

CHAPTER 1—H.F.No. 1

An act relating to disaster assistance; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale and issuance of state bonds; providing flood loss aid and property tax relief; transferring and cancelling prior appropriations; appropriating money for flood and windstorm relief; amending Minnesota Statutes 2010, sections 12A.07, by adding a subdivision; 12A.09, by adding a subdivision; 116J.8731, by adding subdivisions; Minnesota Statutes 2011 Supplement, section 12A.07, subdivision 2; Laws 2009, chapter 172, article 4, section 2, subdivision 5; Laws 2011, First Special Session chapter 6, article 4, section 2, subdivision 6.

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

ARTICLE 1**FLOOD DISASTER RELIEF**Section 1. **DISASTER RELIEF APPROPRIATION SUMMARY.**

The amounts shown in this section summarize direct appropriations made in this article.

SUMMARY

<u>Public Safety</u>	\$	<u>25,975,000</u>
<u>Transportation</u>		<u>79,000,000</u>
<u>Employment and Economic Development</u>		<u>15,000,000</u>
<u>Public Facilities Authority</u>		<u>6,000,000</u>
<u>Housing Finance</u>		<u>12,720,000</u>
<u>Historical Society</u>		<u>250,000</u>
<u>Natural Resources</u>		<u>18,855,000</u>
<u>Board of Water and Soil Resources</u>		<u>12,500,000</u>
<u>Agriculture</u>		<u>600,000</u>
<u>Education</u>		<u>761,000</u>
<u>Health</u>		<u>565,000</u>
<u>Bond Sale Expenses</u>		<u>101,000</u>
<u>Transfers, Reductions, and Cancellations</u>		<u>(12,671,000)</u>
<u>TOTAL</u>	\$	<u>159,656,000</u>

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<u>General Fund</u>	<u>67,586,000</u>
<u>Bond Proceeds Fund</u>	<u>25,701,000</u>
<u>State Transportation Fund</u>	<u>30,000,000</u>
<u>Trunk Highway Fund</u>	<u>14,000,000</u>
<u>Trunk Highway Fund Bond Proceeds Account</u>	<u>35,040,000</u>
<u>Transfers, Reductions, and Cancellations</u>	<u>(12,671,000)</u>

Sec. 2. **DISASTER RELIEF APPROPRIATIONS.**

Subdivision 1. Appropriations. The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund to be spent to acquire and to better publicly owned land and buildings and other public improvements of a capital nature, and from other named funds, for relief as specified in this article from the storms and flooding that occurred on or after June 14, 2012, in the area in Minnesota designated under Presidential Declaration of a Major Disaster FEMA-4069-DR, whether included in the original declarations or added later by federal government action, referred to in this article as "the area included in DR-4069." The flooding that resulted from storms that occurred June 14 through June 21, 2012, is referred to as "the floods" in sections 19 to 22. 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 included in this article are available through June 30, 2015, except that appropriations of bond proceeds for capital improvements are available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642. The appropriations in this article are onetime.

Subd. 2. Transfers. Money appropriated under this article may be transferred as provided in Minnesota Statutes, section 12A.03, subdivision 5.

APPROPRIATIONSSec. 3. **PUBLIC SAFETY**

Subdivision 1. Total Appropriation \$ 25,975,000

Appropriations by Fund

<u>General</u>	<u>23,690,000</u>
<u>Bond Proceeds</u>	<u>2,285,000</u>

To the commissioner of public safety for the purposes specified in Minnesota Statutes, section 12A.15. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. State Match for Public Assistance 24,975,000

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The appropriation of \$22,690,000 from the general fund under Minnesota Statutes, section 12A.15, subdivision 1, is available to fund 100 percent of the match obligations for eligible applicants incurred through the receipt of federal disaster assistance.

The appropriation of \$2,285,000 from the bond proceeds fund under Minnesota Statutes, section 12A.15, subdivision 1, is available to fund 100 percent of the state and local match obligations for publicly owned capital improvement projects incurred through the receipt of federal disaster assistance.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriation in this subdivision does not lapse.

Subd. 3. Grants for Debris Removal and Burial**500,000**

For grants to counties for costs related to the burial and removal of debris for residences and farms, as specified in Minnesota Statutes, section 12A.15, subdivision 2. This appropriation is from the general fund.

Subd. 4. Long-term Recovery Assistance**500,000**

To provide technical assistance and grants for coordination of long-term recovery as specified in Minnesota Statutes, section 12A.15, subdivision 2a. This appropriation is from the general fund.

