

CHAPTER 8--H.F.No. 5

An act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2016, sections 15B.32, subdivision 4; 16A.967; 84.946, subdivision 2; 85.34, subdivision 1; 116J.8738, subdivisions 2, 3; 174.50, subdivisions 5, 6b, 6c, 7, by adding a subdivision; 326B.124; 446A.072; 446A.073; 446A.081, subdivision 9; 446A.12, subdivision 1; 462A.37, subdivisions 2a, 2b, 5, by adding a subdivision; Laws 2006, chapter 258, section 18, subdivision 6, as amended; Laws 2012, chapter 293, sections 7, subdivision 3; 17, subdivision 4; Laws 2014, chapter 294, article 1, sections 7, subdivisions 11, 15; 17, subdivisions 6, 12; 21, subdivision 12, as amended; Laws 2015, First Special Session chapter 5, article 1, section 10, subdivisions 3, 7; proposing coding for new law in Minnesota Statutes, chapters 16C; 219; repealing Minnesota Statutes 2016, section 123A.446.

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

ARTICLE 1

APPROPRIATIONS

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 article 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. Unless otherwise specified in this article, money appropriated in this article for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144.

APPROPRIATIONS

Sec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. Total Appropriation **\$ 119,934,000**

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) **20,600,000**

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

Subd. 3. Duluth - Chemical Sciences and Advanced Materials Science Building

28,267,000

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

Subd. 4. Twin Cities - Health Sciences Education Facility

66,667,000

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

Subd. 5. Twin Cities - Plant Growth Research Facility

4,400,000

To demolish the existing biological sciences greenhouse and to predesign, design, construct, furnish, and equip a greenhouse to support learning and research on the St. Paul campus.

Subd. 6. University Share

Except for the appropriation for HEAPR, 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. 7. 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

<u>Subdivision 1. Total Appropriation</u>	<u>\$ 92,325,000</u>
<u>To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.</u>	
<u>Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)</u>	<u>25,000,000</u>
<u>To be spent in accordance with Minnesota Statutes, section 135A.046.</u>	
<u>Subd. 3. Hibbing Community College</u>	<u>11,223,000</u>
<u>To demolish Building G and connecting links or portions thereof, and to construct, renovate, furnish, and equip buildings, links, and entry spaces on the campus.</u>	
<u>Subd. 4. Minnesota State Community and Technical College</u>	
<u>(a) Fergus Falls Campus</u>	<u>978,000</u>
<u>To design, renovate, furnish, and equip a new Center for Student and Workforce Success (CSWS) that integrates the Regional Workforce Center. The board must enter into a lease agreement with the commissioner of employment and economic development, or partners of the commissioner, for use of the workforce center subject to Minnesota Statutes, section 16A.695. The board must use nonstate money for the remainder of the cost of the renovation.</u>	
<u>(b) Wadena Campus</u>	<u>820,000</u>
<u>To design, renovate, furnish, and equip the relocation of the current library to underutilized space and convert the vacated space into a centralized student services center.</u>	
<u>Subd. 5. Northland Community and Technical College, East Grand Forks</u>	<u>826,000</u>
<u>To design, renovate, furnish, and equip science and radiological lab space on the East Grand Forks campus.</u>	
<u>Subd. 6. South Central College, North Mankato</u>	<u>9,600,000</u>
<u>To design, renovate, renew, furnish, and equip laboratory, classroom, and office spaces on the North Mankato campus.</u>	
<u>Subd. 7. St. Cloud State University</u>	<u>18,572,000</u>

To construct, renovate, furnish, and equip Eastman Hall for the relocation of consolidated student health services and academic programs.

Subd. 8. Winona State University, Education Village, Phase 2

25,306,000

To complete design, construct, renovate, furnish, and equip Phase 2 of the Education Village project, including the renovation of Cathedral and Wabasha Halls and Wabasha Rec, and remove obsolete portions of Wabasha Rec and accomplishing related site work.

Subd. 9. Debt Service

(a) Except as provided in paragraph (b), 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. 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 board need not pay debt service on bonds sold to finance HEAPR. 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.

(c) 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. 10. 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 HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees 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.

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

Sec. 4. EDUCATION

Subdivision 1. Total Appropriation

\$ 4,000,000

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

Subd. 2. Library Construction Grants

2,000,000

For library construction grants under Minnesota Statutes, section 134.45.

Subd. 3. Olmsted County - Dyslexia Institute of Minnesota

1,500,000

For a grant to Olmsted County to acquire land for, and to predesign, design, construct, furnish, and equip a facility in Olmsted County to support the local, regional, and national literacy work of the Dyslexia Institute of Minnesota, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed to it from nonstate sources.

Subd. 4. Grand Rapids - Myles Reif Center

500,000

From the general fund for a grant to Independent School District No. 318, Grand Rapids, to cover cost overruns for the Myles Reif Center for the Performing Arts project in Grand Rapids. This appropriation is added to and is for the same purposes as the project in Laws 2014, chapter 294, article 1, section 21,

subdivision 8. This appropriation does not require a nonstate contribution.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. Total Appropriation **\$ 2,050,000**

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

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

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

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

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

Sec. 6. **NATURAL RESOURCES**

Subdivision 1. Total Appropriation **\$ 67,203,000**

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

(b) 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. Natural Resources Asset Preservation **15,000,000**

For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946:

(1) the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation; and

(2) this appropriation may be used for projects to remove life safety hazards such as building code violations or structural defects.

Subd. 3. Flood Hazard Mitigation11,555,000

(a) 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.

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

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

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

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

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

Subd. 4. Dam Renovation, Repair, Removal15,400,000

(a) For design, engineering, and construction to repair, reconstruct, or remove dams and respond to dam safety emergencies. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. Of this appropriation:

(1) \$4,400,000 is for emergencies on state-owned dams; for repairs to the Lake Bronson dam; and for state dams at Brawner, West Leaf Lake, Collinwood, Grindstone River, Sullivan, and Willow River;

(2) \$4,000,000 is for a grant to the city of Lanesboro for repair of the Lanesboro dam and notwithstanding the match requirements in Minnesota Statutes, section 103G.511, does not require a nonstate contribution. This includes funding for repairs of the hydropower system;

(3) \$500,000 is for a grant to the city of Pelican Rapids for engineering work on the Pelican Rapids dam;

(4) \$200,000 is for a grant to the city of Pine River for engineering work on the Norway Lake dam;

(5) \$200,000 is for a grant to Yellow Medicine County for the Canby R-6 impoundment dam;

(6) \$100,000 is for a grant to St. Louis County for the Little Stone Lake dam; and

(7) \$6,000,000 is for a grant to Dakota County to design and construct capital improvements to the hydroelectric generating facility, including replacement of obsolete turbines, at the Byllesby Dam located on the Cannon River.

(b) If the commissioner determines that a project is not ready to proceed, this appropriation may be used for other projects on the commissioner's priority list.

Subd. 5. Reforestation and Stand Improvement

1,000,000

To provide for reforestation and stand improvement on state forest lands to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including purchasing native seeds and native seedlings, planting, seeding, site preparation, and protection on state lands administered by the commissioner.

Subd. 6. State Trail, Recreation Area, and Park Acquisition and Development

18,698,000

(a) \$2,590,000 is for the Glacial Lakes Trail, to complete an approximately 6-1/4 mile trail connection between New London and Sibley State Park, and repair of the bicycle trail in Sibley State Park.

(b) \$3,300,000 is to design, develop, and complete the Heartland State Trail from Detroit Lakes to Frazee and, to the extent there is sufficient money, for work on the spur from Park Rapids to Itasca State Park.

(c) \$3,600,000 is for acquisition and development in the Cuyuna Country State Recreation Area, including the Cuyuna Mountain Bike System.

(d) \$1,600,000 is to construct, furnish, and equip a multiuse state trail connection between the city of Little Falls and the Soo Line Trails as part of the Camp Ripley/Veterans State Trail in Morrison County. The trail connection may include separated segments to accommodate recreational vehicles separately from nonmotorized vehicles and pedestrians.

(e) \$3,500,000 is for continued development of Lake Vermilion-Soudan Underground Mine State Park recreational facilities.

(f) \$328,000 is for design and acquisition of the Mill Towns State Trail from Faribault to Northfield.

(g) \$3,130,000 is for acquisition and development of the Gitchi-Gami State Trail, from Grand Marais to Cascade State Park, and through the town of Tofte.

(h) The commissioner may allocate money not needed to complete a project listed in this subdivision to another project listed in this subdivision that needs additional money to be completed. For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may reallocate that project's money to another project described in this subdivision or other state trail, recreation area, or park infrastructure. The chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Subd. 7. Champlin - Mill Pond

3,300,000

For a grant to the city of Champlin to dredge and remove sediment and for other capital improvements to the Champlin Mill Pond necessary to improve water quality, restore fish habitat, and provide other public benefits.

Subd. 8. Lake County - Prospectors ATV Trail System

1,000,000

For a grant to Lake County for construction, including bridges, of the Prospectors ATV Trail System linking the communities of Ely, Babbitt, Embarrass, and Tower; Bear Head Lake and Lake Vermilion-Soudan Underground Mine State Parks; the Taconite State Trail; and the Lake County Regional ATV Trail System. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from other sources.

Subd. 9. Morrison County - Soo Line Trail Bridge

400,000

For a grant to Morrison County to predesign, design, and construct the rehabilitation of the Soo Line Trail bridge over the Mississippi River, including specifically the bridge's piers and abutments. This appropriation does not require a nonstate match.

