

CHAPTER 214--H.F.No. 4425

An act relating to state government; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; appropriating money from the environment and natural resources trust fund with certain conditions; providing for environment and natural resources trust fund appropriation bonds; modifying grant and permitting requirements; providing for the legislative budget office; 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 10A.01, subdivision 35; 13.64, by adding a subdivision; 15B.32, as amended; 16A.642, subdivision 1; 16A.86, subdivision 4; 16B.335, subdivision 1; 16B.35, by adding a subdivision; 115.03, by adding a subdivision; 116.072, by adding a subdivision; 116P.08, subdivision 2; 116P.12, subdivision 1; 462A.222, subdivision 3; 462A.37, subdivisions 1, 2, by adding subdivisions; Minnesota Statutes 2017 Supplement, sections 3.8853, subdivisions 1, 2, by adding subdivisions; 3.98, subdivision 1; 116P.08, subdivision 1; 222.49; 326B.124; 462A.2035, subdivisions 1, 1b; 462A.37, subdivision 5; 473.857, subdivision 2; Laws 2009, chapter 93, article 1, section 14, subdivision 3, as amended; Laws 2013, chapter 136, section 3, subdivision 2; Laws 2014, chapter 294, article 1, sections 5, subdivision 3; 7, subdivision 15, as amended; 12, subdivision 2; 21, subdivision 12, as amended; 22, subdivision 5; Laws 2014, chapter 295, section 9; Laws 2015, chapter 76, section 2, subdivision 9; Laws 2015, First Special Session chapter 5, article 1, sections 8, subdivisions 2, 3; 10, subdivision 3, as amended; Laws 2016, chapter 186, section 2, subdivision 9; Laws 2017, chapter 96, section 2, subdivision 8; Laws 2017, First Special Session chapter 3, article 1, section 2, subdivisions 2, 3; Laws 2017, First Special Session chapter 4, article 2, sections 1; 3; 9; 58; Laws 2017, First Special Session chapter 8, article 1, sections 6, subdivision 6; 15, subdivisions 3, 11, 13; 16, subdivision 7; 17, subdivision 9; 19, subdivision 3; 20, subdivisions 9, 21; 21, subdivision 8; 23, subdivision 3; 27; proposing coding for new law in Minnesota Statutes, chapters 3; 15B; 16A; 115; 245G; 446A; 474A; repealing Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4; Laws 2017, First Special Session chapter 4, article 2, section 59.

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 act:

(1) 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;

(2) is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642;

(3) 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; and

(4) is available for a grant to a political subdivision after the commissioner of management and budget determines that an amount sufficient to complete the project as described in this act has been committed to the project, as required by Minnesota Statutes, section 16A.502.

APPROPRIATIONS

Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation **\$ 79,400,000**

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) **45,000,000**

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

Subd. 3. Crookston - Dowell Hall and Owen Hall **3,200,000**

To predesign, design, renovate, furnish, and equip campus teaching and learning spaces in Dowell Hall and Owen Hall on the Crookston campus.

Subd. 4. Morris - Humanities Building and Blakely Hall **3,200,000**

To predesign, design, renovate, furnish, and equip campus teaching and learning spaces in the Humanities Building and Blakely Hall on the Morris campus.

Subd. 5. Twin Cities - Pillsbury Hall Renewal **24,000,000**

To predesign, design, renovate, furnish, and equip historic Pillsbury Hall on the Twin Cities campus.

Subd. 6. Glensheen Renewal **4,000,000**

To predesign, design, and renovate the Historic Glensheen Estate including but not limited to the main house; the site structures, terraces, and garden walls; and the carriage house. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from other sources.

Subd. 7. University Share

Except for the appropriations for HEAPR and Glensheen renewal, 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. 8. Unspent Appropriations

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

Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation

\$ 129,015,000

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

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)

45,000,000

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

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

569,000

To design the renovation of the business and nursing building on the Coon Rapids campus.

Subd. 4. Bemidji State University

22,512,000

To demolish and replace Hagg Sauer Hall with the Academic Learning Center Building; and to design, renovate, and equip A.C. Clark Library, Bangsberg Hall, Bensen Hall, Bridgeman Hall, and Sattgast Hall.

Subd. 5. Century College

6,362,000

To design, renovate, and equip the Engineering and Applied Technology Center, welding lab, fabrication

lab, auto disassembly, and related student support and university partnership space on the east campus.