Sec. 4. TRANSPORTATION**Subdivision 1. Total Appropriation****\$ 79,000,000****Appropriations by Fund****Trunk Highway**

<u>Fund</u>	<u>14,000,000</u>
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Trunk Highway

<u>Fund Bond Proceeds</u>	
<u>Account</u>	<u>35,000,000</u>

State Transportation

<u>Fund</u>	<u>30,000,000</u>
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To the commissioner of transportation for the purposes specified in Minnesota Statutes, section 12A.16. The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. Transportation Infrastructure
Operation and Maintenance**

3,000,000

From the trunk highway fund, for the purposes specified in Minnesota Statutes, section 12A.16, subdivision 1. This is in addition to the appropriation made in Laws 2011, First Special Session chapter 3, article 1, section 3, subdivision 3, paragraph (a).

Subd. 3. Program Planning and Delivery

11,000,000

From the trunk highway fund for the purposes stated in Minnesota Statutes, section 12A.16, subdivision 2. This is in addition to the appropriation made in Laws 2011, First Special Session chapter 3, article 1, section 3, subdivision 3, paragraph (b).

Subd. 4. State Trunk Highways and Bridges

35,000,000

From the bond proceeds account in the trunk highway fund for the purposes specified in Minnesota Statutes, section 12A.16, subdivision 2.

Subd. 5. Local Road and Bridge Reconstruction

30,000,000

From the bond proceeds account in the state transportation fund for grants under Minnesota Statutes, sections 12A.16, subdivision 3, and 174.50, to local governments in the area included in DR-4069.

**Sec. 5. EMPLOYMENT AND ECONOMIC
DEVELOPMENT**

\$

15,000,000

Minnesota Investment Fund

From the general fund to the commissioner of employment and economic development for Minnesota investment fund grants under Minnesota Statutes, section 12A.07.

Before any grants under this section are awarded to a local unit of government, the commissioner of employment and economic development shall report to the chairs and ranking minority members of the senate Finance Committee and house of representatives Ways and Means Committee the criteria and requirements to be used by local units of government in the grant or loan programs they will administer. All business loan agreements must be executed by December 31, 2013. Any uncommitted balance remaining must be transferred to the general fund.

Sec. 6. **PUBLIC FACILITIES AUTHORITY**

\$ 6,000,000

Disaster Relief Facilities Grants

To the Public Facilities Authority from the bond proceeds fund for grants under Minnesota Statutes, section 12A.14.

Sec. 7. **HOUSING FINANCE**

Subdivision 1. **Total Appropriation**

\$ 12,720,000

To the Housing Finance Agency for the purposes specified in the following subdivisions.

Subd. 2. **Economic Development and Housing Challenge Program**

12,220,000

From the general fund for transfer to the housing development fund for the economic development and housing challenge program under Minnesota Statutes, section 462A.33, for assistance in the area included in DR-4069, as provided in Minnesota Statutes, section 12A.09. The maximum loan amount per housing structure is \$30,000. Within the limits of available appropriations, the agency may increase the maximum amount if the cost of repair or replacement of the residential property exceeds the total of the maximum loan amount and any assistance available from FEMA, other federal government agencies including the

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Small Business Administration, and private insurance and flood insurance benefits.

Subd. 3. Capacity Building Grants

250,000

From the general fund for transfer to the housing development fund for the capacity building grant program under Minnesota Statutes, section 462A.21, subdivision 3. To provide capacity for local units of government and nonprofit organizations to develop and implement disaster recovery plans in the area included in DR-4069 and as provided under Minnesota Statutes, section 12A.09.

Subd. 4. Family Homeless Prevention and Assistance

250,000

From the general fund for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204, for assistance in the area included in DR-4069, in counties for which Small Business Administration assistance to homeowners is available. For assistance under this subdivision, the requirements of Minnesota Statutes, section 12A.03, subdivisions 2 to 5, apply.

Sec. 8. MINNESOTA HISTORICAL SOCIETY

\$

250,000

To the Minnesota Historical Society for activities under Minnesota Statutes, section 12A.11. This appropriation is from the general fund.

Sec. 9. NATURAL RESOURCES

Subdivision 1. Total appropriation

\$

18,855,000

Appropriations by Fund

<u>General</u>	<u>3,000,000</u>
<u>Bond Proceeds</u>	<u>15,855,000</u>

To the commissioner of natural resources for the purposes specified in Minnesota Statutes, section 12A.12. The amounts that may be

spent for each purpose are specified in the following subdivisions.