Subd. 10. St. Paul - Shade Tree Reforestation

1,500,000

For a grant to St. Paul for the planting of publicly owned shade trees on public land to provide environmental benefits; replace trees lost to forest pests, disease, or storm; or to establish a more diverse community forest better able to withstand disease and forest pests. For purposes of this appropriation, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value and no intent to harvest the tree for its wood. Any tree planted with funding under this subdivision must be a species native to Minnesota.

Subd. 11. 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 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 7. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation

\$ 46,010,000

To the Pollution Control Agency for the purposes specified in this section.

Subd. 2. St. Louis River Cleanup

25,410,000

To design and implement contaminated sediment management actions identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

Subd. 3. Closed Landfill Cleanup

11,350,000

To design and construct remedial systems and acquire land at closed landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42. The agency must follow the agency priorities, which includes a construction project at the waste disposal engineering (WDE) site in Anoka County.

Subd. 4. Capital Assistance Program

9,250,000

For a grant to Polk County under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54, in order to complete a regional integrated solid waste management system.

Sec. 8. **BOARD OF WATER AND SOIL RESOURCES**

Subdivision 1. **Total Appropriation** **\$** **15,000,000**

To the Board of Water and Soil Resources for the purposes specified in this section.

Subd. 2. **Reinvest in Minnesota (RIM) Reserve Program** **10,000,000**

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands 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.

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

(c) 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. Of this appropriation, up to five percent may be used for restoration and enhancement.

Subd. 3. **Local Government Roads Wetland Replacement Program** **5,000,000**

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the U.S. Army Corps of Engineers under section 404 of the Clean Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Up to \$560,000 of this appropriation may be spent to replace wetlands drained or filled that are associated with a new public road project to improve public safety in a greater than 80 percent area, as defined in Minnesota Statutes, section 103G.005, subdivision 10b.

Sec. 9. **AGRICULTURE**

Subdivision 1. Total Appropriations **\$** **270,000**

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

Subd. 2. AURI **270,000**

From the general fund for a grant to Agricultural Utilization Research Institute (AURI) for construction of a development kitchen, sensory lab, and safety and security upgrades at AURI's Marshall facility and for updated equipment and renovations at the Waseca facility.

Sec. 10. **MINNESOTA ZOOLOGICAL GARDEN**

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

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

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

For capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo, to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding the specified uses of money under Minnesota Statutes, section 16B.307, the board may use this appropriation to replace buildings that are in poor condition, outdated, and no longer support the work of the Minnesota Zoo and to construct and renovate trails and roads on the Minnesota Zoo site.

Sec. 11. **ADMINISTRATION**

Subdivision 1. Total Appropriation **\$** **18,178,000**

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

<u>Subd. 2. Centennial Parking Ramp</u>	<u>10,878,000</u>
<u>(a) To complete design and for structural repairs to the Centennial parking ramp, including removal of the top deck green space to provide additional parking capacity, repairing damaged post-tension cables, and installation of a deck surface protection coating.</u>	
<u>(b) Any unexpended amount of this appropriation after completing the project in paragraph (a) may be used to design and construct a storm water retention basin adjacent to the Centennial parking ramp, if the commissioner of administration determines that the basin is feasible.</u>	
<u>Subd. 3. Capital Asset Preservation and Replacement Account</u>	<u>5,000,000</u>
<u>To be spent in accordance with Minnesota Statutes, section 16A.632.</u>	
<u>Subd. 4. Granite Falls - Pioneer Public Television</u>	<u>1,950,000</u>
<u>From the general fund to provide an equipment grant to Pioneer Public Television as part of the station's construction of a new facility in Granite Falls, Minnesota. The money may be used to purchase and install equipment necessary to the station's operation. This appropriation does not require a nonstate contribution.</u>	
<u>Subd. 5. Capitol Complex Monuments and Memorials</u>	<u>350,000</u>
<u>To design and complete critical repairs to the Peace Officers and Roy Wilkins Memorials located on the Capitol complex.</u>	
<u>Sec. 12. MN.IT</u>	<u>\$ 1,432,000</u>
<u>To the commissioner of administration to predesign, design, construct, renovate, furnish, and equip existing state data center facilities at the Bureau of Criminal Apprehension's Maryland Avenue office building, at the Centennial Office Building, and at the Department of Revenue's Stassen Office Building for the purpose of decommissioning and repurposing into usable office space.</u>	
<u>Sec. 13. MILITARY AFFAIRS</u>	
<u>Subdivision 1. Total Appropriation</u>	<u>\$ 2,500,000</u>

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

Subd. 2. Asset Preservation

2,500,000

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.

Sec. 14. PUBLIC SAFETY

Subdivision 1. Total Appropriation

\$ 3,521,000

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

Subd. 2. Camp Ripley Training Facility

3,521,000

To the adjutant general to predesign, design, construct, and equip a joint emergency railroad and pipeline emergency response training facility at Camp Ripley. The project includes construction of stations and capital infrastructure needed for mock disaster training, including infrastructure for training in hazardous materials abatement and site recovery work.

Sec. 15. TRANSPORTATION

Subdivision 1. Total Appropriation

\$ 254,918,000

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

Subd. 2. Local Bridge Replacement and Rehabilitation

49,212,000

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.

\$31,875,000 of this appropriation is for a grant under Minnesota Statutes, section 174.50, subdivision 6d, to the city of Minneapolis to repair and rehabilitate the bridge over the Mississippi River that is aligned on the east side of the river with 10th Avenue, also designated Route 328, on the municipal state-aid system, notwithstanding any law or rule to the contrary. This appropriation does not require a local match.

\$800,000 of this appropriation is for a grant to the city of Isle for demolition and construction necessary to

replace the Malone Island Bridge, including the replacement of accompanying water and sewer lines.

Subd. 3. Local Road Improvement Fund Grants

115,932,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for trunk highway corridor projects under Minnesota Statutes, section 174.52, subdivision 2, 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.

(b) Of this amount, \$9,000,000 is for a grant to Anoka County to realign and make associated improvements to County State-Aid Highway 23 (Lake Drive), County State-Aid Highway 54 (West Freeway Drive), and to Hornsby Street in the city of Columbus.

(c) Of this amount, \$3,246,000 is for a grant to the city of Blaine to predesign, design, and reconstruct 105th Avenue in the vicinity of the National Sports Center in Blaine. The reconstruction will include changing the street from five lanes to four lanes with median, turn lanes, sidewalk, trail, landscaping, lighting, and consolidation of access driveways. This appropriation is not available until the commissioner of management and budget determines that at least \$3,000,000 is committed to the project from sources available to the city, including municipal state aid and county turnback funds.

(d) Of this amount, \$25,000,000 is for a grant to Hennepin County, the city of Minneapolis, or both, for design, right-of-way acquisition, engineering, and construction of public improvements related to the Interstate Highway 35W and Lake Street access project and related improvements within the Interstate Highway 35W corridor, notwithstanding any provision of Minnesota Statutes, section 174.52, or rule to the contrary. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete this portion of the Interstate Highway 35W and Lake Street access project has been committed to this portion of the project.

(e) Of this amount, \$10,500,000 is for a grant to Carver County for environmental analysis and to acquire right-of-way access, predesign, design, engineer, and

construct an interchange at marked Trunk Highway 212 and Carver County Road 44 in the city of Chaska, including a new bridge and ramps, to support the development of approximately 400 acres of property in the city of Chaska's comprehensive plan.

(f) Of this amount, \$700,000 is for a grant to Redwood County for improvements to Nobles Avenue, including paving, as the main access road to a new State Veterans Cemetery to be located in Paxton Township.

(g) Of this amount, \$1,000,000 is for a grant to the town of Appleton in Swift County for upgrades to an existing township road to provide for a paved, ten-ton capacity township road extending between marked Trunk Highways 7 and 119.

(h) Of this amount, \$20,500,000 is for a grant to Ramsey County for preliminary and final design, right-of-way acquisition, engineering, contract administration, and construction of public improvements related to the construction of the interchange of marked Interstate Highway 694 and Rice Street, Ramsey County State-Aid Highway 49, in Ramsey County.

(i) Of this amount, \$11,300,000 is for a grant to Hennepin County for preliminary and final design, engineering, environmental analysis, right-of-way acquisition, construction, and reconstruction of local roads related to the (1) realignment at the intersections of marked U.S. Highway 12 with Hennepin County State-Aid Highway 92; (2) realignment and safety improvements at the intersection of marked U.S. Highway 12 with Hennepin County State-Aid Highway 90; and (3) safety median improvements from the interchange with Wayzata Boulevard in Wayzata to approximately one-half mile east of the interchange of marked U.S. Highway 12 with Hennepin County State-Aid Highway 6.

(j) Of this amount, \$1,000,000 is for a grant to the city of Inver Grove Heights for preliminary design, design, engineering, and reconstruction of Broderick Boulevard between 80th Street and Concord Boulevard abutting Trunk Highway 52 and Inver Hills Community College in Inver Grove Heights. The project includes replacement or renovation of public infrastructure, including water lines, sanitary sewers, storm water sewers, and other public utilities. This appropriation does not require a nonstate contribution.

(k) Of this amount, \$2,350,000 is for a grant to McLeod County to acquire land or interests in land and to design and construct a new urban street

extension of County State-Aid Highway (CSAH) 15, including railroad crossing, storm water, and drainage improvements.

(l) Of this amount, \$6,000,000 is for a grant to the city of Baxter for 50 percent of total project cost for the acquisition of land or interests in land, environmental analysis and environmental cleanup, predesign, design, engineering, and construction of improvements to Cypress Drive, including expansion to a four-lane divided urban roadway, between Excelsior Road and College Road.

