhead; Hibbing Community College; Itasca Community College; Mesabi Range Community and Technical College, Eveleth; and Pine Technical College.

**Subd. 20. Debt Service**

(a) The Board of Trustees shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement, and except that, where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. After each sale of general obligation bonds, the commissioner of management and budget shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The



commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

**Subd. 21. Unspent Appropriations**

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the board must use any money remaining in the appropriation for that project for Higher Education Asset Preservation and Replacement (HEAPR) under Minnesota Statutes, section 135A.046. The board must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete is available for Higher Education Asset Preservation and Replacement (HEAPR) under this subdivision at the same campus as the project for which the original appropriation was made, and the debt service requirement under subdivision 20 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

**Sec. 4. EDUCATION**

**\$ 1,000,000**

To the commissioner of education for library accessibility and improvement grants under Minnesota Statutes, section 134.45.

**Sec. 5. MINNESOTA STATE ACADEMIES**

**\$ 1,000,000**

To the commissioner of administration for asset preservation on both campuses of the

academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

**Sec. 6. PERPICH CENTER FOR ARTS EDUCATION**

**Subdivision 1. Total Appropriation** **\$ 263,000**

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

**Subd. 2. Loading Dock Repair** **64,000**

To complete design of and repair the loading dock and dock steps.

**Subd. 3. Road Repair** **99,000**

To complete design and repair roadway.

**Subd. 4. Storm Drainage** **100,000**

To complete design of and install storm drainage on the northwest corner of campus.

**Sec. 7. NATURAL RESOURCES**

**Subdivision 1. Total Appropriation** **\$ 46,500,000**

To the commissioner of natural resources for the purposes specified in this section. The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

**Subd. 2. Flood Hazard Mitigation Grants** **30,000,000**

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

Levee projects, to the extent practicable, shall meet the state standard of three feet above the 100-year flood elevation.

Project priorities shall be determined by the commissioner as appropriate, based on need.

To the extent that the cost of a project exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

**Subd. 3. Dam Repair, Reconstruction, and Removal**

3,000,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

**Subd. 4. Roads and Bridges**

2,000,000

For the design, reconstruction, resurfacing, replacement, and construction of publicly owned DNR-maintained roads, culverts, and bridges.

**Subd. 5. State Forest Land Restoration**

2,500,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including planting, seeding, site preparation, and for timber stand improvement.

**Subd. 6. State Parks and Trails Renewal and Development**

4,000,000

For renewal, modification, replacement, or development of buildings and recreational infrastructure in state parks, state recreation areas, state trails, small craft harbors/marinas, fishing pier sites, and state forests.

**Subd. 7. Lake Vermillion State Park**

2,000,000

For the development of Lake Vermillion State Park, established under Minnesota Statutes, section 85.012, subdivision 38a.

**Subd. 8. Lake Zumbro**

3,000,000

For a grant to Olmsted County for the removal of sedimentation in Lake Zumbro, including final engineering, dredging, and dredged soil disposal from the sites identified in the Preliminary Engineering Report for Dredging Lake Zumbro. This project is designed to improve the recreational economy, water quality, and habitat, and increase water storage capacity within the lake to achieve renewable energy goals by optimizing long-term hydroelectric operations. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

**Subd. 9. Unspent Appropriations**

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, other than an appropriation for flood hazard mitigation, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred for asset preservation.

**Sec. 8. POLLUTION CONTROL AGENCY**

**\$ 2,000,000**

To the Pollution Control Agency to design and construct remedial systems and acquire land at landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42.

**Sec. 9. BOARD OF WATER AND SOIL RESOURCES**

**Subdivision 1. Total Appropriation**

**\$ 12,000,000**

To the Board of Water and Soil Resources for the purposes specified in the following subdivisions.

**Subd. 2. RIM Conservation Reserve**6,000,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands; restore and enhance rivers and streams, riparian lands, and associated uplands in order to protect soil and water quality; support fish and wildlife habitat; reduce flood damage; and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program. Of this appropriation, up to ten percent may be used to implement the program.

(b) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration, including overseeding and harvesting of native prairie vegetation for use for energy production in a manner that does not devalue the natural habitat, water quality benefits, or carbon sequestration functions of the area enrolled in the easement. This shall occur after seed production and minimize impacts on wildlife. Of this appropriation, up to five percent may be used for restoration, including overseeding.

**Subd. 3. Wetland Replacement Due to Public Road Projects**6,000,000

To acquire land for wetland restoration or preservation to replace wetlands drained or filled as a result of the repair or reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222.

The purchase price paid for acquisition of land, fee, or perpetual easement must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits. Acquisition of or the conveyance

of land may be in the name of the political subdivision.

Sec. 10. **AGRICULTURE**

**\$ 706,000**

To the commissioner of administration for design and installation of an emergency power system for the shared Agriculture and Health Lab Building.

Sec. 11. **RURAL FINANCE AUTHORITY**

**\$ 33,000,000**

For the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

Sec. 12. **MINNESOTA ZOOLOGICAL GARDEN**

**\$ 4,000,000**

To the Minnesota Zoological Garden for capital asset preservation and betterments to infrastructure and exhibits at the Minnesota Zoo to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 13. **ADMINISTRATION**

**Subdivision 1. Total Appropriation** **\$ 50,555,000**

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

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

For asset preservation studies and projects on properties managed by the commissioner. This appropriation must be spent in accordance with Minnesota Statutes, section 16B.307. This appropriation includes money to complete design for and to renovate or replace the house of representatives TV control room heating, ventilating, and air conditioning system in the Capitol building.

**Subd. 3. Capitol Restoration Appropriation** **44,000,000**

(a) This appropriation may be used for one or more of the following purposes:

(1) to design, construct, and equip a new tunnel extending from the Capitol building and passing under University Avenue, and associated improvements, in accordance with recommendation number 6 of the Comprehensive Master Plan and the final report of the Committee on Capitol Complex Security, dated April 1, 2011, with construction to be coordinated with light rail construction time frames;

(2) for predesign and design of the renovation and restoration of the State Capitol building, including preparation of design guidelines and a historic structures report;

(3) for repairs to exterior stone, window replacement, and preparation of mechanical space in the attic of the State Capitol building;

(4) for construction to restore and improve the Capitol building and grounds, including exterior stone repair and the construction activities listed as part of sequence A in the 2012 Comprehensive Master Plan dated February 2012, prepared by MOCA, including hazardous materials abatement; and

(5) up to \$5,000,000 of this appropriation may be used to predesign, design, conduct hazardous materials abatement, construct, renovate and remodel, and furnish and equip the State Office Building, Administration Building, Centennial Office Building, 321 Grove Street Buildings, and such other properties located on the Capitol campus as determined by the commissioner to meet temporary and permanent office and other space needs occasioned by and in furtherance of an efficient restoration of the State Capitol building and for the efficient and effective function of the tenants currently located in the Capitol building.