Subd. 2. Facility and Natural Resource Damage

6,855,000

From the bond proceeds fund for the purposes specified in Minnesota Statutes, section 12A.12, subdivision 1.

Subd. 3. Flood Hazard Mitigation Grants

10,000,000

For the purposes specified in Minnesota Statutes, section 12A.12, subdivision 2. Funds may be used to acquire or relocate structures damaged or threatened by the impacts resulting from the rain storm and are also available for the local share of acquisition and relocation flood mitigation projects. Of this appropriation, \$9,000,000 is from the bond proceeds fund and \$1,000,000 is from the general fund.

Subd. 4. Debris Removal; Public Waters

2,000,000

For expenditures and grants for the purposes of Minnesota Statutes, section 12A.12, subdivision 3. This includes removal of flood debris and sediment. This appropriation is from the general fund.

Subd. 5. Grant Extension

Any existing state grant agreement of the commissioner of natural resources in the disaster area may be extended for up to two years.

Sec. 10. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. Total Appropriation

\$ 12,500,000

To the Board of Water and Soil Resources for the purposes specified in Minnesota Statutes, section 12A.05. The appropriations in this section do not lapse, notwithstanding the provisions of Minnesota Statutes, section 16A.28. The amounts that may be spent for

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each purpose are specified in the following subdivisions.

Subd. 2. Reinvest in Minnesota (RIM)
Conservation Easements

1,500,000

From the bond proceeds fund for the purposes specified in Minnesota Statutes, section 12A.05, subdivision 1, in the area included in DR-4069. The duration of the easements shall be perpetual.

Subd. 3. Erosion, Sediment, and Water Quality
Control Cost-Share Program

11,000,000

From the general fund for the purposes specified in Minnesota Statutes, section 12A.05, subdivision 2, in the area included in DR-4069. Priority use of these funds shall be to supplement or match federal funds whenever possible and practical.

Wetland conservation procedures. For projects funded in this section, the board may develop alternative standards and procedures for Minnesota Statutes, sections 103G.222 to 103G.2242, that may be used temporarily by local government units to address emergency situations or disaster recovery efforts in the area included in DR-4069.

Sec. 11. AGRICULTURE

\$ 600,000

To the commissioner of agriculture for the purposes specified in Minnesota Statutes, section 12A.04. This appropriation is from the general fund.

Sec. 12. EDUCATION

Subdivision 1. Total Appropriation

\$ 761,000

From the general fund to the commissioner of education for additional costs and loss of pupil units in the area included in DR-4069. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Disaster Enrollment Impact Aid

61,000

For disaster enrollment impact aid under Minnesota Statutes, section 12A.06, subdivision 1, calculated at a rate of \$5,224 per adjusted pupil unit lost during fiscal year 2013.

Subd. 3. Disaster Relief Facilities Grants

700,000

For disaster relief facilities grants under Minnesota Statutes, section 12A.06, subdivision 2.

Sec. 13. HEALTH

\$

565,000

To the commissioner of health for public health activities under Minnesota Statutes, section 12A.08. This appropriation is from the general fund.

Sec. 14. POLLUTION CONTROL AGENCY

Consistent with Minnesota Statutes, section 12A.13, the commissioner may use the petroleum tank release cleanup fund at an estimated cost of \$100,000 to safely rehabilitate buildings if a portion of the rehabilitation cost is attributable to petroleum contamination or to buy out property substantially damaged by a petroleum tank release.

Sec. 15. BOND SALE EXPENSES

\$

101,000

(a) \$61,000 is from the bond proceeds fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

(b) \$40,000 is from the bond proceeds account in the trunk highway fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 167.50, subdivision 4.

Sec. 16. BOND SALE AUTHORIZATIONS.

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this article from the bond proceeds fund, the commissioner of management and budget, at the request of the commissioner of public safety, shall sell and issue bonds of the state in an amount up to \$25,701,000 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.

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Subd. 2. **Transportation fund.** To provide the money appropriated in this article from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$30,000,000 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.