Subd. 4. Rail Grade Separation on Crude Oil Rail Corridors

71,124,000

(a) Of this amount, \$42,262,000 is for a grant to the city of Moorhead for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation in the vicinity of 21st Street South.

(b) \$14,100,000 is for a grant to Anoka County for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Anoka County State-Aid Highway 78, known as Hanson Boulevard, in Coon Rapids. Any unspent portion of the appropriation under this paragraph may be used by Anoka County for design costs of other rail crossings in Anoka County that are on the commissioner's rail safety priority list.

(c) Of this amount, \$14,762,000 is for a grant to the city of Red Wing for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road.

(d) Any unspent portion of this appropriation after completion of a project in this subdivision may be used for grants in accordance with Minnesota Statutes, section 219.016.

Subd. 5. Railroad Warning Devices

1,000,000

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

Subd. 6. Rail Service Improvement

1,000,000

For rail service improvement grants under Minnesota Statutes, section 222.50.

Subd. 7. Minnesota Valley Regional Railroad Authority

4,000,000

For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of a portion of the railroad track between Winthrop and Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this section is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62. This appropriation is in addition to the appropriations in Laws 2006, chapter 258, section 16, subdivision 6; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; and Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4.

Subd. 8. Hugo - Short Line Railway

1,500,000

For a grant to Minnesota Commercial Railway for construction of repairs and other capital improvements to approximately 6.5 miles of railroad track described as that portion of the Minnesota Commercial Railway main running lead, between M & D Junction in White Bear Lake and the end of the track in Hugo. This appropriation must be used for the purposes set forth in the Minnesota Constitution, article XI, section 5, clause (i), to improve and rehabilitate railroad rights-of-way and other rail facilities, whether public or private. This appropriation does not require a nonstate match.

Subd. 9. Port Development Assistance

5,000,000

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

Subd. 10. International Falls-Koochiching County Airport Commission

3,000,000

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

- (1) demolition of the existing terminal building;
- (2) rehabilitation;
- (3) site preparation, including utilities and civil work;
- (4) design, construction, furnishing, and equipping Phase II of the new terminal building, including a

Transportation Safety Administration office, weather office, conference room, circulation corridor, airport administration offices, United States Customs and Border Protection storage rooms, offices, restrooms, passenger-processing area, wet-hold room, interview room, search room, precustoms and postcustoms passenger waiting areas, and vestibule; and

(5) associated appurtenances of a capital nature.

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

(c) This appropriation does not require a nonstate contribution or match.

Subd. 11. Grand Rapids - Pedestrian Bridge

750,000

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

Subd. 12. Safe Routes to School

1,000,000

For grants under Minnesota Statutes, section 174.40.

Subd. 13. Eden Prairie - Rail Grade Crossings

1,400,000

For a grant to the city of Eden Prairie to (1) design, construct, and equip new passive and active rail grade crossing warning safety devices at existing and proposed highway-rail grade crossings, or (2) replace existing highway-rail grade crossings. Upon request by the city of Eden Prairie, the commissioner of transportation must provide reasonable technical assistance regarding highway-rail grade crossing project development and the establishment of rail quiet zones.

Sec. 16. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation

§ 45,044,000

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

Subd. 2. Metropolitan Regional Parks and Trails Capital Improvements

5,000,000

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. Metropolitan Cities Inflow and Infiltration Grants

3,739,000

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 Metropolitan Council's metropolitan sanitary sewer disposal system. 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. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. The council must award grants based on applications from 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. Metro Orange Line BRT

12,100,000

Up to \$12,100,000, but an amount that is no more than ten percent of the total project cost, is for the Metropolitan Council, or for the Metropolitan Council to make grants to political subdivisions, for design, acquisition of right-of-way, engineering, and construction of capital improvements along the I-35W corridor for completion of the Metro Orange Bus Rapid Transit (BRT) Line.

Subd. 5. Mall of America Station

8,750,000

For design and construction of improvements to the Mall of America station on the Hiawatha Corridor light rail transit line, subject to Minnesota Statutes, section 16A.695. The Metropolitan Council must consult with

the city of Bloomington throughout the design and construction process.

Subd. 6. St. Paul - Como Zoo

15,000,000

For a grant to the city of St. Paul for predesign, design, engineering, and construction of Phase I of the renovation of seal and sea lion habitat at the Como Zoo. The renovated habitat will support the zoo education programs. This appropriation is not available until the commissioner of management and budget determines that at least \$1,100,000 is committed to the project from nonstate sources.

Subd. 7. White Bear Lake Multiuse Trails

255,000

To develop a multiuse pedestrian and bicycle path around White Bear Lake. Of this amount, \$130,000 is for a grant to the city of White Bear Lake to construct, furnish, and equip a multiuse trail for pedestrians and bicycles on Old White Bear Avenue between Lion's Park and South Shore Boulevard/Hazel; \$38,000 is for grants to the cities of Mahtomedi and Dellwood for preliminary engineering of a multiuse trail for pedestrians and bicycles near White Bear Lake in the cities of Mahtomedi and Dellwood to be located within the right-of-way to marked Trunk Highway 244; \$15,000 is for a grant to the city of Mahtomedi for preliminary engineering for a multiuse trail for pedestrians and bicycles near White Bear Lake within the right-of-way to Birchwood Road in the city of Mahtomedi and Hall Avenue in the city of Birchwood; and \$50,000 is for a grant to Ramsey County for preliminary engineering of a multiuse trail for pedestrians and bicycles to South Shore Boulevard between White Bear Avenue and Trunk Highway 120.

Subd. 8. West St. Paul - River to River Regional Greenway

200,000

For a grant to the city of West St. Paul to predesign, design, and construct a grade separated crossing of Robert Street in the area near Wentworth Avenue in West St. Paul for the River to River Regional Greenway. This appropriation may also be used to acquire property or purchase rights-of-way needed for construction. This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 17, subdivision 12, as amended by article 2.

Sec. 17. HUMAN SERVICES

Subdivision 1. Total Appropriation **\$ 100,365,000**

To the commissioner of administration, or another named agency, for the purposes specified in this section.

Subd. 2. Minnesota Security Hospital - St. Peter **70,255,000**

To complete design, remodel, construct, furnish, and equip the second phase of the two-phase project to remodel existing, and to develop new, residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center. This appropriation includes money to: demolish, renovate, and remodel existing space; construct new space; address fire and life safety, and other building code deficiencies; replace or renovate interior finishes; purchase furnishings, fixtures, and equipment; replace or renovate the Minnesota Security Hospital building's HVAC, plumbing, electrical, security, and life safety systems; tuck-point; replace windows and doors; design and abate asbestos and hazardous materials; and complete site work necessary to support the programmed use of the facilities on the St. Peter Regional Treatment Center upper campus.

Subd. 3. Child and Adolescent Behavioral Health Services **7,530,000**

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

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

Subd. 4. Anoka Metro Regional Treatment Center - Safety and Security Renovations **2,250,000**

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

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

Subd. 5. Hennepin County - Regional Medical Examiner's Facility

2,680,000

To the commissioner of human services for a grant to Hennepin County to design an approximately 67,000 square foot regional, state-of-the-art medical examiner's facility. The facility shall: (1) provide forensic death investigation and autopsy services for Dakota, Hennepin, and Scott Counties with the flexibility to accommodate future partner counties and agencies; (2) serve as a teaching facility for the state, on the science of forensic pathology; and (3) be sited on property located at 14300 County Road 62 in Minnetonka.

Subd. 6. Perspectives Family Center

600,000

From the general fund to the commissioner of human services for a grant to Perspectives, Inc. to predesign and design the expansion and renovation of the existing Perspectives Family Center facility in St. Louis Park. The expanded and renovated facility must be used to promote the public welfare by providing any or all of the following programs and services: (1) supportive housing programs for homeless women and their children; (2) mental and chemical health programs; (3) employment services; (4) academic, social skills, and nutritional programs for homeless and at-risk children; (5) an all-day therapeutic early childhood development program for homeless and at-risk children; and (6) a culturally sensitive safe and nurturing environment for at-risk children to meet with their nonresidential parents. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been expended or committed to the project from nonstate sources. Nonstate money spent on the project since May 1, 2015, shall be included in the determination of nonstate commitments to the project.

Subd. 7. St. Paul - Dorothy Day Opportunity Center

12,000,000

To the commissioner of human services for a grant to the city of St. Paul to predesign, design, construct,

furnish, and equip an opportunity center to serve as an integrated one-stop delivery system connecting persons at risk of becoming homeless, and persons working to move up and out of homelessness, and to provide services that improve their health, income, housing stability, or well-being, subject to Minnesota Statutes, section 16A.695. This appropriation may be used to acquire property for these purposes. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources. This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 18, subdivision 9.

Subd. 8. Carver County - Regional Residential Crisis Stabilization Clinic

1,250,000

To the commissioner of human services for a grant to Carver County to design, construct, furnish, and equip a facility in the city of Chaska to provide regional residential crisis stabilization services subject to Minnesota Statutes, section 16A.695. This appropriation shall be used for construction of a 12-bed facility in conjunction with the expansion of an existing hospital unit in Carver County, to maximize the space available for more than 12 crisis stabilization beds. The new facility shall provide acute stabilization for persons with a primary or secondary mental health diagnosis in lieu of inpatient psychiatric hospitalization and must be open to referrals from a hospital and freestanding emergency room in Carver County, a critical access hospital in Sibley County, and a critical access hospital in Le Sueur County.