(b) Money appropriated under paragraph (a), clauses (1) to (3), may be spent as of the effective date.

(c) Money appropriated under paragraph (a), clauses (4) and (5), may not be spent unless and until the conditions in Minnesota Statutes, section 15B.15, have been met.

**Subd. 4. Capital Asset Preservation and Replacement Account**

1,000,000

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

**Subd. 5. Hennepin County, Washburn Center for Children**

5,000,000

For a grant to Hennepin County to acquire and prepare a site for and to predesign, design, construct, furnish, and equip a new Washburn Center for Children that will be used to provide mental health services to children. The county is authorized to take actions and enter into agreements needed to perform the functions set forth in this section, and the agreements may include provisions and conditions that the county negotiates. The county may enter into a lease or management contract for the new center with a nonprofit entity. The lease or management contract must comply with the requirements of Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner has determined that



at least an equal amount has been committed or expended from nonstate resources.

**Subd. 6. Peace Officers Memorial** 55,000

To complete design and renovation of the Peace Officers Memorial on the Capitol grounds.

**Sec. 14. AMATEUR SPORTS** **\$** 375,000

To the Minnesota Amateur Sports Commission to replace HVAC heating and cooling units in the Indoor Sports Hall at the National Sports Center in Blaine.

**Sec. 15. MILITARY AFFAIRS**

**Subdivision 1. Total Appropriation** **\$** 23,500,000

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

**Subd. 2. Asset Preservation** 4,000,000

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

**Subd. 3. Camp Ripley Education Center Addition** 19,500,000

To complete the construction, furnishing, and equipping of an addition to the Camp Ripley Education Center (Building #6-76). The addition will include lodging, classroom, and dining facilities.

**Subd. 4. Unspent Appropriations**

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307. Minnesota Statutes, section 16A.642, applies from the date of the

original appropriation to the unspent amount transferred.

Sec. 16. **TRANSPORTATION**

**Subdivision 1. Total Appropriation**

**\$ 49,400,000**

This appropriation is to the commissioner of transportation for the purposes specified in this section.

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

**30,000,000**

This appropriation is from the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50. To the extent practicable, the commissioner shall expend the funds as provided under Minnesota Statutes, section 174.50, subdivisions 6c and 7, paragraph (c).

Political subdivisions may use grants made under this subdivision to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a;

(3) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made; and

(4) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more economical than replacement of the existing bridge.

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

**10,000,000**

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

**Subd. 4. Greater Minnesota Transit** **6,400,000**

For capital assistance for publicly owned greater Minnesota transit systems to be used to design, construct, and equip transit capital facilities under Minnesota Statutes, section 174.24, subdivision 3c.

**Subd. 5. Railroad Warning Devices Replacement** **2,000,000**

To design, construct, and equip the replacement of active highway rail grade crossing warning safety devices that have reached the end of their useful life.

**Subd. 6. Port Development Assistance** **1,000,000**

For grants under Minnesota Statutes, chapter 457A, for publicly owned capital projects.

**Sec. 17. METROPOLITAN COUNCIL**

**Subdivision 1. Total Appropriation** **\$ 12,836,000**

To the Metropolitan Council for the purposes specified in this section.

**Subd. 2. Metropolitan Regional Parks Capital Improvements** **4,586,000**

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section

473.147. This appropriation must not be used to purchase easements.

**Subd. 3. Municipal Wastewater Systems - Inflow and Infiltration Grants**

4,000,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the council's metropolitan sanitary sewer disposal system. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow or infiltration. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. The council must award grants based on applications from eligible cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

**Subd. 4. Phillips Community Center**

1,750,000

For a grant to the Minneapolis Park and Recreation Board to predesign, design, engineer, reconstruct, renovate, furnish, and equip the Phillips Community Center indoor competitive swimming pool and to predesign, design, engineer, and construct an additional indoor multipurpose family pool and facilities associated with an aquatic center in the community center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner determines that at least \$350,000 is committed from nonstate sources.

**Subd. 5. Minneapolis Transportation Interchange**

2,500,000

For a grant to Hennepin County or the Hennepin County Regional Railroad Authority for environmental analysis, engineering, design, acquisition of real

property or interests in real property, and site preparation for and construction of the Minneapolis Transportation Interchange Facility located in the vicinity of the confluence of the Hiawatha Light Rail Transit line and the Northstar Commuter Rail line.

Sec. 18. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **\$ 7,683,000**

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

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

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Maplewood - Harriet Tubman Center** **2,000,000**

For a grant to the city of Maplewood to design, renovate, and equip Harriet Tubman Center East to be used as a regional safety service center for domestic violence shelter, legal services, youth programs, mental and chemical health services, and community education.

Subd. 4. **Minnesota Security Hospital - Phase I** **3,683,000**

For predesign and design of the first phase of a two-phase project to remodel existing facilities and develop new residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center.

Sec. 19. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation** **\$ 7,416,000**

To the commissioner of administration for the purposes specified in this section. The commissioner must allocate money

appropriated in this section so as to maximize the use of all available federal funding.

**Subd. 2. Asset Preservation** **3,000,000**

For asset preservation improvements and betterments of a capital nature at veterans homes and cemeteries statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

**Subd. 3. Minneapolis Veterans Home Building 17 South** **3,050,000**

For predesign and design for demolition of the south wing of Building 17 and adjoining facilities, and designing the south wing of Building 17 as a new skilled nursing building. This appropriation may also be used to design a new distribution service tunnel on the Minneapolis campus.

**Subd. 4. Minneapolis Veterans Home Centralized Pharmacy** **1,366,000**

To predesign, design, remodel, and furnish historic Building 13 to be used as the veterans homes' central pharmacy.

**Sec. 20. CORRECTIONS**

**Subdivision 1. Total Appropriation** **\$ 9,128,000**

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

**Subd. 2. Asset Preservation** **5,000,000**

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16B.307.

**Subd. 3. Minnesota Correctional Facility - Stillwater**

**Well and Water Treatment Facility** **3,391,000**

To complete design; cap an old well; install a new well; replace piping between wells,

water tower, and facility intake; replace water treatment equipment; and design, construct, furnish, and equip a new building to house water treatment equipment.

**Subd. 4. Northeast Regional Correctional Center (NERCC)**

737,000

For a grant to the Arrowhead Regional Corrections Joint Powers Board for asset preservation improvements and betterments of a capital nature at the Northeast Regional Correctional Center (NERCC).

**Subd. 5. Unspent Appropriations**

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307, at the same correctional facility as the project for which the original appropriation was made. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

**Sec. 21. EMPLOYMENT AND ECONOMIC DEVELOPMENT**

**Subdivision 1. Total Appropriation**

**\$ 76,500,000**

To the commissioner of employment and economic development for the purposes specified in this section.

**Subd. 2. Greater Minnesota Business Development Public Infrastructure Grant Program**

6,000,000

For grants under Minnesota Statutes, section 116J.431.