Subd. 3. **Trunk highway fund bond proceeds account.** To provide the money appropriated in this act from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$35,040,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

Sec. 17. Minnesota Statutes 2011 Supplement, section 12A.07, subdivision 2, is amended to read:

Subd. 2. **Assistance.** Criteria and requirements must be locally established with the approval of the commissioner. Local plans must specify the type of assistance to be provided to eligible organizations. Within the limits of the available grant amounts, assistance may be provided as loans with or without interest and as forgivable loans. The criteria must, at a minimum, specify that an organization receiving a forgivable loan must remain in the local community a minimum of five years after the date of the loan, after which the amount of loan forgiveness must follow a schedule provided by the commissioner for an additional five years. Loans made under this section must not be used to refinance debt that existed on the date of the disaster. Repayment of loan amounts is made to the local community consistent with subdivision 6. All assistance awards under this section must meet the requirements of section 116J.8731, subdivision 8.

Sec. 18. Minnesota Statutes 2010, section 12A.07, is amended by adding a subdivision to read:

Subd. 6. **Repayments.** Any repayments of loans to the local government unit under this section shall be forwarded to the commissioner and deposited in the disaster contingency account in section 116J.8731, subdivision 8.

Sec. 19. Minnesota Statutes 2010, section 12A.09, is amended by adding a subdivision to read:

Subd. 5. **Repayments.** Any repayments of loans made under this section must be deposited in the Housing Finance Agency's disaster relief contingency fund established in section 462A.21, subdivision 29.

Sec. 20. Minnesota Statutes 2010, section 116J.8731, is amended by adding a subdivision to read:

Subd. 8. **Disaster contingency account; repayments.** There is created a Minnesota investment fund disaster contingency account in the special revenue fund. Repayment of loan amounts to the local government unit under this section shall be forwarded to

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the commissioner and deposited in the disaster contingency account in the Minnesota investment fund to be appropriated by law for future disaster relief.

Sec. 21. Minnesota Statutes 2010, section 116J.8731, is amended by adding a subdivision to read:

Subd. 9. **Requirements for assistance.** All awards under subdivision 8 are subject to the following requirements.

(a) Eligible applicants include the following:

(1) Applicants may be any business or nonprofit organization in the area included in the disaster declaration that was directly and adversely affected by the disaster. This includes: businesses, cooperatives, utilities, industrial, commercial, retail, and nonprofit organizations, including those nonprofits that provide residential, health care, child care, social, or other services on behalf of the Department of Human Services to residents included in the disaster area.

(2) Business applicants must be organized as a proprietorship, partnership, LLC, or a corporation.

(3) Applicants must have been in operation before the date of the disaster.

(b) Eligible activities. Loan funds may be used to assist businesses only in their recovery efforts but are not available to provide relief from economic losses.

(c) Eligible costs. Eligible costs may include the following: repair of buildings, leasehold improvements, fixtures and/or equipment, loss of inventory, and cleanup costs.

(d) Ineligible activities:

(1) Ineligible applicants. Any applicants not meeting the eligibility requirements outlined in this subdivision are ineligible to receive recovery loan funds.

(2) Ineligible activities. Funds may not be used for lending or investment operations, land speculation, or any activity deemed illegal by federal, state, or local law or ordinance.

(3) Ineligible costs. Ineligible costs include but are not limited to: economic injury losses, relocation, management fees, financing costs, franchise fees, debt consolidation, moving costs, refinancing debt existing prior to the date of the disaster, and operating costs.

(e) Loan application:

(1) Application process. All parties seeking recovery loan funds must file an application with the local unit of government. Small Business Administration (SBA) application forms may be used. Applications must be transmitted in the form and manner prescribed by the commissioner.

(f) Application information. Only completed applications will be reviewed for consideration. Submittal of the following information constitutes a complete application:

(1) MIF recovery loan fund application;

(2) business SBA disaster application if applicable;

(3) regional development organization or responsible local government application, if applicable;

(4) administrative contact;

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(5) business release for local government to review SBA damage assessment/loss verification, if applicable;

(6) proof of loss statement from insurer;

(7) construction cost estimates;

(8) invoices for work completed;

(9) quotes for equipment;

(10) proposed security;

(11) company historical financial statements for the 24 months immediately prior to the application date;

(12) credit check release;

(13) number of jobs to be retained;

(14) wages paid;

(15) amount of loan request;

(16) documentation of damages incurred;

(17) property taxes paid and current;

(18) judgments, liens, agreements, consent decrees, stipulations for settlements, or other such actions which would prevent the applicant from participating in any program administered by the responsible local, state, or regional government;

(19) compliance with all applicable local ordinances and plans;

(20) documentation through financial and tax records that the business was a viable operating entity at the time of the flood;

(21) business tax identification number; and

(22) other documentation as requested.