Subd. 9. Minneapolis - The Family Partnership

1,600,000

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

Subd. 10. Minneapolis - People's Center

2,200,000

From the general fund to the commissioner of human services for a grant to the People's Center in Minneapolis to design, renovate, improve, construct, and equip a facility that provides medical, dental, mental health, and wellness services to all patients, regardless of their ability to pay. This appropriation is not available until the commissioner of management

and budget confirms that an amount sufficient to complete the project has been committed from nonstate sources.

Sec. 18. **VETERANS AFFAIRS**

Subdivision 1. Total Appropriation **\$** **12,881,000**

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

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

For asset preservation improvements and betterments of a capital nature at the veterans homes in Minneapolis, Hastings, Fergus Falls, Silver Bay, and Luverne, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minneapolis Veterans Home Truss Bridge Project **7,851,000**

To design, construct, renovate, and equip the historic truss bridge on the Minneapolis Veterans Home campus, including asbestos and hazardous materials abatement and associated site work.

Subd. 4. Rice County Veterans Memorial **30,000**

For a grant to Rice County to complete the Rice County Veterans Memorial on the grounds of the Rice County Court House in Faribault. Because approximately \$345,000 of nonstate money has been spent or committed to the project before the enactment of this appropriation, no further nonstate contribution is required.

Sec. 19. **CORRECTIONS**

Subdivision 1. Total Appropriation **\$** **39,600,000**

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

Subd. 2. Asset Preservation **20,000,000**

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

Subd. 3. Minnesota Correctional Facility - St. Cloud **19,000,000**

To construct and equip a new intake unit and a loading dock with a secure connection to a new central warehouse at the St. Cloud correctional facility.

Subd. 4. Northeast Regional Corrections Center

600,000

For a grant to the Arrowhead Regional Corrections Joint Powers Board to renovate, remodel, and complete other capital improvements to buildings that support vocational, educational, and farm work programming and experiences at the Northeast Regional Corrections Center. Nonstate contributions to improvements at the center made before or after the enactment of this subdivision are considered to be a sufficient match and no further nonstate contribution is required.

Subd. 5. Unspent Appropriations

The unspent portion of an appropriation for a Department of Corrections 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. 20. EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation

\$ 101,402,000

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

Subd. 2. Asset Preservation

1,342,000

For asset preservation improvements and betterments of a capital nature at the South Minneapolis Workforce Center, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Transportation Economic Development

3,500,000

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

Subd. 4. Greater Minnesota Business Development Public Infrastructure Grants

12,000,000

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

Subd. 5. Innovative Business Development Public Infrastructure Grants

1,158,000

For grants under Minnesota Statutes, section 116J.435.

**Subd. 6. Chisago County - Law Enforcement and
Emergency Operations Center**

3,000,000

For a grant to Chisago County to predesign, design, construct, furnish, and equip a municipal complex that includes a law enforcement and emergency operations center, and related facilities and infrastructure, for interconnection to the county emergency communications center. 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. Amounts expended by Chisago County for project costs since July 1, 2015, shall count toward the matching requirement.

Subd. 7. Duluth - Steam Plant

15,000,000

The commissioner of management and budget shall determine the balance remaining in the renewable development account in the special revenue fund established in 2017 S.F. No. 1456, article 10, section 3, if enacted, after all appropriations are made from the account in 2017 S.F. No. 1456. Notwithstanding any law to the contrary, the balance determined by the commissioner, in an amount not to exceed \$15,000,000, is appropriated to the commissioner of employment and economic development in fiscal year 2018 for a grant to the city of Duluth to upgrade the municipal district heating facility and systems, including conversion of the distribution system along Superior Street from steam with no condensate return to closed-loop hot water. This appropriation (1) may be used for one or more of the project elements or phases: predesign, design, engineering, renovation, construction, furnishing, and equipping the facility, systems, and infrastructure; and (2) is available until expended.

Subd. 8. Eagle Bend High School

1,500,000

For a grant to Independent School District No. 786, Bertha-Hewitt, or other independent school district to which that portion of the territory of former Independent School District No. 2759, Eagle Valley, containing the Eagle Bend school is attached by action of the Todd County Board, to prepare and develop the Eagle Bend High School building site, including demolition of buildings and infrastructure, to remove life safety hazards and to facilitate the redevelopment and reuse of the site. This appropriation does not require a nonstate contribution.

Subd. 9. Eagle's Healing Nest 500,000

From the general fund for a grant to Eagle's Healing Nest in Sauk Centre.

Subd. 10. Hennepin County - Hennepin Center for the Arts 3,000,000

From the general fund for a grant to Hennepin County for improvements and betterments of a capital nature to renovate the historic Hennepin Center for the Arts. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project has been committed from nonstate sources.

Subd. 11. Hermantown - Arrowhead Regional Health and Wellness Center 8,000,000

For a grant to the city of Hermantown to prepare the middle school site on the Hermantown School District campus, including demolition of a portion of the middle school, and to design, construct a new addition to the middle school building and renovate the remaining existing building, furnish, and equip the facility as the Arrowhead Regional Health and Wellness Center. The city may enter into lease or management agreements under Minnesota Statutes, section 16A.695, for operation of the center. This appropriation is not available until at least an equal amount is committed to the project from nonstate sources.

Subd. 12. LaSalle - Community Center and Fire Hall 100,000

For a grant to the city of La Salle for renovations to the community center and fire hall in the city of LaSalle, including replacing and resurfacing the roof and renovating the interior of the building. This appropriation may also be used to renovate a furnace room in the community center and fire hall to accommodate the city generator and to replace carpet and tile. No local match is required.

Subd. 13. Litchfield - Phase 2 Power Generation Improvements 4,000,000

For a grant to the city of Litchfield to design and construct electrical generation improvements in the city of Litchfield to expand the current standby capacity. 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.

**Subd. 14. Minneapolis - Pioneers and Soldiers Cemetery
Restoration**1,029,000

For a grant to the city of Minneapolis to restore the historic steel and limestone pillar fence along Cedar Avenue and Lake Street, install a new steel fence and pillars along 21st Avenue South, and install a waterproofing system for preservation of the fence and pillars, at the Pioneer and Soldiers Cemetery. This appropriation does not require a nonstate contribution.

Subd. 15. Minneapolis - Norway House5,000,000

For a grant to the city of Minneapolis to acquire land and predesign, design, construct, furnish, and equip a conference and event center at 913 East Franklin Avenue and adjacent property in Minneapolis to celebrate the culture of Norway and American Norwegians, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed from nonstate sources.

Subd. 16. Minneapolis American Indian Center155,000

From the general fund for a grant to the Minneapolis American Indian Center to predesign the renovation of the center on Franklin Avenue, taking into account and protecting the significant and unique art and features of the center.

Subd. 17. Mountain Iron - Enterprise Drive North400,000

For a grant to the city of Mountain Iron for its share of the cost of improvements to Enterprise Drive North where this road intersects marked U.S. Highway 169 in Mountain Iron. This project is due to and will be done in conjunction with the reconstruction of marked U.S. Highway 169.

Subd. 18. Red Wing - River Town Renaissance4,400,000

For a grant to the city of Red Wing to complete removal and replacement of 250 linear feet of the harbor retaining wall; to design, construct, furnish, and equip the renovation of the historic T.B. Sheldon Performing Arts Theater; and to design and construct transient riverboat docking facilities, levee wall extension, and levee promenade improvements at Levee Park. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project has been committed from nonstate sources.

Subd. 19. St. James - Public Infrastructure5,943,000

For a grant to the city of St. James. Of this amount, \$2,193,000 is for engineering, right-of-way acquisition, and reconstruction of streets, sidewalks, storm water and sanitary sewer, water mains, lighting, utilities, and other capital improvements of publicly owned infrastructure required for the reconstruction of marked Trunk Highway 4 in the city of St. James, \$1,250,000 is for replacement of the storm sewer drain that serves St. James Lake and the entire southern section of the city of St. James, and \$2,500,000 is to design, engineer, and construct and install larger storm sewers and a storm water retention pond.

Subd. 20. St. Paul - Science Museum of Minnesota Building Preservation13,000,000

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

Subd. 21. St. Paul - Minnesota Museum of American Art6,000,000

For a grant to the St. Paul Port Authority to design, construct, furnish, and equip new museum galleries and an art study facility for the Minnesota Museum of American Art. This facility provides space to celebrate the legacy of Minnesota art and artists and is part of the restoration of the historic Pioneer Endicott Building, and a part of a multiphase project, of which only the museum galleries and art study facility constructed with this appropriation shall be state bond financed property subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget has determined that:

(1) at least an amount equal to this appropriation has been committed or previously expended for design, construction, and furnishing of the adjacent Minnesota Museum of American Art Center for Creativity facilities, which are not subject to Minnesota Statutes,

section 16A.695, with funds from nonstate sources;
and

(2) sufficient other state and nonstate funds are available, if funds beyond this appropriation are required, to complete the museum galleries and art study facility.

Funds invested in the Minnesota Museum of American Art Center for Creativity facilities by an investor receiving an assignment of state historic tax credits as provided in Minnesota Statutes, section 290.0681, are nonstate funds for purposes of this requirement. Only expenditures made after January 1, 2012, shall qualify for the required match. Due to the integrated nature of the overall development, public bidding shall not be required.

Subd. 22. Virginia - Miner's Memorial Building

12,000,000

For a grant to the city of Virginia for phase I of the renovation and reconstruction of the Miner's Memorial Building in Virginia. This appropriation is not available until the commissioner of management and budget determines an amount has been committed to complete the project from nonstate sources.

Subd. 23. Waseca - Tink Larson Field

375,000

For a grant to the city of Waseca for construction of a new grandstand and athletic facilities at Tink Larson Field, due to losses incurred during a 2016 fire. Money raised for this project and insurance proceeds received for the fire loss satisfy the local match requirement.