This appropriation may be used for a grant to the Lake Superior-Poplar River Water District to acquire property interests for, engineer, design, permit, and construct works and systems to transport and treat water from Lake Superior through the Poplar River Valley to serve domestic and irrigation water

users and commercial, stock watering, and industrial users. Notwithstanding Minnesota Statutes, section 116J.431, a grant to the district is not subject to any limit in grant amount or match requirement, but a grant to the district is not available until at least \$1,200,000 has been committed to the project from nonstate sources. Expenditures made on or after October 1, 2011, shall count towards the nonstate match.

**Subd. 3. Redevelopment Account** 3,000,000

For purposes of the redevelopment account under Minnesota Statutes, sections 116J.571 to 116J.575.

**Subd. 4. Transportation Economic Development Program** 3,000,000

For grants under Minnesota Statutes, section 116J.436.

**Subd. 5. Business Development Through Capital Project Grants** 47,500,000

For grants under Minnesota Statutes, section 116J.433.

**Subd. 6. Austin Port Authority - Research and Technology Center** 13,500,000

For a grant to the Austin Port Authority to design and construct a new building addition to the Hormel Institute, including research labs, research technology space, and support offices. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

**Subd. 7. Bemidji Regional Public Television Station** 3,000,000

For a grant to the city of Bemidji to construct, furnish, and equip a regional public television station in the city of Bemidji. This appropriation is not available until the commissioner determines that a 25 percent match has been committed to the project from nonstate sources.



**Subd. 8. South St. Paul - Floodwall Extension**500,000

For a grant to the city of South St. Paul for the predesign and design, including preliminary engineering evaluations to determine the environmental impact, exact location, and design features of a floodwall extension on the west shore of the Mississippi River from the area of Interstate Highway 494 to the southern border of South St. Paul. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

**Sec. 22. PUBLIC FACILITIES AUTHORITY****Subdivision 1. Total Appropriation****\$ 23,500,000**

To the Public Facilities Authority for the purposes specified in this section.

**Subd. 2. State Match for Federal Grants**8,500,000

To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081.

This appropriation must be used for qualified capital projects.

**Subd. 3. Wastewater Infrastructure Funding Program**15,000,000

For grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

If a grant is made from this appropriation to the Central Iron Range Sanitary Sewer District to supplement previous wastewater infrastructure funding grants to design, construct, furnish, and equip new wastewater treatment facilities, lift stations, and forcemains, it is not subject to the limitations on the availability or amount of the grant in Minnesota Statutes, section 446A.072, but the grant must not exceed \$5,000,000.

Sec. 23. **HOUSING FINANCE AGENCY****\$ 5,500,000**

To the Housing Finance Agency to finance the rehabilitation of public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by public housing authorities and agencies formed by cities and counties. Eligible public housing authorities must have a public housing assessment system rating of standard or above. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Sec. 24. **MINNESOTA HISTORICAL SOCIETY**Subdivision 1. **Total Appropriation****\$ 3,250,000**

To the Minnesota Historical Society for the purposes in this section.

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

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

Subd. 3. **County and Local Preservation Grants****750,000**

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

Sec. 25. **BOND SALE EXPENSES** \$ 560,000

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

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

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$526,858,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$40,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 27. **[15B.155] CAPITOL RESTORATION PROJECT.**

Subdivision 1. **Consultation and collaboration.** The commissioner shall consult and collaborate with representatives designated by the governor, the majority leader of the senate, the speaker of the house, the chief justice of the Minnesota Supreme Court, the attorney general, Capitol Area and Architectural Planning Board, and the director of the Minnesota Historical Society regarding the design and construction process for the restoration of the Capitol building.

Subd. 2. **Changes to space allocation.** No changes shall be made to the current amount and location of space in the Capitol building for the house of representatives, senate, Supreme Court, and constitutional officers, unless approved as follows:

(1) for space currently allocated to the house of representatives, by the chief clerk of the house of representatives;

(2) for space currently allocated to the senate, by the secretary of the senate;

(3) for space currently allocated to the judicial branch, by the court administrator; and

(4) for space currently allocated to the attorney general's office, by the attorney general.

Subd. 3. **Sequencing.** Construction work shall be sequenced to maintain occupancy in the house of representatives and senate chambers during regular legislative sessions, unless otherwise approved by the speaker of the house and the majority leader of the senate for respective chambers.

Subd. 4. **Duties of commissioner.** (a) By January 15, 2013, the commissioner of administration shall submit a space recommendation report to the majority leader of the senate, the speaker of the house, and the chairs of the legislative committees with primary jurisdiction over the Capitol Area Architectural and Planning Board. The

space recommendation report shall identify appropriate and required functions of the Capitol building and make recommendations to address space requirements for the tenants currently located in the Capitol building for the effective and efficient function of state government. In preparing the report, the commissioner shall consult with the Capitol Preservation Commission and representatives designated by the governor, the secretary of the senate, the chief clerk of the house of representatives, the director of the Minnesota Historical Society, and the state court administrator. Before the appropriations in subdivision 2, clauses (4) and (5), may be spent, the recommendations in the report must be approved by the governor, the secretary of the senate, and the chief clerk of the house of representatives.

(b) By July 15, 2013, the commissioner shall submit a report describing final plans and specifications for the restoration of the Capitol building to the majority leader of the senate, the speaker of the house, and to the chairs of the committees in the senate and house of representatives with primary jurisdiction over the Capitol Area Architectural and Planning Board. Before the appropriations in subdivision 2, clauses (4) and (5), may be spent, the plans and specifications must be approved by the governor, the secretary of the senate, and the chief clerk of the house of representatives.

(c) Notwithstanding sections 16C.05, subdivision 2, paragraph (b); and 16C.08, subdivision 3, clause (5), the commissioner of administration may enter into consultant and construction contracts on the Capitol restoration and repair project with a term of up to ten years.

(d) Notwithstanding section 16B.31, subdivision 2, the commissioner of administration may proceed with the Capitol restoration and repair project before obtaining an appropriation to complete the entire project.

(e) On or before December 1 of each year until final completion of the restoration project, the commissioner of administration shall submit in writing to the governor, chairs of the senate Finance and Capital Investment Committees, and chairs of the house of representatives Ways and Means and Capital Investment Committees the estimated annual amount needed for the restoration project for the upcoming fiscal year. The construction manager and the commissioner shall enter into a guaranteed maximum price contract. In the absence of an appropriation sufficient for the continued performance of work on an annual basis as determined by the commissioner of administration, the construction manager shall not be bound to complete the remaining work within the guaranteed maximum price in the contract.

(f) With the approval of the commissioner of administration, the construction manager may bid trade work in accordance with section 16C.34, subdivision 3, before the enactment of an appropriation sufficient to fully fund the trade work for completion of the full project described in the Comprehensive Master Plan. The construction manager shall enter into guaranteed maximum price contracts with subcontractors for the trade work. In the event the legislature fails to appropriate money sufficient for the continued performance of work on an annual basis as determined by the commissioner of administration, the subcontractors shall not be bound to complete the remaining work within the guaranteed maximum price in the contract. Contracts with subcontractors for trade work under this paragraph must include terms consistent with this paragraph.