(g) Incomplete applications will be assigned pending status and the applicant will be informed in writing of the missing documentation.

(h) Determination of eligibility. Applicant eligibility will be determined using criteria enumerated in paragraph (a). A credit check for the company and each of its principal owners may be conducted. An owner's encumbrance report will be completed by the Recorder's Office.

A grant recipient is eligible for assistance provided under this section only after the recipient has claimed all applicable private insurance and the recipient has utilized all other sources of applicable assistance available under the act appropriating funding for the grant.

Sec. 22. Laws 2009, chapter 172, article 4, section 2, subdivision 5, is amended to read:

Subd. 5. Department of Administration	6,500,000	7,900,000
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(a) Funds in this subdivision are appropriated to the commissioner of the Department of Administration for grants to the named

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organizations for the purposes specified in this subdivision. Up to one percent of funds may be used by the Department of Administration for grants administration. Grants made to public television or radio organizations are subject to Minnesota Statutes, sections 129D.18 and 129D.19.

(b) Grant agreements entered into by the commissioner and recipients of appropriations in this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding. No more than 2.5 percent of any grant may be used by the recipient for administration. A cultural grants advisory board may be established by the Department of Administration to provide advice and assistance in the making of grants under this subdivision. The board, if appointed, shall consist of seven members, to be appointed by the commissioner. One member shall represent public radio and television, one shall represent Minnesota zoos, one shall represent the Minnesota Center for the Humanities, and the remaining four shall be appointed by the commissioner to represent a diverse set of cultural interests. All recipients of funds under this subdivision shall report to the legislature by January 15 of each year on uses of those funds.

(c) **Public Television.** \$2,800,000 the first year and \$3,500,000 the second year are appropriated for a grant to the Minnesota Public Television Association for production and acquisition grants in accordance with new Minnesota Statutes, section 129D.18.

(d) **Minnesota Public Radio.** \$1,150,000 the first year and \$1,500,000 the second year are appropriated for a grant to Minnesota Public Radio to create new programming and events, expand regional news service, amplify Minnesota culture to a regional and national audience, and document Minnesota's history through the Minnesota Audio Archives.

(e) **Association of Minnesota Public Educational Radio Stations.** \$1,150,000

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the first year and \$1,500,000 the second year are appropriated for a grant to the Association of Minnesota Public Radio Stations for production and acquisition grants in accordance with new Minnesota Statutes, section 129D.19.

(f) **Zoos.** \$450,000 in 2010 and \$450,000 in 2011 are appropriated for the programmatic development of Minnesota's zoos. Three-quarters of this fund in any year shall be reserved in equal portions each for the Minnesota Zoo, the Como Zoo, and the Lake Superior Zoo. The remainder may be apportioned through a competitive grants process or may be allocated by the commissioner to zoos that are accredited by the Association of Zoos and Aquariums or that demonstrate to the commissioner a plan for working toward that accreditation during the biennium ending June 30, 2011. The appropriation for the Lake Superior Zoo is available until June 30, 2015.

(g) **Minnesota State Capitol.** The Department of Administration, the Capitol Area Architecture and Planning Board, and the Minnesota Historical Society shall consider and report to the legislature on possible uses of funds created under the Minnesota Constitution, article XI, section 15, for the restoration, renovation, and repair of the State Capitol.

(h) **Minnesota Children's Museum**

\$250,000 in 2010 and \$250,000 in 2011 are appropriated for the Minnesota Children's Museum. These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage. The director shall submit an annual report on the expenditure and use of money appropriated under this paragraph to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011,

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as grants or contracts in this paragraph are available until June 30, 2013.

(i) Duluth Children's Museum

\$250,000 in 2010 and \$250,000 in 2011 are appropriated for the Duluth Children's Museum. These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage. The director shall submit an annual report on the expenditure and use of money appropriated under this paragraph to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this paragraph are available until June 30, 2013.

(j) Science Museum of Minnesota

\$450,000 in 2010 and \$450,000 in 2011 are appropriated for the Science Museum of Minnesota. These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage. The director shall submit an annual report on the expenditure and use of money appropriated under this paragraph to the legislature as provided in Minnesota Statutes, section 3.195. The first year report must be submitted by March 1, 2010. In subsequent years the report shall be submitted by January 15. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this paragraph are available until June 30, 2013.