Sec. 21. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$

116,888,000

To the Public Facilities Authority for the purposes specified in this section. The Public Facilities Authority may use the funds in this section or other available funds to amend project financing agreements awarded after July 1, 2016, based on program changes to Minnesota Statutes, sections 446A.072 and 446A.073, in article 2 of this act.

Subd. 2. State Match for Federal Grants

17,000,000

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. Water Infrastructure Funding Program

55,000,000

(a) For grants to eligible municipalities under the water infrastructure funding program under Minnesota Statutes, section 446A.072.

(b) \$40,000,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) \$15,000,000 is for drinking water projects listed on the commissioner of health's project priority list in the fundable range under the drinking water revolving fund program.

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

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

Subd. 4. Point Source Implementation Grants Program

33,737,000

For grants to eligible municipalities under the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation must be used for qualified capital projects.

Notwithstanding the limitations on grants in Minnesota Statutes, section 446A.073, subdivision 1, the city of Detroit Lakes is eligible to receive a grant for up to 80 percent of eligible project costs of the city's wastewater treatment facility phosphorus removal project.

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

1,200,000

For a grant to the Big Lake Area Sanitary District to construct a pressure sewer system and force main to convey sewage to the Western Lake Superior Sanitary District connection in the city of Cloquet. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources. This appropriation is in addition to the appropriation in

Laws 2014, chapter 294, article 1, section 22, subdivision 4.

Subd. 6. Clearbrook - Infrastructure Restoration

850,000

For a grant to the city of Clearbrook to predesign, design, engineer, and construct public infrastructure improvements necessitated by the city's water and wastewater improvements, including street, curb, and boulevard restoration. This appropriation does not require a nonstate contribution.

Subd. 7. Clear Lake and Clearwater - Wastewater Treatment Facility

300,000

For a grant to the Clear Lake-Clearwater Sewer Authority to remove and replace the existing wastewater treatment facility. This project is intended to prevent the discharge of phosphorus into the Mississippi River. This appropriation is not available until the commissioner of management and budget determines that at least \$200,000 is committed to the project from nonstate sources and the authority has applied for at least two grants to offset the cost. Any money received by the authority from grants must be returned to the general fund and are appropriated to the Public Facilities Authority for the purposes specified in Minnesota Statutes, section 446A.072, and subject to Minnesota Statutes, section 16A.642, from the date of the original appropriation.

Subd. 8. Dennison - Sewage Treatment System Improvements

726,000

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

Subd. 9. East Grand Forks - Wastewater Interconnection Infrastructure

5,300,000

For a grant to the city of East Grand Forks to design and construct wastewater infrastructure improvements interconnecting the wastewater system of East Grand Forks to the wastewater treatment system in Grand Forks, North Dakota, and to design and construct the decommissioning of the wastewater stabilization ponds in East Grand Forks, Minnesota. This appropriation may not be used for improvements outside the state. This appropriation is in addition to grants under Minnesota Statutes, section 446A.072. A nonstate match is not required.

**Subd. 10. Lilydale - Highway 13 Storm Water
Conveyance**275,000

From the general fund for a grant to the city of Lilydale to design, acquire, construct, and install a storm water sewer and drop structure along Trunk Highway 13 in Lilydale that will be large enough to effectively collect water from springs and storm water runoff from above the road and safely convey the water to below the bluff. The city must coordinate this project with the Department of Transportation's Trunk Highway 13 project. The appropriation and project also include capital repairs and improvements to existing drainage structures along the Big Rivers Regional Trail at the base of the bluff. This appropriation may be used in part or in whole to reimburse the city for project costs already paid for and does not require a nonstate contribution.

**Subd. 11. Koochiching County - Voyageurs National Park
Clean Water Project**2,000,000

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

(b) This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 7. Notwithstanding the match requirement in Laws 2014, chapter 294, article 1, section 22, subdivision 7, the nonstate match required for this appropriation and the 2014 appropriation for a grant to Koochiching County is 25 percent of the state grant amounts. Any money remaining from this appropriation after completion of the projects in paragraph (a) is available for grants to Koochiching or St. Louis County to be used for other capital projects described in the comprehensive plan and as determined by the Voyageurs National Park Clean Water Joint Powers Board.

**Subd. 12. Oronoco - Wastewater Collection and
Treatment Facilities**500,000

From the general fund for a grant to the city of Oronoco to commission a study to evaluate options for solving the wastewater infrastructure needs for the region including the city of Oronoco, the city of Pine

Island, or the city of Rochester. This appropriation does not require a nonstate match.

Sec. 22. **MINNESOTA HOUSING FINANCE AGENCY** **\$** **10,000,000**

For transfer to the housing development fund to finance the costs of rehabilitation to preserve 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 the public housing authorities and agencies formed by cities and counties. Public housing authorities receiving a public housing assessment composite score of 80 or above or an equivalent designation are eligible to receive funding. 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. 23. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. Total Appropriation **\$** **6,500,000**

To the Minnesota Historical Society for the purposes specified 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. Historic Fort Snelling **4,000,000**

To design facilities to support visitor services and history programs at Historic Fort Snelling.

Sec. 24. **BOND SALE EXPENSES** **\$** **1,039,000**

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

Sec. 25. 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 \$873,366,000 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 \$165,144,000 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. 26. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.

(a) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1990, chapter 610, are canceled and the bond sale authorization in Laws 1990, chapter 610, article 1, section 30, subdivision 1, as amended, is reduced by \$3,129.

(b) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1994, chapter 643, are canceled and the bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, as amended, is reduced by \$24,480.

(c) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1997, Second Special Session chapter 2, are canceled and the bond sale authorization in Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by \$96,992.

(d) The remaining uncommitted appropriations from the bond proceeds fund in Laws 1999, chapter 240, are canceled and the bond sale authorization in Laws 1999, chapter 240, article 1, section 13, subdivision 1, as amended, is reduced by \$212,472.

(e) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2000, chapter 492, are canceled and the bond sale authorization in Laws 2000, chapter 492, article 1, section 26, subdivision 1, as amended, is reduced by \$7,933,538.

(f) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2002, chapter 393, are canceled and the bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended, is reduced by \$188,471.

(g) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2002, First Special Session chapter 1, are canceled and the bond sale authorization in Laws 2002, First Special Session chapter 1, section 9, subdivision 1, is reduced by \$217,959.

(h) The remaining uncommitted appropriations from the trunk highway bond proceeds fund in Laws 2003, First Special Session chapter 19, article 3, are canceled and the bond sale authorization in Laws 2003, First Special Session chapter 19, article 3, section 2, is reduced by \$201,530.

(i) The remaining uncommitted appropriations from the trunk highway bond proceeds fund in Laws 2003, First Special Session chapter 19, article 4, are canceled and the bond sale authorization in Laws 2003, First Special Session chapter 19, article 4, section 4, is reduced by \$326,534.

(j) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2005, chapter 20, are canceled and the bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended, is reduced by \$3,366,628.

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

(l) The uncommitted and unobligated amount of the appropriation from the bond proceeds fund in Laws 2014, chapter 294, article 1, section 18, subdivision 8, for the Arrowhead Economic Opportunity Agency and Range Mental Health Center, estimated to be \$1,200,000, is canceled, and the bond sale authorization in Laws 2014, chapter 294, article 1, section 26, subdivision 1, is reduced by the same amount.

(m) The amounts of the general obligation bond proceeds appropriations, general fund appropriations, and trunk highway bond proceeds appropriations listed in the cancellation report submitted to the legislature in January 2017, pursuant to Minnesota Statutes, section 16A.642, are canceled on the effective date of this section, with the exception of the cancellation of Laws 2006, chapter 258, section 18, subdivision 6, as amended by Laws 2013, chapter 136, section 13, that is reauthorized in article 2, section 24, of this act. The corresponding bond sale authorizations are reduced by the same amounts. If an appropriation in this section is canceled more than once, the cancellation must be given effect only once.

Sec. 27. **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, 2019, no more than \$1,555,301,000 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. 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. 28. **EFFECTIVE DATE.**

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

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 2016, section 15B.32, subdivision 4, is amended to read:

Subd. 4. **Officers and meetings.** (a) The governor is the chair of the commission. The lieutenant governor is the vice-chair of the commission and may act as the chair of the commission in the absence of the governor. The governor may designate a staff member to attend commission meetings and vote on the governor's behalf in the absence of the governor.

(b) The commission shall meet at least ~~quarterly~~ annually and at other times at the call of the chair. Meetings of the commission are subject to chapter 13D.

Sec. 2. Minnesota Statutes 2016, section 16A.967, is amended to read:

16A.967 LEWIS AND CLARK APPROPRIATION BONDS.

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

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

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

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

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

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

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

Subd. 2. Authorization to issue appropriation bonds. (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes as provided by law, ~~including, in particular, the financing of the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia, extension of the project to the Lincoln Pipestone Rural Water System connection near Adrian, and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to this project phase.~~ Grant agreements entered into under this section must provide for reimbursement to the state from any federal money provided for the project, consistent with the Lewis and Clark Regional Water System, Inc., agreement.

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

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

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

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

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

authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

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

Subd. 2a. **Project authorization.** Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, paragraph (a), not to exceed \$19,000,000 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under subdivision 2, paragraph (d). The bonds authorized by this subdivision are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian; engineering, design, and easement acquisition for the final phase of the project to Worthington; and to begin and proceed with Phase 3, described in subdivision 2b. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to this project phase. Upon certification by the Lewis and Clark Joint Powers Board that the bond sale authorization provided by this subdivision has fully met the needs of Phase 2 of the project, and to the extent there is additional authorization remaining, this authorization is also available for the purposes of and on the same conditions as subdivision 2b.