Sec. 28. Minnesota Statutes 2010, section 16A.633, is amended by adding a subdivision to read:

Subd. 4. **Report on jobs created or retained.** By September 1 of each odd-numbered year, the commissioner must report to legislative committees with jurisdiction over capital investment on the jobs created or retained as a result of capital project funding by the state, whether with state general obligation bond proceeds or other state funding sources, during the previous biennium. Each state agency must provide the commissioner the information necessary, and must require its capital project grantees to provide the information necessary, for the commissioner to make the report. The report must include, but is not limited to, the following information: the number and types of jobs for each project, whether the jobs are new or retained, where the jobs are located, and pay ranges of the jobs. The Board of Regents of the University of Minnesota, the Board of Trustees of the Minnesota State Colleges and Universities, and each state agency receiving an appropriation for a capital project shall collect and provide the information at the time and in the manner required by the commissioner.

Sec. 29. Minnesota Statutes 2011 Supplement, section 16A.641, subdivision 7, is amended to read:

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. For the purpose of this subdivision, "proceeds of bonds" means and includes the principal amount of the bonds and any premium and accrued interest received on the sale of the bonds.

(b) Accrued interest received on sale of the bonds must be credited to the state bond fund created by the Constitution, article XI, section 7. Any premium received on the sale of the bonds on or prior to December 1, 2012, must be credited to the state bond fund. Any premium received on the sale of the bonds, except for refunding bonds, after December 1, 2012, must be credited to either the bond proceeds fund where it is used to reduce the par amount of the bonds issued or the state bond fund or used to reduce the par amount of the bond issue at the time of sale. Any premium received on the sale of the refunding bonds, after December 1, 2012, must be used or credited in accordance with paragraph (f).

(c) Except as otherwise provided by law, proceeds of state bonds issued under the Constitution, article XI, section 5, clause (a), must be credited to the bond proceeds fund established by 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 accounts in the bond proceeds fund or 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 either: (1) credited to the state bond fund as provided in section 16A.66, subdivision 1; or (2) in the case of premium received on the sale of the refunding bonds, used to reduce the par amount of the bond issue at the time of the bond sale.

(g) Proceeds of other bonds must be credited as provided in the law authorizing their issuance.

Sec. 30. Minnesota Statutes 2010, section 16A.641, subdivision 9, is amended to read:

Subd. 9. **Special accounts; appropriation.** (a) The commissioner 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 or, in the case of premium received on the sale of refunding bonds, as provided by subdivision 7, paragraph (f).

Sec. 31. Minnesota Statutes 2011 Supplement, section 16A.96, is amended by adding a subdivision to read:

Subd. 10. **Validation.** (a) Appropriation bonds issued under this section may be validated in the manner provided by this subdivision. If comparable appropriation bonds are judicially determined to be valid, nothing in this subdivision shall be construed to prevent sale or delivery of any appropriation bonds or notes after entry of a judgment of validation by the Minnesota Supreme Court as provided in this subdivision with respect to the appropriation bonds authorized under this section.

(b) Any appropriation bonds issued under this section that are validated shall be validated in the manner provided by this subdivision.

(c) The Minnesota Supreme Court shall have original jurisdiction to determine the validation of appropriation bonds and all matters connected with the issuance of the bonds.

(d) The commissioner may determine the commissioner's authority to issue appropriation bonds and the legality of all proceedings in connection with issuing bonds. For this purpose, a complaint shall be filed by the commissioner in the Minnesota Supreme Court against the state and the taxpayers and citizens.

(e) As a condition precedent to filing of a complaint for the validation of appropriation bonds, the commissioner shall take action providing for the issuance of appropriation bonds in accordance with law.

(f) The complaint shall set out the state's authority to issue appropriation bonds, the action or proceeding authorizing the issue and its adoption, all other essential proceedings had or taken in connection with issuing bonds, the amount of the appropriation bonds to be issued and the maximum interest they are to bear, and all other pertinent matters.

(g) The Minnesota Supreme Court shall issue an order directed against the state and taxpayers, citizens, and others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected by the bonds, allowing all persons, in general terms and without naming them, and the state through its attorney general to appear before the Minnesota Supreme Court at a designated time and place and show why the complaint should not be granted and the proceedings and appropriation bonds validated. A copy of the complaint and order shall be served on the attorney general at least 20 days before the time fixed for hearing. The attorney general shall examine the complaint, and, if it appears or there is reason to believe that it is defective, insufficient, or untrue, or if in the opinion of the attorney general the issuance of the appropriation bonds in question has not been duly authorized, defense shall be made by the attorney general as the attorney general deems appropriate.

(h) Before the date set for hearing, as directed by the Minnesota Supreme Court, either the clerk of the Minnesota Appellate Courts or the commissioner shall publish a copy of the order in a legal newspaper of general circulation in Ramsey County and the state, at least once each week for two consecutive weeks, commencing with the first publication, which shall not be less than 20 days before the date set for hearing. By this publication, all taxpayers, citizens, and others having or claiming any right, title, or interest in the state, are made parties defendant to the action and the Minnesota Supreme Court has jurisdiction of them to the same extent as if named as defendants in the complaint and personally served with process.

(i) Any taxpayer, citizen, or person interested may become a party to the action by moving against or pleading to the complaint at or before the time set for hearing. The Minnesota Supreme Court shall determine all questions of law and fact and make orders that will enable it to properly try and determine the action and render a final judgment within 30 days of the hearing with the least possible delay.

(j) If the judgment validates appropriation bonds, the judgment is forever conclusive as to all matters adjudicated and as against all parties affected and all others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected in any way by issuing the bonds, and the validity of appropriation bonds or of any revenues pledged for the payment of the bonds, or of the proceedings authorizing the issuance of the bonds, including any remedies provided for their collection, shall never be called in question in any court by any person or party.

(k)(1) Appropriation bonds, when validated under this section, shall have stamped or written on the bonds, by the proper officers of the state issuing them, a statement in substantially the following form: "This bond is one of a series of appropriation bonds, which were validated by judgment of the Supreme Court of the State of Minnesota, rendered on ....., (year) ....."

(2) A certified copy of the judgment or decree shall be received as evidence in any court in this state.

### Sec. 32. [16B.323] SOLAR ENERGY IN STATE BUILDINGS.

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

(b) "Made in Minnesota" means the manufacture in this state of:

(i) components of a solar thermal system certified by the Solar Rating and Certification Corporation; or

(ii) solar photovoltaic modules that:

(1) are manufactured at a manufacturing facility in Minnesota that is registered and authorized to manufacture those solar photovoltaic modules by Underwriters Laboratory, CSA International, Intertek, or an equivalent independent testing agency;

(2) bear certification marks from Underwriters Laboratory, CSA International, Intertek, or an equivalent independent testing agency; and

(3) meet the requirements of section 116C.7791, subdivision 3, paragraph (a), clauses (1), (5), and (6).