Sec. 23. Laws 2011, First Special Session chapter 6, article 4, section 2, subdivision 6, is amended to read:

Subd. 6. Department of Administration

9,175,000

8,150,000

These amounts are appropriated to the commissioner of administration for grants to the named organizations for the purposes specified in this subdivision. Up to one

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percent of funds may be used by the commissioner for grants administration.

Grant agreements entered into by the commissioner and recipients of appropriations in this subdivision must ensure that money appropriated in this subdivision is used to supplement and not substitute for traditional sources of funding.

Public Radio Grants. \$2,650,000 the first year and \$2,650,000 the second year are for a competitive Arts and Cultural Heritage Grants Program-Public Radio.

The commissioner shall solicit proposals and award grants to public radio stations that satisfy the eligibility requirements under Minnesota Statutes, section 129D.14, subdivision 3, and create, produce, acquire, or distribute radio programs that educate, enhance, or promote local, regional, or statewide items of artistic, cultural, or historic significance. The commissioner shall give preference to projects that expand Minnesotans' access to knowledge, information, arts, state history, or cultural heritage. This appropriation is available for eligible costs incurred as of July 1, 2011, and does not expire until June 30, 2015.

Public Television. \$3,700,000 the first year and \$3,700,000 the second year are for grants to the Minnesota Public Television Association for production and acquisition grants according to Minnesota Statutes, section 129D.18. In recognition of the sesquicentennial of the American Civil War, the Minnesota Public Television Association shall produce new programming on Minnesota history during that period. This appropriation is available for eligible costs incurred as of July 1, 2011, and does not expire until June 30, 2015.

Veterans Camps. \$475,000 the first year is for grants of \$400,000 to the Disabled Veterans Rest Camp located on Big Marine Lake in Washington County and \$75,000 to the Veterans on the Lake Resort located on Fall Lake in St. Louis County.

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Zoos. \$300,000 the first year and \$300,000 the second year are for grants of \$200,000 each year to the Como Park Zoo and \$100,000 each year to the Lake Superior Zoo for programmatic development. The appropriation for the Lake Superior Zoo is available until June 30, 2015.

Minnesota Children's Museum. \$500,000 the first year and \$500,000 the second year are for grants to the Minnesota Children's Museum. These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

Science Museum of Minnesota. \$500,000 the first year and \$500,000 the second year are for grants to the Science Museum of Minnesota. These amounts are for arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage.

Minnesota Film and TV Board. \$500,000 the first year and \$500,000 the second year are for grants to the Minnesota Film and TV Board for grants to Minnesota residents to create film or television productions that promote Minnesota's cultural heritage and for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2015.

State Capitol Preservation Commission. \$550,000 the first year is for the purposes of Minnesota Statutes, section 16B.2405. This appropriation is available until spent.

Sec. 24. **2012 FLOOD LOSS; CITY REPLACEMENT AID.**

Subdivision 1. **Flood net tax capacity loss.** The county assessor of each qualified county shall compute a "flood net tax capacity loss" for each city equal to the net tax capacity reduction resulting from the reassessments under section 27. A county assessor of a qualified county that contains a city that has a flood net tax capacity loss that exceeds five percent of its assessment year 2012 total taxable net tax capacity shall certify the city's flood net tax capacity loss to the commissioner of revenue by August 1, 2013.

As used in this section, a "qualified county" is a county located within the area included in a disaster or emergency area that is designated and approved by the executive council under Minnesota Statutes, section 273.1231, as a result of the floods.

Subd. 2. **Flood loss aid.** In 2014, each city with a flood net tax capacity loss equal to or greater than five percent of its assessment year 2012 total taxable net tax capacity is

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entitled to flood loss aid equal to the flood net tax capacity loss times the city's average local tax rate for taxes payable in 2012.

Subd. 3. **Duties of commissioner.** The commissioner of revenue shall determine each city's aid amount under this section. The commissioner shall notify each eligible city of its flood loss aid amount by August 15, 2013. The commissioner shall make payments to each city after July 1, 2014, and before July 20, 2014.

Subd. 4. **Optional city expenditure.** A city that receives aid under this section may choose to expend a portion of the aid received for repair of county roads located within the city.

Subd. 5. **Appropriation.** The amount necessary to pay the aid amounts under this section in fiscal year 2015, for calendar year 2014, is appropriated to the commissioner of revenue from the general fund.

Sec. 25. DISASTER AREA; WAIVING PROPERTY TAX PENALTIES FOR BUSINESS AND DAMAGED PROPERTIES.