Subd. 2b. **Additional project authorization.** Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, paragraph (b), not to exceed \$3,500,000 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under subdivision 2, paragraph (d). The bonds authorized by this subdivision are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 3 of the Lewis and Clark Regional Water System project, including extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquisition and installation of a supervisory control and data acquisition (SCADA) system. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to the final phase of the project.

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

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

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

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

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

Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding appropriation bonds on any redemption date, or to pay interest on the refunding bonds and may,

pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the appropriation bonds to be refunded or interest or premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds fund for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the appropriation bonds to be refunded.

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

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

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

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

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

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

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

(2) to the commissioner for debt service on the bonds including capitalized interest, nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and payments under any agreements entered into under subdivision 2, paragraph ~~(e)~~ (d), each as permitted by state and federal law, and such proceeds may be granted, loaned, or otherwise provided for the public purposes provided by subdivision 2, paragraph ~~(a)~~.

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

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

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

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

(b) An amount up to \$265,000 needed to pay principal and interest on appropriation bonds issued under subdivision 2b is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The appropriation is available beginning in fiscal year 2018 and through fiscal year 2039.

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

Sec. 3. **[16C.054] ACCOMMODATION FOR HARD-OF-HEARING IN STATE-FUNDED CAPITAL PROJECTS.**

Subdivision 1. **Definition.** For purposes of this section, "public gathering space" means a space that is constructed or renovated as part of the project: (1) that accommodates and is intended to be used for gatherings of 15 or more people; and (2) in which audible communications are integral to a use of the space.

Subd. 2. **Accommodation for hard-of-hearing in state-funded capital projects.** No commissioner or agency head may approve a contract or grant state funds for a capital improvement project to construct or renovate a public gathering space in a building unless:

(1) the project includes equipping the public gathering space, if the public gathering space has or will have a permanent audio-amplification system, with audio-induction loops to provide an electromagnetic signal for hearing aids and cochlear implants; and

(2) the project includes meeting the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools on maximum background noise level and reverberation times in the public gathering space.

Subd. 3. **Exemption.** A commissioner or agency head may approve a contract or grant state funds for a capital improvement project to construct or renovate a building that does not meet a requirement of subdivision 2, when the commissioner or agency head determines that meeting that requirement is not feasible, is in conflict with other requirements in law, is in conflict with other project requirements, or that costs outweigh the benefits. The commissioner must consult with the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans before making the determination.

Subd. 4. **Exemption reports.** A commissioner or agency head who determines a contract is exempt under subdivision 3 must report the exemption to the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans within three months of making the determination. The chair of the Commission of Deaf, Deafblind, and Hard-of-Hearing Minnesotans shall submit a report to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over state contracting by January 30 of even-numbered years beginning in 2020 identifying each exemption reported in the previous two calendar years.

EFFECTIVE DATE. (a) This section is effective the day following final enactment, and, except as provided in paragraph (b), applies to any project funded with an appropriation enacted after January 1, 2017.

(b) This section does not apply to a project that has completed schematic design on the effective date of this section, but the commissioner and agency heads are encouraged to comply with it.

Sec. 4. Minnesota Statutes 2016, section 84.946, subdivision 2, is amended to read:

Subd. 2. **Standards.** (a) An appropriation for asset preservation may be used only for a capital expenditure on a capital asset previously owned by the state, within the meaning of generally accepted accounting principles as applied to public expenditures. The commissioner of natural resources will consult with the commissioner of management and budget to the extent necessary to ensure this and will furnish the commissioner of management and budget a list of projects to be financed from the account in order of their priority. The legislature assumes that many projects for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

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

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

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

Sec. 5. Minnesota Statutes 2016, section 85.34, subdivision 1, is amended to read:

Subdivision 1. **Upper bluff; lease terms.** The commissioner of natural resources with the approval of the Executive Council may lease for purposes of restoration, preservation, historical, recreational, educational, and commercial use and development, that portion of Fort Snelling State Park known as the upper bluff consisting of officer's row, area J, the polo grounds, the adjacent golf course, and all buildings and improvements located thereon, all lying within an area bounded by Minneapolis-St. Paul International Airport, Trunk Highways numbered 5 and 55, and Bloomington Road. The lease or leases shall be in a form approved by the attorney general and for a term of not to exceed 99 years. The lease or leases may provide for the provision of capital improvements or other performance by the tenant or tenants in lieu of all or some of the payments of rent that would otherwise be required. Notwithstanding the continuing ownership of the upper bluff by the state, any lease of one or more buildings improved with state general obligation bond proceeds that exceeds 50 years shall be treated as a sale of the buildings for purposes of section 16A.695, subdivision 3. Any disposition proceeds payable to the commissioner upon execution of a lease relating to state-bond-financed buildings at the upper bluff shall be applied according to section 16A.695, subdivision 3, and used to pay, redeem, or defease state general obligation bonds issued for purposes of improving those buildings. Any lease revenues paid to the commissioner subsequent to the payment, redemption, or defeasance of state general obligation bonds shall be used by the commissioner as further described in this section.

Sec. 6. Minnesota Statutes 2016, section 116J.8738, subdivision 2, is amended to read:

Subd. 2. **Qualified business.** (a) A business is a qualified business if it satisfies the requirement of this paragraph and is not disqualified under the provisions of paragraph (b). To qualify, the business must:

(1) have operated its trade or business in a city or cities in greater Minnesota for at least one year before applying under subdivision 3;

(2) pay or agree to pay in the future each employee compensation, including benefits not mandated by law, that on an annualized basis equal at least 120 percent of the federal poverty level for a family of four;

(3) plan and agree to expand its employment in one or more cities in greater Minnesota by the minimum number of employees required under subdivision 3, paragraph (c); and

(4) have received certification from the commissioner under subdivision 3 that it is a qualified business.

(b) A business is not a qualified business if it is either:

(1) primarily engaged in making retail sales to purchasers who are physically present at the business's location or locations in greater Minnesota;

(2) a public utility, as defined in section 336B.01; or

(3) primarily engaged in lobbying; gambling; entertainment; professional sports; political consulting; leisure; hospitality; or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants.

(c) The requirements in paragraph (a) that the business's operations and expansion be located in a city do not apply to an agricultural processing facility or a project designed to qualify under section 41A.20.

Sec. 7. Minnesota Statutes 2016, section 116J.8738, subdivision 3, is amended to read:

Subd. 3. **Certification of qualified business.** (a) A business may apply to the commissioner for certification as a qualified business under this section. The commissioner shall specify the form of the application, the manner and times for applying, and the information required to be included in the application. The commissioner may impose an application fee in an amount sufficient to defray the commissioner's cost of processing certifications. Application fees are deposited in the greater Minnesota business expansion administration account in the special revenue fund. A business must file a copy of its application with the chief clerical officer of the city at the same time it applies to the commissioner. For an agricultural processing facility or a project designed to qualify under section 41A.20 located outside the boundaries of a city, the business must file a copy of the application with the county auditor.

(b) The commissioner shall certify each business as a qualified business that:

(1) satisfies the requirements of subdivision 2;

(2) the commissioner determines would not expand its operations in greater Minnesota without the tax incentives available under subdivision 4; and

(3) enters a business subsidy agreement with the commissioner that pledges to satisfy the minimum expansion requirements of paragraph (c) within three years or less following execution of the agreement.

The commissioner must act on an application within 90 days after its filing. Failure by the commissioner to take action within the 90-day period is deemed approval of the application.

(c) The business must increase the number of full-time equivalent employees in greater Minnesota from the time the business subsidy agreement is executed by two employees or ten percent, whichever is greater.

(d) The city, or a county for an agricultural processing facility or a project designed to qualify under section 41A.20 located outside the boundaries of a city, in which the business proposes to expand its operations may file comments supporting or opposing the application with the commissioner. The comments must be filed within 30 days after receipt by the city or county of the application and may include a notice of any contribution the city or county intends to make to encourage or support the business expansion, such as the use of tax increment financing, property tax abatement, additional city or county services, or other financial assistance.

(e) Certification of a qualified business is effective for the seven-year period beginning on the first day of the calendar month immediately following the date that the commissioner informs the business of the award of the benefit.

Sec. 8. Minnesota Statutes 2016, section 174.50, subdivision 5, is amended to read:

Subd. 5. **Certification and disbursement for project of political subdivision.** Before disbursement of an appropriation made from the fund to the commissioner of transportation for grants to subdivisions of the state, the commissioner ~~shall~~ must certify that:

(1) ~~that the project for which the grant is made has been reviewed as provided in subdivision 4;~~

~~(2) that~~ the project conforms to the program authorized by the appropriation law and rules adopted by the Department of Transportation consistent therewith; and

~~(3) that~~ (2) the financing of any estimated cost of the project in excess of the amount of the grant is assured by the appropriation of the proceeds of bonds or other funds of the subdivision, or by a grant from an agency of the federal government, within the amount of funds then appropriated to that agency and allocated by it to projects within the state, and by an irrevocable undertaking, in a resolution of the governing body of the subdivision, to use all funds so made available exclusively for the project, and to pay any additional amount by which the cost exceeds the estimate through appropriation to the construction fund of additional funds or the proceeds of additional bonds to be issued by the subdivision.

Sec. 9. Minnesota Statutes 2016, section 174.50, subdivision 6b, is amended to read:

Subd. 6b. **Bridge costs in smaller cities.** (a) The commissioner may make grants from the state transportation fund to a home rule or statutory city with a population of 5,000 or less for design, engineering, and construction of bridges on city streets.