For the purposes of clause (ii), "manufactured" has the meaning given in section 116C.7791, subdivision 1, paragraph (b), clauses (1) and (2).

(c) "Major renovation" means a substantial addition to an existing building, or a substantial change to the interior configuration or the energy system of an existing building.

(d) "Solar energy system" means solar photovoltaic modules alone or installed in conjunction with a solar thermal system.

(e) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

(f) "Solar thermal system" has the meaning given "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e).

(g) "State building" means a building whose construction or renovation is paid wholly or in part by the state from the bond proceeds fund.

**Subd. 2. Solar energy system.** (a) As provided in paragraphs (b) to (e), a project for the construction or major renovation of a state building, after the completion of a cost-benefit analysis, may include installation of "Made in Minnesota" solar energy systems of 40 kilowatts capacity on, adjacent, or in proximity to the state building.

(b) The capacity of a solar system must be less than 40 kilowatts to the extent necessary to match the electrical load of the building or to the extent necessary to keep the costs for the installation below the five percent maximum set by paragraph (c).

(c) The cost of the solar system must not exceed five percent of the appropriations from the bond proceeds fund for the construction or renovation of the state building. Purchase and installation of a solar thermal system may account for no more than 25 percent of the cost of a solar system installation.

(d) The commissioner may exempt a major renovation of a state building from the requirements of this section if the commissioner finds that the structural soundness or other physical condition of the state building to be renovated makes the installation of a solar energy system infeasible.

(e) The commissioner may exempt appropriations for construction or major renovation of a state building authorized before June 30, 2012, from the requirements of this section if the commissioner determines that the installation of a solar energy system would require the redesign of program space or major building systems, but in no event shall more than 20 percent of the applicable projects be exempted under this paragraph.



(f) A project subject to this section is ineligible to receive a rebate for the installation of a solar energy system under section 116C.7791 or from any utility.

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

Sec. 33. **[116J.433] BUSINESS DEVELOPMENT THROUGH CAPITAL PROJECTS GRANT PROGRAM.**

Subdivision 1. **Creation of account.** A business development through capital projects account is created in the bond proceeds fund. Money in the account may only be used for capital costs for eligible projects and public infrastructure.

Subd. 2. **Definitions.** For purposes of this section:

(1) "local governmental unit" means a county, city, town, special district, public higher education institution, or other political subdivision or public corporation;

(2) "governing body" means the city council, board of county commissioners, town board of supervisors, board of trustees, board of regents, or other body charged with governing a political subdivision of the state;

(3) "public infrastructure" means publicly owned physical infrastructure in this state, including, but not limited to, wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure, streets, roads, bridges, and parking ramps; and

(4) "eligible project" means any project for which general obligation bonds of the state may be issued. Eligible projects must be capital projects for acquisition or improvement of publicly owned fixed assets having a useful life of at least ten years.

Subd. 3. **Grant program established.** The commissioner shall make competitive grants to local governmental units for eligible projects and public infrastructure required to support an eligible project, which may include: predesign, design, acquisition of land or buildings, construction, furnishing, and equipping a new or renovated building. The local government unit may employ or contract with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, or construction manager with respect to all or any part of an eligible project and related public infrastructure. The local government unit may deliver the eligible project and related public infrastructure through either a design-build or construction manager at-risk method. To the extent practicable and at the discretion of the local government unit, the local government unit may have rights and exercise powers with respect to the acquisition, construction, use, and operation of an eligible project, as are granted under section 473.756. No consent or approval of another political subdivision is required for the effectiveness or the exercise by a local government unit of the rights or powers.

Subd. 4. **Application.** (a) A local governmental unit must apply to the commissioner for a grant under this section. At a minimum, a local governmental unit must include the following information in its application:

(1) a resolution of its governing body certifying that the money required to be supplied by the local governmental unit to complete the project is available and committed;

(2) a detailed estimate, along with necessary supporting evidence, of the total costs of the eligible project;

(3) an assessment of the potential or likely use of the site for innovative business activities after completion of the eligible project;

(4) a timeline indicating the major milestones for the eligible project, including anticipated completion dates;

(5) an estimate of the operating costs for the project for ten years following completion; and

(6) any additional information or material the commissioner prescribes.

(b) The determination of whether to make a grant under subdivision 3 is within the discretion of the commissioner, subject to this section.

Subd. 5. **Match.** An amount granted under this program must be matched with at least an equal amount from nonstate sources. Any contribution to a project from nonstate sources made before a grant award is made under this section shall count towards the match requirement.

Subd. 6. **Priorities.** (a) If applications for grants exceed the available appropriation, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. In making this judgment, the commissioner shall evaluate and prioritize eligible projects on the following characteristics:

(1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;

(2) improvement in the quality of existing jobs, based on increases in wages or improvements in the job duties, training, or education associated with those jobs;

(3) increase in the local tax base, based on demonstrated measurable outcomes;

(4) demonstration that investment of public dollars in the project will induce private investment;

(5) whether the project provides necessary repair or replacement of existing capital assets;

(6) whether the project reduces operating expenses of or increases revenue from existing capital asset, thereby offsetting at least a portion of project costs;

(7) whether the project provides health or safety benefits;

(8) the number of residents served by or who will benefit from the project;

(9) demonstration of local support;

(10) the capacity of the project to attract revenue from out of state; and

(11) objective cost benefit analysis and return on investment.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. In prioritizing projects, the commissioner shall make an appropriate balance between the metropolitan area and greater Minnesota.

Subd. 7. **Sunset.** This section expires June 30, 2016.

Sec. 34. **[116J.436] TRANSPORTATION ECONOMIC DEVELOPMENT INFRASTRUCTURE PROGRAM.**

Subdivision 1. Grant program established; purpose. The transportation economic development infrastructure program is created to foster interagency coordination between the Departments of Transportation and Employment and Economic Development to finance infrastructure to create economic development opportunities, jobs, and improve all types of transportation systems statewide.

Subd. 2. Eligible projects. Funds appropriated for the program must be used to fund predesign, design, acquisition of land, construction, reconstruction, and infrastructure improvements that will promote economic development, increase employment, and improve transportation systems to accommodate private investment and job creation.

Subd. 3. Trunk highway projects. Money in the program shall not be used on trunk highway improvements, but can be used for needed infrastructure improvements and nontrunk highway improvements in coordination with trunk highway improvement projects undertaken by the Department of Transportation.

Subd. 4. Application. The commissioners of transportation and employment and economic development shall design an application process and selection process to distribute funding to local units of government for publicly owned infrastructure using criteria that take into account: job creation; increase in local tax base; level of private investment; leverage of nonstate funds; improvement to the transportation system to serve the project area; and appropriate geographic balance between the metropolitan area and greater Minnesota.