Subd. 6. Fond du Lac Tribal and Community College, Maajiigi (Start to Grow)

1,157,000

To design, renovate, and equip classrooms and offices for the elementary education program; renovate kitchen area; to perform site work to support outdoor learning; and to demolish obsolete modular classroom/office building.

Subd. 7. Inver Hills Community College

698,000

To design the renovation of the Technology and Business Center to include the link to Heritage Hall.

Subd. 8. Minnesota State University, Mankato

6,478,000

To update design, renovate, renew, equip, and repurpose the spaces in Wissink Hall, Morris Hall, and Wiecking Center vacated when occupants moved to the new Clinical Science Building; and to install a solar array on the roof of the new Clinical Science Building.

Subd. 9. Minnesota State University, Moorhead

628,000

To design the renovation of Weld Hall.

Subd. 10. Normandale Community College

12,636,000

To design Phases 1 and 2 of the renovation of the College Services Building; and to renovate and equip the first floor of the College Services Building, including site improvements that address ADA compliance and storm water management.

Subd. 11. Riverland Community College, Albert Lea

10,122,000

To design, renovate, renew, and equip classroom and lab space at the Albert Lea campus; to construct infill in Building C to support auto and diesel labs; and to demolish obsolete child care building.

Subd. 12. Rochester Community and Technical College

22,853,000

To demolish Plaza and Memorial Halls; to design, renovate, renew, and equip classrooms and labs; to construct an addition adjacent to Endicott Hall; to construct a central chiller plant; and to demolish the maintenance building and child care building.

Subd. 13. 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. 14. 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

\$ 45,600,000

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

Subd. 2. Library Construction Grants

1,000,000

For library construction grants under Minnesota Statutes, section 134.45.

Subd. 3. School Safety Grants

25,000,000

(a) This appropriation is from the general fund in fiscal year 2019 for school safety facility grants for improvements related to violence prevention and facility security. \$25,000,000 in fiscal year 2019 is transferred from the budget reserve under Minnesota Statutes, section 16A.152, subdivision 1a, to the general fund.

(b) A school district may apply for a school safety facility grant in the form and manner specified by the commissioner of education.

(c) After consultation with the Department of Public Safety's Minnesota School Safety Center, the commissioner of education may award a school safety facility grant to a school district of no more than \$500,000 for each qualifying school building. The commissioner must award grants for projects that meet the requirements of this subdivision on a first-come, first-served basis. At least half of the grants must be awarded to school districts with administrative offices located outside of the eleven Minnesota counties included in the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area delineated in 2009 by the United State Census Bureau.

(d) Grants may be used to predesign, design, construct, furnish, and equip school facilities and includes renovating and expanding existing buildings and facilities.

(e) Before a grant is approved, the district must provide documentation acceptable to the commissioner of education on how the grant will be used.

(f) No money for construction may be distributed by the commissioner of education to the recipient school

district until bids have been received on 100 percent of the construction documents and satisfactory documentation has been submitted to the commissioner of education indicating the project can be fully completed with money available for the project.

(g) Grants are available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502.

Subd. 4. Independent School District No. 38, Red Lake

14,000,000

(a) From the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72. This appropriation is for predesign, design, and construction of a connection structure between the Red Lake Early Learning Childhood Center and Red Lake Elementary School; renovations to various classrooms, labs, and support rooms; updating of mechanical systems; and expansion of the cafeteria. Before any capital loan contract is approved under this subdivision, the district must provide documentation acceptable to the commissioner of education on how the capital loan will be used.

(b) The commissioner of administration may provide project management services to assist the commissioner of education with oversight of the project. No money for construction may be distributed by the commissioner of education to the recipient school district until bids have been received on 100 percent of the construction documents and satisfactory documentation has been submitted to the commissioner of education indicating the project can be fully completed with money available for the project.

(c) Notwithstanding the timelines in Minnesota Statutes, section 126C.69, subdivision 11, Independent School District No. 38, Red Lake, must submit the question authorizing the borrowing of money for the facilities to voters of the district at the first general election following final enactment of this subdivision.