(a) Notwithstanding Minnesota Statutes, section 279.01, subdivision 1, but subject to the provisions of this section, a penalty does not accrue on the second half of the payable 2012 property taxes on either: (1) class 3a or 3b property, as classified under Minnesota Statutes, section 273.13, subdivision 24, that is located in a county that includes an area that would qualify to be designated as a "disaster or emergency area" under Minnesota Statutes, section 273.1231, if the designation were to be based solely on the damages to properties resulting from the floods and irrespective of executive council approval; or (2) any property that suffered damage of 50 percent or more as a result of the floods.

(b) To qualify for this extended due date for the second half payment: (1) the taxpayer must have been unable to make the payment due to circumstances related to the floods; and (2) the taxpayer must have paid the first half of the payable 2012 taxes by May 15, 2012, and must pay the second half of the payable 2012 taxes by December 28, 2012.

(c) If the second half of the payable 2012 property taxes is paid after December 28, 2012, then all penalties that would have occurred since the due date under Minnesota Statutes, section 279.01, subdivision 1, must be charged on the amount of the unpaid tax.

(d) In the case of property described in paragraph (a), clause (1), the property taxpayer must attach to the payment a statement that all the requirements for an extension under this section are met.

Sec. 26. AGRICULTURAL HOMESTEADS EXTENDED.

Agricultural land and buildings that were homestead property under Minnesota Statutes, section 273.13, subdivision 23, paragraph (a), for the 2012 assessment shall remain classified agricultural homesteads for assessment years 2013 and 2014 if:

(1) the property owner abandoned the homestead dwelling located on the agricultural homestead as a result of damage caused by the floods;

(2) the property is located in an area designated, and approved by the executive council, as a "disaster or emergency area" under Minnesota Statutes, section 273.1231, based on damages to properties caused by the floods;

(3) the agricultural land and buildings remain under the same ownership for the current assessment year as existed for the 2012 assessment year;

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(4) the dwelling occupied by the owner is located in this state and is within 50 miles of one of the parcels of agricultural land that is owned by the taxpayer; and

(5) the owner notifies the county assessor that the relocation was due to the floods, and the owner furnishes the assessor any information deemed necessary by the assessor in verifying the change in homestead dwelling. For taxes payable in 2014, the owner must notify the assessor by December 1, 2013. Further notifications to the assessor are not required if the property continues to meet all the requirements in this paragraph and any dwellings on the agricultural land remain uninhabited.

Sec. 27. **ABATEMENT AND CREDIT APPLICATIONS WAIVED.**

(a) Notwithstanding Minnesota Statutes, section 273.1232, subdivision 1, by October 1, 2012, each assessor shall cause to be reassessed the properties in the assessor's jurisdiction located in an area that would qualify to be designated a "disaster or emergency area" under Minnesota Statutes, section 273.1231, if the designation were to be based solely on the damages to properties caused by the floods and irrespective of executive council approval.

(b) Notwithstanding contrary provisions contained in Minnesota Statutes, sections 273.1233 to 273.1235, the requirements in those sections for an application by the property owner or property taxpayer are waived for properties located in an area that is designated, and approved by the executive council, a "disaster or emergency area" under Minnesota Statutes, section 273.1231, as a result of the damages to properties caused by the floods. Before December 14, 2012, each county assessor shall notify the taxpayers or owners of the affected parcels.

Sec. 28. **TRANSFERS, REDUCTIONS, CANCELLATIONS, AND BOND SALE AUTHORIZATIONS REDUCED.**

(a) The remaining balance of the appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 7, for the economic development and housing challenge program, estimated to be \$450,000, is transferred to the general fund.

(b) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 5, for Minnesota investment fund grants pursuant to Minnesota Statutes, section 12A.07, is reduced by \$1,358,000.

(c) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 12, subdivision 2, for disaster enrollment impact aid pursuant to Minnesota Statutes, section 12A.06, is reduced by \$30,000.

(d) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 12, subdivision 3, for disaster relief facilities grants pursuant to Minnesota Statutes, section 12A.06, is reduced by \$392,000.

(e) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 12, subdivision 4, for disaster relief operating grants pursuant to Minnesota Statutes, section 12A.06, is reduced by \$2,000.

(f) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 12, subdivision 5, for pupil transportation aid pursuant to Minnesota Statutes, section 12A.06, is reduced by \$5,000.

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(g) The appropriation in Laws 2010, Second Special Session chapter 1, article 2, section 5, subdivision 3, for pupil transportation aid pursuant to Minnesota Statutes, section 12A.06, is reduced by \$271,000.