Sec. 35. Minnesota Statutes 2010, section 462A.21, is amended by adding a subdivision to read:

Subd. 33. Housing infrastructure bonds account. The agency may establish a housing infrastructure bond account as a separate account within the housing development fund. Proceeds of housing infrastructure bonds and payments made by the state under section 462A.37 may be credited to the account. The agency may transfer the proceeds of housing infrastructure bonds to other accounts within the housing development fund that it determines appropriate to accomplish the purposes for which the bonds are authorized under section 462A.37.

Sec. 36. **[462A.37] HOUSING INFRASTRUCTURE BONDS; AUTHORIZATION; STANDING APPROPRIATION.**

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

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

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

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

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

(f) "Housing infrastructure bonds" means bonds issued by the agency under chapter 462A that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal Revenue Code, or are tax-exempt bonds that are not private activity bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.

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

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

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

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

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

(3) to finance that portion of the costs of acquisition of abandoned or foreclosed property that is attributable to the land to be leased by community land trusts to low- and moderate-income homebuyers; and

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

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for individuals or families who: (1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or (2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

Subd. 3. **No full faith and credit.** The housing infrastructure bonds are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged to the payment of the housing infrastructure bonds or to any payment that the state agrees to make under this section. The bonds must contain a conspicuous statement to that effect.

Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure bonds issued under subdivision 2 remain outstanding, the commissioner of management and budget must transfer to the affordable housing bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,200,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

Sec. 37. Laws 2006, chapter 258, section 7, subdivision 23, as amended by Laws 2010, chapter 399, section 2, is amended to read:

Subd. 23. **Trail connections**

2,010,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4c.

\$500,000 is for a grant to Carlton County to predesign, design, and construct a nonmotorized pedestrian trail connection to the Willard Munger State Trail from the city of Carlton through the city of Scanlon continuing to the city of Cloquet, along the St. Louis River in Carlton County.

\$260,000 is to provide the state match for the cost of the Soo Line Multiuse Recreational Bridge project over marked Trunk Highway 169 in Mille Lacs County.

\$175,000 is for a grant to the city of Bowlus in Morrison County to design, construct, furnish, and equip a trailhead center at the head of the Soo Line Recreational Trail.

\$125,000 is for a grant to Morrison County to predesign, design, construct, furnish, and equip a park-and-ride lot and restroom building adjacent to the Soo Line Recreational Trail at U.S. Highway 10.

\$950,000 is for a grant to the St. Louis and Lake Counties Regional Railroad Authority for land acquisition, engineering, construction, furnishing, and equipping of a ~~19-mile "Boundary Waters Connection"~~ of the Mesabi Trail from Bearhead State Park to the International Wolf Center in Ely. ~~This appropriation is contingent upon a matching contribution of \$950,000 from other sources, public or private segment of the Mesabi Trail from County Road 697 in~~

Breitung Township east through Vermilion State Park. Notwithstanding Minnesota Statutes, section 85.019, no local match shall be required for this grant. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2014.

Sec. 38. Laws 2006, chapter 258, section 17, subdivision 3, is amended to read:

**Subd. 3. Cedar Avenue Bus Rapid Transit (BRT)**

5,000,000

To the Metropolitan Council or to the council to grant to Dakota County, the Dakota County Regional Railroad Authority, or the Minnesota Valley Transit Authority for environmental studies, preliminary engineering, bus lane improvements, and transit station construction and improvements in the Cedar Avenue Bus Rapid Transit Corridor.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

**EFFECTIVE DATE.** This section is effective retroactively from June 2, 2006.

Sec. 39. Laws 2008, chapter 179, section 7, subdivision 27, as amended by Laws 2010, chapter 189, section 56, and Laws 2010, chapter 399, section 4, is amended to read:

**Subd. 27. State Trail Acquisition, Rehabilitation, and Development**

15,320,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

\$970,000 is for the Chester Woods Trail from Rochester to Dover. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2016.

\$700,000 is for the Casey Jones Trail.

\$750,000 is for the Gateway Trail, to replace an at-grade crossing of the Gateway Trail

at Highway 120 with a grade-separated crossing.

\$1,600,000 is for the Gitchi-Gami Trail between Silver Bay and Tettegouche State Park.

\$1,500,000 is for the Great River Ridge Trail from Plainview to Elgin to Eyota.

\$1,500,000 is for the Heartland Trail.

\$500,000 is for the Mill Towns Trail from Lake Byllesby Park to Cannon Falls. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

\$150,000 is for the Mill Towns Trail within the city of Faribault.

\$1,500,000 is for the Minnesota River Trail from Appleton to Milan and to the Marsh Lake Dam. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

\$2,000,000 is for the Paul Bunyan Trail from Walker to Guthrie.

\$250,000 is for the Root River Trail from Preston to Forestville State Park.

\$100,000 is for the Root River Trail, the eastern extension.

\$250,000 is for the Root River Trail, the eastern extension Wagon Wheel.

\$550,000 is to connect the Stagecoach Trail with the Douglas Trail in Olmsted County. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2014.

\$3,000,000 is to rehabilitate state trails.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project in this subdivision. The chairs of the house

and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Sec. 40. Laws 2008, chapter 179, section 17, subdivision 4, is amended to read:

**Subd. 4. Cedar Avenue Bus Rapid Transit**

4,000,000

To the Metropolitan Council or to the Council to grant to Dakota County, the Dakota County Regional Railroad Authority, or the Minnesota Valley Transit Authority to acquire land, or an interest in land, and to for design, environmental studies, preliminary engineering, bus lane improvements, layover and maintenance facilities, and transit station construction and improvements in the Cedar Avenue Bus Rapid Transit corridor in Dakota County. This appropriation may not be spent for capital improvements within a trunk highway right-of-way. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 3.

**EFFECTIVE DATE.** This section is effective retroactively from April 8, 2008.

Sec. 41. Laws 2008, chapter 179, section 18, subdivision 3, as amended by Laws 2011, First Special Session chapter 12, section 32, is amended to read:

**Subd. 3. Systemwide Campus Redevelopment, Reuse, or Demolition**

3,400,000

To demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses. These projects must facilitate the redevelopment or reuse of these campuses consistent with redevelopment plan concepts developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision. Unspent portions of this appropriation may



be used to design, construct, furnish, and equip a maintenance and storage facility to support the maintenance and operation of the Brainerd campus if the commissioner determines that it is less expensive than renovating existing space. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

Up to \$125,000 is for preparation and site development, including demolition of buildings and infrastructure, to implement the redevelopment and reuse of the Ah Gwah Ching Regional Treatment Center. This amount may be granted to Cass County for the purposes stated in this subdivision. If the campus is sold or transferred by Cass County to the city of Walker, unspent portions of this appropriation may be granted to the city of Walker for the purposes stated in this subdivision.