(d) Notwithstanding Minnesota Statutes, section 126C.69, subdivision 6, the application submitted by Independent School District No. 38, Red Lake, on September 1, 2015, shall be considered a sufficient application for this loan. The local portion for this capital loan is \$94,231 under Minnesota Statutes, section 126C.69, subdivision 9. This amount shall be disbursed for the approved project prior to the state loan reimbursement payments to the school district.

**Subd. 5. Atwater-Cosmos-Grove City School District;
Cosmos Elementary School Repurposing**

5,000,000

For a grant to Independent School District No. 2396, Atwater-Cosmos-Grove City Public Schools, to predesign, design, construct, furnish, and equip the renovation and repurposing of the Cosmos elementary school for use by the regional educational program for autistic students, emotionally or behaviorally disturbed students, and other students with specific educational needs.

Subd. 6. Warroad School District - Northwest Angle School

600,000

From the general fund in fiscal year 2019 for a grant to Independent School District No. 690, Warroad Public Schools, for demolition and site preparation and to predesign, design, construct, furnish, and equip the renovation and an expansion of the Northwest Angle School.

Sec. 5. MINNESOTA STATE ACADEMIES

\$

2,000,000

To the commissioner of administration 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.

Sec. 6. PERPICH CENTER FOR ARTS EDUCATION

\$

250,000

To the commissioner of administration for capital asset preservation improvements and betterments at the Perpich Center for Arts Education, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 7. NATURAL RESOURCES

Subdivision 1. Total Appropriation

\$

78,669,000

(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

26,581,000

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, 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.

Subd. 3. Flood Hazard Mitigation

20,000,000

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

(c) To the extent practicable and consistent with the project, recipients of appropriations for flood control projects in this subdivision shall create wetlands that are eligible for wetland replacement credit to replace wetlands drained or filled as the result of repair, reconstruction, replacement, or rehabilitation of an existing public road under Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

(d) Project priorities shall be determined by the commissioner as appropriate and based on need and may include acquisition of properties prone to flooding.

(e) 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. Acquisition and Betterment of Buildings

6,000,000

For acquisition, predesign, design, and construction to replace existing facilities that no longer meet the business needs of the department; for the predesign, design, and construction of a drill core facility in Hibbing; and for the design and construction of storage facilities.

Subd. 5. State Park and Recreation Area Accessibility

500,000

For the design and construction of improvements to bring the facilities within state parks and recreation areas to the Americans with Disabilities Act standards.

Subd. 6. Blufflands State Trail

1,500,000

To acquire land for, construct, and pay expenses related to an extension of the Blufflands state trail system from Harmony to the Iowa border, to include a connection to Niagara Cave in Fillmore County as authorized in Minnesota Statutes, section 85.015, subdivision 7.

Subd. 7. Chester Woods State Trail

2,500,000

To complete construction and paving of phase one of the Chester Woods State Trail from the city of Rochester to Chester Woods Park in Olmsted County.

Subd. 8. Aitkin County - Northwoods ATV Trail

1,500,000

For a grant to Aitkin County for predesign, design, acquisition, and development of a trail to connect the Northwoods ATV trail system with the Mille Lacs-Malmo East Loop trail system. The appropriation is not available until the commissioner of management and budget determines that \$150,000 has been committed to the project from nonstate sources.

Subd. 9. Glendalough State Park

750,000

To predesign, design, and construct a Visitor and Trail Center in Glendalough State Park.

Subd. 10. Lake Vermilion-Soudan Underground Mine State Park

4,000,000

For development of Lake Vermilion-Soudan Underground Mine State Park, including designing, constructing, furnishing, and equipping the Lake Lodge Visitor Center at Armstrong Bay, the Murray Spur campground site and nearby infrastructure, and renewable energy facilities in the park, and for repair and reconstruction of the mine shaft at the Soudan Underground Mine.

Subd. 11. Mill Towns State Trail

500,000

For acquisition and design of the Mill Towns State Trail between the cities of Faribault and Waterford.

Subd. 12. Shooting Star State Trail

250,000

To complete the Shooting Star State Trail, established under Minnesota Statutes, section 85.015, subdivision 17, to Austin.