~~(b) Grants under this subdivision are subject to the procedures and criteria established under subdivisions 5, 6, and 7.~~

~~(c)~~ (b) Grants may be used for:

(1) 100 percent of the design and engineering costs that are in excess of \$10,000;

(2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and

(3) 100 percent of the bridge construction work costs.

Sec. 10. Minnesota Statutes 2016, section 174.50, subdivision 6c, is amended to read:

Subd. 6c. **Fracture-critical bridges.** ~~(a)~~ The commissioner may make a grant to any political subdivision for replacement or rehabilitation of a fracture-critical bridge. To be eligible for a grant under this subdivision, the project must produce a bridge structure:

(1) that is no longer classified as fracture critical, by having alternate load paths; and

(2) whose failure of a main component will not result in the collapse of the bridge.

~~(b) A grant under this subdivision is subject to the procedures and criteria established under subdivisions 5 and 6.~~

Sec. 11. Minnesota Statutes 2016, section 174.50, is amended by adding a subdivision to read:

Subd. 6d. **Major local bridges.** For an appropriation made specifically for purposes of this subdivision, the commissioner may make a grant under this section to any political subdivision for replacement or rehabilitation of a major local bridge in which the grant award is \$7,000,000 or more. If in any year money appropriated for local bridge replacement and rehabilitation projects under this subdivision remains available after all identified and eligible projects under this subdivision have been funded, the commissioner may use remaining funds to make grants under this section for less than \$7,000,000.

Sec. 12. Minnesota Statutes 2016, section 174.50, subdivision 7, is amended to read:

Subd. 7. Bridge grant program; rulemaking. (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions. Grants under this section are subject to the procedures and criteria established in this subdivision and in subdivisions 5 and 6.

(b) The maximum use of standardized bridges is encouraged. Regardless of the size of the existing bridge, a bridge or replacement bridge is eligible for assistance from the state transportation fund if a hydrological survey indicates that the bridge or replacement bridge must be ten feet or more in length.

(c) As part of the standards or rules, the commissioner shall, in consultation with local road authorities, establish a minimum distance between any two bridges that cross over the same river, stream, or waterway, so that only one of the bridges is eligible for a grant under this section. As appropriate, the commissioner may establish exceptions from the minimum distance requirement or procedures for obtaining a variance.

(d) Political subdivisions may use grants made under this section 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 to abandon an existing bridge that is deficient and in need of replacement but where no replacement will be made; and

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

(e) Funds appropriated to the commissioner from the Minnesota state transportation fund shall be segregated from the highway tax user distribution fund and other funds created by article XIV of the Minnesota Constitution.

(f) Except as provided in subdivision 6d, the commissioner is prohibited from awarding a grant under this section for a local bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000 or more.

(g) Notwithstanding paragraph (f), the commissioner may award a grant under this section for a portion of a local bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000 or more if every other local bridge replacement or rehabilitation project on the commissioner's priority list with a total project cost estimate of less than \$7,000,000 has been fully funded.

Sec. 13. **[219.016] HAZARDOUS MATERIALS RAIL SAFETY.**

Subdivision 1. Program established. A hazardous materials rail safety program is established for the purpose of reducing the risks associated with the transportation of oil, ethanol, and other hazardous material by rail.

Subd. 2. Accounts established. Two hazardous materials rail safety program accounts are created, one in the special revenue fund and one in the bond proceeds fund. The account in the special revenue fund consists of money as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in each account is appropriated to the commissioner of transportation to make grants as provided in this section.

Subd. 3. Eligible applicant. A county, statutory or home rule charter city, or town that is responsible for establishing and maintaining public highway-rail grade crossings on rail corridors transporting crude oil and other hazardous materials may apply to the commissioner for financial assistance under this section.

Subd. 4. Eligible project. (a) A project is eligible for a grant from the account in the bond proceeds fund if the project is for the acquisition or betterment of public land, buildings, and other public improvements of a capital nature within the meaning of the Minnesota Constitution, article XI, section 5, clause (a) or (i), including capital costs associated with hazardous materials rail safety projects on public highway-rail grade crossings. Qualifying capital costs include but are not limited to upgrades to existing protection systems, the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade separations.

(b) A project is eligible for a grant from the account in the special revenue fund if it is for purposes described in paragraph (a) or other capital facility improvement purposes that support the purposes for which this grant program is established, including capital costs associated with planning, engineering, administration, and construction of public highway-rail grade crossing improvements on rail corridors transporting crude oil and other hazardous materials. Improvements may include upgrades to existing protection systems, the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade separations.

Subd. 5. Grants; criteria for grant award. The commissioner must consider the following criteria to evaluate applications for a grant award under this section:

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

(2) roadway traffic volumes and speeds;

(3) train volumes and speeds;

(4) adjacent land use;

(5) crash history;

(6) use of the crossing by emergency vehicles;

(7) use of the crossing by vehicles carrying hazardous materials; and

(8) local financial contributions to the project.

Subd. 6. Process. The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. An applicant must apply for a grant in the manner and at the times determined by the commissioner.

Subd. 7. Grant cancellation. If, five years after execution of a grant agreement, the commissioner determines that the grantee has not proceeded in a timely manner with implementation of the project funded,

the commissioner must cancel the grant and the grantee must repay to the commissioner all grant money paid to the grantee. Section 16A.642 applies to any appropriations made from the bond proceeds fund to the commissioner under this section that have not been awarded as financial assistance.

Sec. 14. Minnesota Statutes 2016, section 326B.124, is amended to read:

326B.124 EXEMPTIONS.

(a) The commissioner may exempt a part of a historic building occupied by the state from the state or another building, fire, safety, or other code if the exemption is necessary to preserve the historic or esthetic character of the building or to prevent theft, vandalism, terrorism, or another crime. When the commissioner grants an exemption, the commissioner shall consider providing equivalent protection. A certificate of occupancy may not be denied because of an exemption under this section.

(b) The house of representatives and senate chambers located in the State Capitol are exempt from any State Building Code and State Fire Code requirements pertaining to: (1) exit sign placement at exit access doors; and (2) occupancy limit signs. The house of representatives and senate may install exit and occupancy limit signs within the house of representatives and senate chambers located in the State Capitol that are minimal in size and historic in appearance as appropriate for each chamber. Any sign installed by the house of representatives or the senate under the authority provided in this paragraph is not subject to the approval of the commissioner.

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

Sec. 15. Minnesota Statutes 2016, section 446A.072, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant funding from the USDA/RECD, the authority may provide assistance in the form of a grant of up to 65 percent of the eligible grant need determined by USDA/RECD. A governmental unit may not receive a grant under this paragraph for more than ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically approved by law.

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

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

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

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

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

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

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

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

Subd. 9. **Funding limitation.** Supplemental assistance may not be used to reduce the sewer service charges of a significant ~~wastewater contributor~~ industrial user that has a separate service charge agreement with the recipient, or a single user that has caused the need for the project or whose current or projected flow and load exceed usage exceeds one-half of the current wastewater ~~treatment plant's~~ drinking water system capacity.

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

Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or~~ grant under this section shall establish a system replacement fund and shall annually deposit a minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or~~ expansion, or replacement of the treatment wastewater or drinking water system, or replacement of the treatment system at the end of its useful life. Money must remain in the account for the life of the corresponding project loan from the authority or USDA/RECD, unless use of the fund is approved in writing by the authority for major rehabilitation, expansion, or replacement of the ~~treatment wastewater or drinking water system.~~ By March 1 each year during the life of the loan, each recipient shall submit a report to the authority regarding the amount deposited and the fund balance for the prior calendar year. A recipient is not required to maintain a fund balance greater than the amount of the grant received. Failure to comply with the requirements of this subdivision shall result in the authority assessing a penalty

fee to the recipient equal to one percent of the supplemental assistance amount for each year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as required constitutes a default on the loan.~~

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

- (1) the project is consistent with the county comprehensive land use plan, if the county has adopted one;
- (2) the project is consistent with the county water plan, if the county has adopted one; and
- (3) the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, part 7082.0050.

Sec. 16. Minnesota Statutes 2016, section 446A.073, is amended to read:

446A.073 POINT SOURCE IMPLEMENTATION GRANTS.

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

- (1) a wasteload reduction prescribed under a total maximum daily load plan required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);
- (2) a phosphorus concentration or mass limit which requires discharging one milligram per liter or less at permitted design flow which is incorporated into a permit issued by the Pollution Control Agency;
- (3) any other water quality-based effluent limit established under section 115.03, subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution Control Agency that exceeds secondary treatment limits; or
- (4) a total nitrogen concentration or mass limit of that requires discharging ten milligrams per liter or less ~~for a land-based treatment system~~ at permitted design flow.

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

- ~~(1) in accordance with section 116.182, calculate the essential project component percentage, which must be multiplied by the total project cost to determine the eligible project cost; and~~
- ~~(2) review and certify to the authority those projects that have plans and specifications approved under section 115.03, subdivision 1, paragraph (f).~~

Subd. 3. **Project priorities.** ~~When money is appropriated for grants under this program,~~ The authority shall accept applications under this program during the month of July ~~and~~. ~~When a project is certified by the Pollution Control Agency the authority shall reserve money for projects expected to proceed with construction by the end of the fiscal year~~ the project in the order listed on the Pollution Control Agency's project priority list and in an amount based on the cost estimate submitted to the authority ~~in the grant application~~ when the project is certified or the as-bid costs, whichever is less. Notwithstanding Minnesota Rules, chapter 7077, the Pollution Control Agency may rank a drinking water infrastructure project on the agency's project priority list if the project is necessary to meet an applicable requirement in subdivision 1.