Sec. 42. Laws 2008, chapter 179, section 19, subdivision 4, as amended by Laws 2011, First Special Session chapter 12, section 34, is amended to read:

**Subd. 4. Minneapolis Veterans Home Campus**

**Building 17 HVAC Replacement**

1,155,000

To predesign, design, and construct improvements to heating, ventilation, air conditioning, and lighting systems and associated areas serving the south wing of Building 17. Any unspent funds from this appropriation may be used for the purposes provided under Laws 2010, chapter 189, section 19, subdivision 4, as amended by Laws 2010, chapter 399, section 8, and Laws 2011, First Special Session chapter 12, section 46.

Sec. 43. Laws 2008, chapter 179, section 21, subdivision 15, as amended by Laws 2008, chapter 365, section 22, and Laws 2008, chapter 370, section 6, is amended to read:

**Subd. 15. St. Cloud State University - National Hockey Center; HEAPR**

6,500,000

To the Board of Trustees of the Minnesota State Colleges and Universities to predesign, design, construct, furnish, and equip the renovation of and addition to the National Hockey Center or for higher education asset preservation and replacement (HEAPR) pursuant to Minnesota Statutes, section 135A.046, at St. Cloud State University or systemwide. The board may use university and nonstate money for the remainder of the cost of the construction of the National Hockey Center project. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds in this subdivision are available until June 30, 2016.

Sec. 44. Laws 2009, chapter 93, article 1, section 12, subdivision 2, is amended to read:

**Subd. 2. Transit Capital Improvement Program**

21,000,000

(a) To the Metropolitan Council. \$8,500,000 is for the state's share of costs for the Central Corridor light rail line for one or more of the following activities: preliminary engineering, final design, property acquisition, including improvements and betterments of a capital nature, relocation of utilities owned by public entities, and construction.

(b) Any remaining money from this appropriation is to implement one or more of the following capital improvements, which are not listed in a ranked order of priority. The council shall determine project priorities after consultation with the Counties Transit Improvement Board, and other stakeholders, as appropriate. The council shall seek geographic balance in the allotment of this appropriation where possible and maximize the use of all available federal money from the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and any other available federal money.

(1) Bottineau Boulevard Transit Way

For a grant to the Hennepin County Regional Railroad Authority for environmental work for Bottineau Transit Way corridor from the

Hiawatha light rail and Northstar intermodal transit station in downtown Minneapolis to the vicinity of the Target development in northern Brooklyn Park or the Arbor Lakes retail area in Maple Grove.

(2) Cedar Avenue Bus Rapid Transit

To the Metropolitan Council or to the council for a grant to ~~Dakota County,~~ the Dakota County Regional ~~Rail~~ Railroad Authority, or the Minnesota Valley Transit Authority to acquire real property ~~and construct,~~ for preliminary engineering, and to design and construct transit stations, layover and maintenance facilities, and roadway improvements for shoulder running bus lanes on County State-Aid Highway 23 in Apple Valley and Lakeville for the Cedar Avenue Bus Rapid Transit Way (BRT) in Dakota County.

(3) I-94 Corridor Transit Way

(i) For a grant to Washington County Regional Rail Authority for environmental work and preliminary engineering of transportation and transit improvements, including busways, park-and-rides, or rail transit, in the marked Interstate Highway 94 corridor.

(ii) To acquire property and construct transportation and transit improvements, including busways, park-and-rides, or rail transit, in the marked Interstate Highway 94 corridor.

(4) Red Rock Corridor Transit Way

To design, construct, and furnish park-and-ride lots for the Red Rock Corridor Transit Way between Hastings and Minneapolis via St. Paul, and any extension between Hastings and Red Wing.

(5) Riverview Corridor Transit Way

For a grant to the Ramsey County Regional Railroad Authority for environmental work and preliminary engineering for bus rapid

transit in the Riverview corridor between the east side of St. Paul and the Minneapolis-St. Paul International Airport and the Mall of America.

(6) Robert Street Corridor Transit Way

To design and construct new passenger shelters and a bus layover facility, including rest rooms, break areas, and a passenger shelter, in the Robert Street Corridor Transit Way along or parallel to U.S. Highway 52 and Robert Street from within the city of St. Paul to Dakota County Road 42 in Rosemount.

(7) Rush Line Corridor Transit Way

For a grant to the Ramsey County Regional Railroad Authority to acquire land for, design, and construct park-and-ride or park-and-pool lots located along the Rush Line Corridor along I-35E/I-35 and Highway 61 from the Union Depot in downtown St. Paul to Hinckley.

(8) Southwest Corridor Transit Way

To prepare an environmental impact statement (EIS) and for preliminary engineering for the Southwest Transit Way Corridor, from the Hiawatha light rail in downtown Minneapolis to the vicinity of the Southwest Station transit hub in Eden Prairie. The Metropolitan Council may grant a portion of this appropriation to the Hennepin County Regional Railroad Authority for the EIS work.

(9) Union Depot

For a grant to the Ramsey County Regional Railroad Authority to acquire land and structures, to renovate structures, and for design, engineering, and construction to revitalize Union Depot for use as a multimodal transit center in St. Paul. The center must be designed so that it facilitates a potential future connection of high-speed rail to Minneapolis.

(c) Of this amount, \$313,000 is for preliminary engineering and final design for betterments in the State Capitol area related to the Central Corridor light rail transit project. This money is not included in the Central Corridor light rail transit project budget.

**EFFECTIVE DATE.** This section is effective retroactively from May 17, 2009.

Sec. 45. Laws 2010, chapter 189, section 18, subdivision 5, is amended to read:

**Subd. 5. Minnesota Sex Offender Program  
Treatment Facilities - Moose Lake**

47,500,000

To complete design for and to construct, furnish, and equip phase 2 of the Minnesota sex offender treatment program at Moose Lake. Upon substantial completion of this project, the unspent portion of this appropriation is available for asset preservation projects for the Moose Lake campus of the Minnesota sex offender program, including design and construction of a replacement water tower, abatement of hazardous materials, and the demolition of the existing water tower serving the Moose Lake sex offender program and the Department of Corrections Moose Lake facility. The water tower project must be cost-shared with the Department of Corrections.