<u>Subd. 13. Babbitt Recreation Area</u>	<u>1,300,000</u>
<u>For a grant under Minnesota Statutes, section 85.019, subdivision 2, to the city of Babbitt to construct a campground at the Babbitt Recreation Area.</u>	
<u>Subd. 14. Cohasset - Tioga Recreation Area</u>	<u>1,000,000</u>
<u>For a grant to the city of Cohasset to design, engineer, and construct an approximately 25-mile trail system for hiking, running, mountain biking, and other activities in the Tioga Recreation Area in Cohasset.</u>	
<u>Subd. 15. Grand Marais; Lake Superior Water Access</u>	<u>2,000,000</u>
<u>For capital improvements to a water access facility on Lake Superior in Grand Marais.</u>	
<u>Subd. 16. La Crescent; Wagon Wheel Trail</u>	<u>2,500,000</u>
<u>For a grant to the city of La Crescent for phase three of four phases of the Wagon Wheel Trail project, including predesign, design, engineering, and construction of a grade-separated crossing of marked Trunk Highways 14, 16, and 61 near downtown La Crescent that will connect to the existing Wagon Wheel Trail.</u>	
<u>Subd. 17. Olmsted County; Lake Zumbro - Sedimentation Removal</u>	<u>640,000</u>
<u>For a grant to Olmsted County for the removal of sedimentation in Lake Zumbro deposited after the removal of the Lake Shady Dam on the middle fork of the Zumbro River. This appropriation may be used for final engineering, dredging, and dredged soil disposal. This appropriation is in addition to appropriations in Laws 2012, chapter 293, and Laws 2014, chapter 294.</u>	
<u>Subd. 18. St. Louis and Lake Counties Regional Railroad Authority - Mesabi Trail</u>	<u>1,138,000</u>
<u>For a grant to the St. Louis and Lake Counties Regional Railroad Authority to continue construction of the Mesabi Trail, starting near Whalston Road and going toward the city of Tower for approximately 4.5 miles.</u>	
<u>Subd. 19. Stillwater; St. Croix River Riverbank Restoration</u>	<u>1,650,000</u>
<u>For a grant to the city of Stillwater to predesign, design, engineer, and construct restoration of the St. Croix River riverbank in the city of Stillwater and to</u>	

design and construct an integrated walkway along the restored riverbank in the city.

Subd. 20. 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. 8. POLLUTION CONTROL AGENCY

\$

750,000

To the Pollution Control Agency for a grant to Becker County under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54, to predesign, design, construct, and equip buildings to store and process large, bulky materials, such as mattresses, that must be deconstructed before shipping to recycling facilities.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. Total Appropriation

\$

7,400,000

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

Subd. 2. Local Government Roads Wetland Replacement Program

6,700,000

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.

Subd. 3. Minnesota River Basin Area II

700,000

For grants to local governments in Area II of the Minnesota River Basin to acquire, design, and construct floodwater management projects.

Sec. 10. RURAL FINANCE AUTHORITY.

\$

35,000,000

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

If an appropriation for the same purpose as in this section is enacted more than once in the 2018 legislative session, the appropriation must be given effect only once. If the appropriations for the same purpose are for different amounts, the highest of the amounts is the one to be given effect.

Sec. 11. MINNESOTA ZOOLOGICAL GARDEN

\$

6,000,000

To the Minnesota Zoological Garden Board 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. 12. **ADMINISTRATION**

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

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

Subd. 2. **Capital Asset Preservation and Replacement Account** **5,000,000**

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

Subd. 3. **Capitol Complex - Physical Security Upgrades** **10,000,000**

To design, construct, and equip upgrades to the physical security elements and systems for one or more of the buildings listed in this subdivision, their attached tunnel systems, their surrounding grounds, and parking facilities as identified in the 2017 Minnesota State Capitol Complex Physical Security Predesign completed by Miller Dunwiddie. Improvements may include but are not limited to design and abatement of asbestos and hazardous materials, the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control. This appropriation includes money for work associated with one or more of the following buildings: Administration, Centennial, Judicial, Ag/Health Lab, Minnesota History Center, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.

Sec. 13. **AMATEUR SPORTS COMMISSION** **\$ 1,000,000**

To the Minnesota Amateur Sports Commission for asset preservation of a capital nature at the National Sports Center in Blaine, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 14. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation** **\$ 12,876,000**

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

Subd. 2. **Brainerd Readiness Center** 4,143,000

To design and renovate existing space at the Brainerd Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements.

Subd. 3. **Grand Rapids Readiness Center** 2,126,000

To design and renovate existing space at the Grand Rapids Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements.