(h) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 13, for public health activities pursuant to Minnesota Statutes, section 12A.08, is reduced by \$103,000.

(i) \$1,428,000 of the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 4, subdivision 3, for reconstruction and repair of trunk highways and trunk highway bridges is canceled. The bond sale authorization in Laws 2007, First Special Session chapter 2, article 1, section 15, subdivision 2, is reduced by \$1,428,000.

(j) \$5,680,000 of the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 4, subdivision 4, as amended by Laws 2008, chapter 289, section 2, for grants to local governments for capital costs related to rehabilitation and replacement of local roads and bridges damaged or destroyed by flooding pursuant to Minnesota Statutes, section 174.50, is canceled. The bond sale authorization in Laws 2007, First Special Session chapter 2, article 1, section 15, subdivision 3, is reduced by \$5,680,000.

(k) \$2,133,000 of the appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 4, subdivision 3, for local road and bridge rehabilitation and replacement pursuant to Minnesota Statutes, section 12A.16, subdivision 3, is canceled. The bond sale authorization in Laws 2010, Second Special Session chapter 1, article 1, section 17, subdivision 2, is reduced by \$2,133,000.

(l) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 4, subdivision 2, for state road infrastructure operations and maintenance pursuant to Minnesota Statutes, section 12A.16, subdivision 1, is reduced by \$819,000.

Sec. 29. BUDGET RESERVE ACCOUNT; NOVEMBER 2012 FORECAST.

Notwithstanding any requirements of Minnesota Statutes, section 16A.152, subdivision 2, to the contrary, the budget reserve account requirement, under Minnesota Statutes, section 16A.152, subdivision 2, paragraph (a), clause (2), for the November 2012 budget forecast, is \$612,236,000.

Sec. 30. BUDGET RESERVE ACCOUNT; REDUCTION.

The commissioner of management and budget shall reduce the amount in the budget reserve account established under Minnesota Statutes, section 16A.152, subdivision 1a, by \$45,382,000.

Sec. 31. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 2

WINDSTORM DISASTER RELIEF

Section 1. DISASTER RELIEF APPROPRIATION SUMMARY.

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The amounts shown in this section summarize direct appropriations made in this article.

SUMMARY

<u>Public Safety</u>	<u>\$</u>	<u>5,800,000</u>
<u>Natural Resources</u>		<u>2,069,000</u>
<u>TOTAL</u>	<u>\$</u>	<u>7,869,000</u>
<u>General Fund</u>		<u>6,875,000</u>
<u>Bond Proceeds Fund</u>		<u>994,000</u>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the general fund or other named fund for relief as specified in this article from the windstorms that occurred on or after July 2, 2012, in Beltrami, Clearwater, Hubbard, Itasca, Koochiching, St. Louis, and Cass Counties, and to the Leech Lake and Bois Forte bands of Ojibwe. 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 included in this article are available through June 30, 2015, except that appropriations of bond proceeds for capital improvements are available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642. The appropriations in this article are onetime.

APPROPRIATIONS

Sec. 3. **PUBLIC SAFETY** \$ 5,800,000

State and Local Assistance

From the general fund to the commissioner of public safety for reimbursement of eligible costs for applicants in the affected counties as a result of damages incurred. The appropriations in this section do not lapse, notwithstanding the provisions of Minnesota Statutes, section 16A.28.

Sec. 4. **NATURAL RESOURCES**

Subdivision 1. **Total appropriation** \$ 2,069,000

To the commissioner of natural resources for the purposes specified in the following subdivisions.

Subd. 2. Reforestation994,000

From the bond proceeds fund for reforestation of lands damaged by natural causes under Minnesota Statutes, section 89.002. Money appropriated in this section may be used to pay state agency staff costs that are attributed directly to the capital program.

Subd. 3. Lost revenue and salvage timber sales1,075,000

For the administration of the salvage timber sales and to replace lost revenue. This appropriation is from the general fund.

Sec. 5. BOND SALE AUTHORIZATION.

To provide the money appropriated in this article from the bond proceeds fund, the commissioner of management and budget, at the request of the commissioner of public safety, shall sell and issue bonds of the state in an amount up to \$994,000 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.

Sec. 6. EFFECTIVE DATE.

This article is effective the day following final enactment.

Presented to the governor August 24, 2012

Signed by the governor August 24, 2012, 5:19 p.m.