Sec. 46. Laws 2010, chapter 189, section 24, subdivision 3, is amended to read:

**Subd. 3. County and Local Preservation  
Grants**

1,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

~~\$150,000 is for a grant to the city of South St. Paul to renovate the historically significant 1941 Navy Hangar at 310 Airport Road at Fleming Field in the city to meet life safety and building code requirements, subject to Minnesota Statutes, section 16A.695. No local match is required for this grant.~~

Sec. 47. Laws 2011, First Special Session chapter 12, section 3, subdivision 7, is amended to read:

**Subd. 7. Normandale Community College**

**Academic Partnership Center and Student Services**

21,984,000

To design, construct, furnish, and equip a new building for classrooms and offices ~~and to design, construct, furnish, and equip the renovation of the Student Services Building.~~

Sec. 48. Laws 2011, First Special Session chapter 12, section 3, subdivision 8, is amended to read:

**Subd. 8. NHED Mesabi Range Community and Technical College, Virginia**

**Iron Range Engineering Program Facilities**

3,000,000

To predesign, design, construct, furnish, and equip an addition to and renovation of existing space for the Iron Range engineering program, including laboratory spaces, other learning spaces, and improvements to the entrance, ~~and to acquire a privately owned housing facility on the campus.~~

Sec. 49. Laws 2011, First Special Session chapter 12, section 14, subdivision 2, is amended to read:

**Subd. 2. Transit Capital Improvement Program**

20,000,000

To the Metropolitan Council or for the Council to grant to Anoka County Regional Railroad Authority, Dakota County, Dakota County Regional Railroad Authority, Hennepin County, Hennepin County Regional Railroad Authority, Minnesota Valley Transit Authority, Ramsey County Regional Railroad Authority, or Washington County Regional Railroad Authority to perform environmental studies, preliminary engineering, acquire property or an interest in property, design or construct transitway facilities and infrastructure, including roadways, for the following transitway projects: Northstar Ramsey station,

Gateway (I-94 East) corridor, Minneapolis Interchange facility, Red Rock corridor, Newport park-and-ride and station, Rush Line corridor, Robert Street corridor, 35W South Bus Rapid Transit, and Cedar Avenue Bus Rapid Transit.

Sec. 50. Laws 2011, First Special Session chapter 12, section 19, is amended to read:

Sec. 19. **PUBLIC FACILITIES AUTHORITY** § **20,000,000**

**Wastewater Infrastructure Funding Program**

To the Public Facilities Authority for grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

Notwithstanding the criteria and requirements of Minnesota Statutes, section 446A.072, up to \$1,000,000 of this appropriation is for a grant to the city of Albert Lea to design, construct, and equip water and sewer utilities in the area of Broadway Avenue and Main Street. This project may include demolition of deteriorating concrete curbs, gutters, sidewalks, and streets above the utilities, and the construction costs to replace and rehabilitate the infrastructure.

Sec. 51. Laws 2011, First Special Session chapter 12, section 22, is amended to read:

Sec. 22. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2013, no more than ~~\$1,200,858,000~~ \$1,088,452,000 will need to be transferred ~~from the general fund~~ to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. Of the amount transferred, \$452,708,000 is from the general fund and \$635,745,000 is from the tobacco settlement bond proceeds fund. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 52. **LAKE SUPERIOR-POPLAR RIVER WATER DISTRICT.**

Subdivision 1. Establishment. The Lake Superior-Poplar River Water District is created as a municipal corporation, having the powers provided under Minnesota Statutes,

chapters 110A; 429, notwithstanding any provision of chapter 110A to the contrary; and 444. Notwithstanding any law to the contrary, the district shall not have the power to issue general obligation bonds. Minnesota Statutes, sections 110A.04, 110A.07, and 110A.09 to 110A.18, shall not apply to the district or to the board created by this act.

Subd. 2. **Definitions.** For purposes of applying Minnesota Statutes, chapter 110A, to this act, "works" and "systems" shall include irrigation purposes, "court" is deemed to refer to the board of county commissioners; and "secretary of state" is deemed to refer to the county auditor.

Subd. 3. **Territory included in district.** The territory of the district shall include all lands within Sections 20, 21, 28, 29, 32, and 33 of Township 60 North, Range 3 West of the Fourth Principal Meridian. Additional territory may be added as provided in Minnesota Statutes, sections 110A.19 to 110A.22.

Subd. 4. **Payment of costs.** No person shall be obligated to purchase or be entitled to receive water from the district unless that person is a party to a contract to purchase water from the district. Excluding any initial capital investment funded by the state, all capital and operating expenses of the district shall be paid by the users in proportion to their use of water. The cost of distribution lines: (1) departing from the main water pipe from Lake Superior to the domestic water treatment plant to any user; or (2) from the water treatment plant to any user, shall be paid for by the user of the water either at the time of installation or by user charges that allow the district to recoup the full cost of the distribution lines and the cost of financing. Subject to this subdivision and the availability of water under any applicable permit with a state or federal agency, any owner of land within the district may contract with the district for the purchase of water.

Subd. 5. **Board of directors; elections.** (a) The district shall be governed by a board of directors which shall have not less than three nor more than 13 members. The district's initial directors shall be appointed by the Cook County Board of Commissioners, with one director representing the domestic water users to serve for three years; up to two directors representing the irrigation water users, one to serve for two years and one to serve for three years; and up to two directors representing the commercial, stock watering, and industrial users, one to serve for one year and one to serve for two years.

(b) The district's establishment shall take effect upon the Cook County Board of Commissioners' appointment of the initial directors. The initial directors shall meet for the purposes of organization within 30 days of their appointment. Thereafter, except as otherwise provided in this subdivision, directors shall be elected in accordance with Minnesota Statutes, section 110A.24, from election divisions comprised of domestic water users; irrigation water users, and commercial, stock watering, and industrial users. Each use classification shall be entitled to elect one director, plus one additional director if its expected water usage for the following fiscal year exceeds ten percent of total water usage. Each water user within each use classification shall be entitled to cast one vote for each one percent of expected water usage for the following fiscal year. A homeowner's association shall vote on behalf of its members if duly authorized by appropriate action by the association's members. Prior to each election, the board of directors shall determine the use classifications entitled to vote, the expected water use percentage of each user and of use classification for the following fiscal year, and the number of directors each such use classification is entitled to elect. The elections shall be conducted and supervised by the board of directors and ratified by the Cook County Board of Commissioners.



Subd. 6. **Termination of appropriation of water from Poplar River.** Notwithstanding any law to the contrary, 30 days after the works and systems to transport water from Lake Superior to Lutsen Mountains Corporation's snowmaking systems first become fully permitted and operational, the water district shall notify the commissioner of natural resources and all permits issued by the Department of Natural Resources to Lutsen Mountains Corporation to use or appropriate water from the Poplar River shall terminate. For the purposes of section 54, paragraph (b), the commissioner of natural resources shall notify the revisor of statutes in writing when the permits have been terminated.

**EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after the governing body of Cook County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 53. **ACQUISITIONS FOR CANISTEO PROJECT.**

The commissioner of natural resources shall acquire, without undue delay, the land or interests in land that are needed to construct a conveyance system and other betterments to accommodate the water level and outflow of water level from the Canisteo mine pit. The commissioner may acquire the land or interests in land by eminent domain, including use of the possession procedures under Minnesota Statutes, section 117.042.

Sec. 54. **REPEALER.**

(a) Minnesota Rules, part 8895.0700, subpart 1, is repealed.

(b) Laws 2011, chapter 107, section 101, is repealed effective the day the permits have been terminated under section 52, subdivision 6. The commissioner of natural resources shall notify the revisor of statutes in writing when the permits have been terminated.

Sec. 55. **EFFECTIVE DATE.**

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

Presented to the governor May 9, 2012

Signed by the governor May 11, 2012, 12:59 p.m.