Subd. 4. **St. Cloud Readiness Center** 4,450,000

To design and renovate existing space at the St. Cloud Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements. The adjutant general may also use this appropriation to construct and equip an expansion of the facility.

Subd. 5. **Wadena Readiness Center** 2,157,000

To design and renovate existing space at the Wadena Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements.

Sec. 15. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation** \$ 21,700,000

To the commissioner of public safety for the purposes specified in this section.

Subd. 2. **East Metro Training Facility - HERO Center** 9,500,000

For a grant to the city of Cottage Grove to construct, furnish, and equip a Health and Emergency Response Occupations (HERO) Center in Cottage Grove.

Subd. 3. **Dakota County - Regional Public Safety Center** 6,200,000

For a grant to Dakota County to acquire land for and to predesign, design, construct, furnish, and equip the Safety and Mental Health Alternative Response Training (SMART) Center. The center shall serve as a centrally located regional hub and provide training space for the Minnesota Crisis Intervention Team as well as provide a central location for other public safety resources.

Subd. 4. Marshall - MERIT Center**6,000,000**

For a grant to the city of Marshall to design, construct, furnish, and equip the driver training and road course expansion of the Minnesota Emergency Response and Industrial Training (MERIT) Center in Marshall.

Sec. 16. TRANSPORTATION**Subdivision 1. Total Appropriation****\$ 541,830,000**

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

Subd. 2. Local Road Improvement Fund Grants**78,600,000**

(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, \$13,500,000 is for a grant to the city of Dayton for design, engineering, environmental analysis, property and easement acquisition, construction, and reconstruction of local roads in conjunction with an interchange on marked Interstate Highway 94 near Hennepin County State-Aid Highway 101, known as Brockton Lane, in Dayton.

(c) Of this amount, \$6,100,000 is for a grant to the city of Inver Grove Heights to predesign, design, engineer, acquire right-of-way property and temporary and permanent easements, inspect, and construct or reconstruct: (1) realignment of Dakota County State-Aid Highway 63, known as Argenta Trail, in Inver Grove Heights, from northerly of its intersection with Amana Trail to the anticipated future alignment of 65th Street, then west to the existing Argenta Trail alignment, and in anticipation of the development of an interchange of Argenta Trail and marked Interstate Highway 494; and (2) expansion from two lanes to four lanes of Dakota County State-Aid Highway 26, known as 70th Street West, in Inver Grove Heights, from the border with Eagan to the intersection with Argenta Trail as realigned.

(d) Of this amount, \$9,000,000 is for a grant to Carver County following a jurisdictional transfer to Carver County of the affected segment of marked Trunk Highway 101. The appropriation may be used for design, right-of-way acquisition, engineering, and reconstruction of the segment transferred to the county that is between Pioneer Trail and Flying Cloud Drive, including grade separation of a multipurpose pedestrian and bicycle trail from the segment for the Minnesota River Bluffs Regional Trail and a regional trail along marked Trunk Highway 101.

Subd. 3. Local Bridge Replacement and Rehabilitation

5,000,000

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.

Subd. 4. Rail Service Improvement

1,550,000

From the rail service improvement account in the special revenue fund under the rail service improvement program in Minnesota Statutes, section 222.50, for grants to the Minnesota Valley Regional Rail Authority in the amount of \$1,000,000 to rehabilitate a portion of the railroad track between Winthrop and Hanley Falls, including but is not limited to environmental analysis and remediation, predesign, design, and rehabilitation or replacement of bridges or culverts, which is in addition to any other appropriation, or other grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62, and the amount of \$550,000 for the grant under section 26 which is available when the commissioner determines that sufficient resources have been committed to complete the project and is available until June 30, 2023, provided that the commissioner must: convert to a grant the remaining balance on Minnesota Department of Transportation Contract No. 1000714, originally executed as of June 1, 2015, with Minnesota Commercial Railway Company; cancel all future payments under the contract; release liens on the locomotives designated as MNNR 49 and MNNR 84; and perform the appropriate filing; and provided that the commissioner is prohibited from requiring or accepting additional payments under the contract as of the effective date of this subdivision, and that notwithstanding the loan conversion and payment cancellation under this subdivision, all other terms and conditions under Contract No. 1000714 remain

effective for the duration of the period specified in the contract.

Subd. 5. Port Development Assistance

5,200,000

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

Subd. 6. Safe Routes to School

1,000,000

For grants under Minnesota Statutes, section 174.40.