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

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

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

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

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

Sec. 17. Minnesota Statutes 2016, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

(5) to earn interest on fund accounts;

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

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

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

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

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

~~(b) Principal forgiveness or grants under paragraph (a), clause (8), must only be provided if the average annual residential drinking water system cost after completion of the project would otherwise exceed 1.2 percent of the median household income in the project service area. In determining whether the average annual residential drinking water system cost would exceed 1.2 percent, the authority must consider the total costs associated with building, operating, and maintaining the drinking water system, including debt service and operation and maintenance costs. Debt service costs for the proposed project must be calculated based~~

~~on the maximum loan term permitted for the drinking water revolving fund loan under this section. The amount of the principal forgiveness or grant must be equal to 80 percent of the amount needed to reduce the average annual residential drinking water system cost to 1.2 percent of median household income in the project service area, to a maximum of \$4,000,000 or \$15,000 per connection, whichever is less, and not to exceed 80 percent of the total project cost.~~

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

~~(d) The authority may reduce the percentage of median household income at which a loan term could extend to 30 years under subdivision 8, paragraph (c), and at which principal forgiveness or grants could be provided under paragraph (b) if it determines that the federal money allotted to the state cannot be fully utilized without the reduction. If it determines that the reduction is necessary to fully utilize the federal money, the authority must effect the change through its approval of the annual intended use plan.~~

Sec. 18. Minnesota Statutes 2016, section 446A.12, subdivision 1, is amended to read:

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

Sec. 19. Minnesota Statutes 2016, section 462A.37, subdivision 2a, is amended to read:

Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision 2, the agency may issue up to ~~\$80,000,000~~ \$95,000,000 of housing infrastructure bonds in one or more series to which the payments made under this section may be pledged.

Sec. 20. Minnesota Statutes 2016, section 462A.37, subdivision 2b, is amended to read:

Subd. 2b. **Additional authorization.** In addition to the amount authorized in subdivisions 2 and 2a, the agency may issue up to ~~\$10,000,000~~ \$15,000,000 of housing infrastructure bonds in one or more series to which the payments made under this section may be pledged.

Sec. 21. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision to read:

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

Sec. 22. Minnesota Statutes 2016, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (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 subdivisions 2a ~~and~~, 2b, and 2c.

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

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure bonds issued under subdivision 2c remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

Sec. 23. Laws 2006, chapter 258, section 18, subdivision 6, as amended by Laws 2013, chapter 136, section 13, is amended to read:

Subd. 6. Systemwide Redevelopment, Reuse, or Demolition

5,000,000

To abate hazardous materials, design, construct, or improve basic infrastructure, including sanitary and storm sewer and water lines, public streets, curb, gutter, street lights, or sidewalks, to make improvements for building envelope and structural integrity for the purposes of stabilizing the buildings for sale, demolish all or portions of surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure to facilitate redevelopment of Department of Human Services campuses that the commissioner of administration is authorized to convey to a local unit of government under Laws 2005, chapter 20, article 1, section 46, or other law. These projects must facilitate the redevelopment or reuse of these campuses and must be implemented consistent with the comprehensive redevelopment plans developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2, unless expressly provided otherwise. 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. Notwithstanding the inclusion of the unencumbered and unobligated balance of the bond sale authorization and appropriation of bond proceeds in this subdivision in the report submitted to the legislature in January 2017 pursuant to Minnesota Statutes, section 16A.642, the unencumbered and unobligated balance of the bond sale authorization and appropriation of bond proceeds in this subdivision are, estimated to be \$1,991,456.32, is reauthorized and available until December 31, 2016 2020.

Sec. 24. Laws 2012, chapter 293, section 7, subdivision 3, is amended to read:

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. Notwithstanding the match requirements in Minnesota Statutes, section 103G.511, a grant to the city of Lanesboro does not require any nonstate match.

Sec. 25. Laws 2012, chapter 293, section 17, subdivision 4, is amended to read:

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.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2022.

Sec. 26. Laws 2014, chapter 294, article 1, section 7, subdivision 11, is amended to read:

Subd. 11. Central Minnesota Regional Parks 500,000

For a grant to the city of Sartell to acquire land and develop recreation facilities at Sauk River Regional

Park in the city of Sartell and to acquire up to 68 acres of land located along the Sauk River near the confluence of the Mississippi to serve as part of the Central Minnesota Regional Parks and Trails. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until June 30, 2020.

Sec. 27. Laws 2014, chapter 294, article 1, section 7, subdivision 15, is amended to read:

Subd. 15. **Grant County Trail Grant** 100,000

For a grant to Grant County for predesign, acquisition, ~~and~~ or improvements for a trail from the city of Elbow Lake to Pomme de Terre Lake. The commissioner of natural resources may allocate any amount not needed to complete this project to state trail acquisition and improvements under Minnesota Statutes, section 85.015.

Sec. 28. Laws 2014, chapter 294, article 1, section 17, subdivision 6, is amended to read:

Subd. 6. **Inver Grove Heights - Heritage Village Park** 2,000,000

\$1,500,000 of this appropriation is for a grant to the city of Inver Grove Heights and \$500,000 of this appropriation is for a grant to Dakota County. This appropriation is for public infrastructure improvements and land acquisition in and adjacent to the Heritage Village Park, the Mississippi River Trail, and the Rock Island Swing Bridge. These improvements will include but are not limited to motor vehicle access, utility service, stormwater treatment, and trail and sidewalk connections. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 29. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

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

For a grant to the city of West St. Paul to predesign, design, and construct a ~~pedestrian bridge for the North Urban Regional Trail as an overpass~~ grade separated crossing of Robert Street in the area near Wentworth Avenue in West St. Paul for the River to River Regional Greenway. This appropriation may also be used to acquire property or purchase rights-of-way

needed for bridge construction. A nonstate match is not required.

Sec. 30. Laws 2014, chapter 294, article 1, section 21, subdivision 12, as amended by Laws 2015, First Special Session chapter 5, article 3, section 19, is amended to read:

Subd. 12. Minneapolis - Brian Coyle Community Center 330,000

(a) For a grant to the Minneapolis Park and Recreation Board to predesign and design the renovation and expansion of the Brian Coyle Community Center, subject to Minnesota Statutes, section 16A.695. This appropriation does not require a local match.

(b) The Minneapolis Park and Recreation Board, the Pillsbury United Communities, Hennepin County, institutions of higher education, and neighborhood organizations shall develop an agreement for the use of the existing Brian Coyle Community Center. The lease between the Minneapolis Park and Recreation Board and Pillsbury United Communities shall be reformed prior to the expenditure of any funds for predesign and design.

(c) The appropriation under this subdivision may also be used toward the renovation and expansion of the Brian Coyle Community Center.

(d) Notwithstanding any limitation in paragraphs (a) to (c), the appropriation under this subdivision may be used by the Minneapolis Park and Recreation Board for capital costs of any recreation project or facility in the Cedar Riverside neighborhood.

Sec. 31. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, is amended to read:

Subd. 3. Local Road Improvement Fund Grants 8,910,000

(a) 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.

(b) This appropriation includes \$850,000 for a grant to the city of Sandstone for predesign, design, engineering, and construction of a road extending south off of marked Trunk Highway 23 across from Lundorff Drive to the airport area, and including a bridge over

Skunk Creek in Sandstone, in order to facilitate repurposing of an area of the airport into a business park. This appropriation is not available until the commissioner of management and budget determines that sufficient resources to complete the project are committed to it from other sources, including any funds made available from the commissioner of transportation.

(c) This appropriation includes \$3,770,000 for a grant to Kandiyohi County for construction and reconstruction of local roads ~~to facilitate the construction of highway rail grade separations at U.S. Highway 12 and Minnesota Highway 40 as part of~~ in conjunction with the Willmar Wye project as well as to re-establish the local road network on the southwest side of Willmar.

Sec. 32. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 7, is amended to read:

Subd. 7. Richfield - 77th Street Underpass

10,000,000

For a grant to the city of Richfield for right-of-way acquisition ~~and construction of~~ for an extension of 77th Street under marked Trunk Highway 77/Cedar Avenue in the city of Richfield to provide local and regional access between Richfield, the Minneapolis/St. Paul International Airport, the city of Bloomington, and the Mall of America. After right-of-way acquisition is completed, the city may use any remaining money appropriated in this subdivision for construction of the extension. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this subdivision are available until December 31, 2021.

Sec. 33. NATIONAL SPORTS CENTER; LEASE.

Notwithstanding Minnesota Statutes, sections 16A.695, 16B.24, and 240A.03, subdivision 6, the Minnesota Amateur Sports Commission may lease, sell, and license for educational purposes that portion of property described as a portion of the property acquired by the commission pursuant to Laws 1987, chapter 400, section 8, subdivision 3, not currently needed for amateur sports purposes to Independent School District No. 16, Spring Lake Park. A lease shall be in a form approved by the attorney general and for a term not to exceed 99 years. A lease may provide for the provision of capital improvements or other performance by the tenant in lieu of all or some of the payments of rent that would otherwise be required. Any lease revenues, sale proceeds, or license fees paid to the commission are appropriated to the commission.

Sec. 34. REVISOR'S INSTRUCTION.

In Minnesota Statutes, the revisor of statutes shall replace references to Minnesota Statutes, section 123A.446, with Minnesota Statutes, section 123A.445.

Sec. 35. **REPEALER.**

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

Sec. 36. **EFFECTIVE DATE.**

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

Presented to the governor May 26, 2017

Signed by the governor May 30, 2017, 4:35 p.m.