Subd. 7. Brooklyn Park - Trunk Highway 169 and 101st Avenue Interchange Project

4,000,000

\$4,000,000 is from the bond proceeds account in the state transportation fund for preliminary and final design, engineering, environmental analysis, right-of-way acquisition, and construction of an interchange located at Trunk Highway 169 and 101st Avenue in the city of Brooklyn Park.

Subd. 8. Chisago County - Marked U.S. Highway 8 Reconstruction

3,000,000

From the bond proceeds account in the state transportation fund for a grant to Chisago County to acquire land and right-of-way, perform environmental analysis, predesign, and design the local road, portions of a project to reconstruct marked U.S. Highway 8 in Chisago and Washington Counties, from marked Trunk Highway 61/Forest Boulevard North up to and including the intersection at Karmel Avenue.

Subd. 9. Foley - Trunk Highway 23 Safety Improvements

500,000

Of this appropriation, \$200,000 is for safety improvements to the intersection of marked Trunk Highway 23 and 8th Avenue and Penn Street, including curb and gutters and pedestrian crossings. \$300,000 of this appropriation is from the general fund in fiscal year 2019 for pedestrian pathways, lighting, and signage.

Subd. 10. Trunk Highway 29 - Railroad Grade Separation in Pope County

10,500,000

From the bond proceeds account in the trunk highway fund for construction of the interchange at marked Trunk Highway 55 and marked Trunk Highway 29 near the city of Glenwood, including grade separation of the adjacent rail crossing of marked Trunk Highway 29.

Subd. 11. Corridors of Commerce400,000,000

From the bond proceeds account in the trunk highway fund for the corridors of commerce program under Minnesota Statutes, section 161.088.

This appropriation is available in the amounts of:

- (1) \$150,000,000 in fiscal year 2022;
- (2) \$150,000,000 in fiscal year 2023; and
- (3) \$100,000,000 in fiscal year 2024.

From this appropriation, the commissioner must select projects solely using the results of the spring 2018 evaluation for the corridors of commerce program, in order based on total score, and must select at least two projects located outside the Department of Transportation metropolitan district. If funds are insufficient for an identified project, the commissioner must either select the identified project, or select one or more alternative projects that are (1) for a segment within the project limits of the identified project; and (2) also identified and scored in the spring 2018 evaluation process. For projects located outside the Department of Transportation metropolitan district, the commissioner must not select a project located in a county within which a project was selected for funding in the spring 2018 evaluation for the corridors of commerce program.

This appropriation cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued, and not as the date of enactment of this section.

Subd. 12. Hennepin County State-Aid Highway 9 (Rockford Road) and Marked Interstate Highway 4949,720,000

\$4,860,000 is from the bond proceeds account in the state transportation fund for a grant to Hennepin County, the city of Plymouth, or both, and \$4,860,000 is from the bond proceeds account in the trunk highway fund for the design, right-of-way acquisition, construction engineering, construction, and to equip the interchange at Hennepin County State-Aid Highway 9 and marked Interstate Highway 494, including replacing the County State-Aid Highway 9 bridge over marked Interstate Highway 494 and the ramps connecting County State-Aid Highway 9 and marked Interstate Highway 494, notwithstanding

Minnesota Statutes, section 174.52, or any rule to the contrary.

**Subd. 13. Mankato - Marked Trunk Highway 169
Reconstruction to Accommodate Raised Levee**

830,000

From the bond proceeds account in the trunk highway fund for a grant to the city of Mankato for a project to reconstruct a segment of marked Trunk Highway 169 north of the Highway 14 interchange to accommodate the raising of a levee. This appropriation is for the local shares the cities of Mankato and North Mankato are responsible for under the state's Cost Participation and Maintenance with Local Units of Government Manual, or any contract between the state and the city of Mankato.

**Subd. 14. Wadena - U.S. Highway 10 Environmental
Cleanup**

5,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of Wadena for environmental analysis and environmental cleanup and construction of storm water drainage within the marked U.S. Highway 10 corridor in the city of Wadena.

Subd. 15. Becker - Industrial Park Road Improvements

3,300,000

For a grant to the city of Becker for design, engineering, and construction of road and infrastructure improvements within the city's industrial park to provide better mobility to marked U.S. Highway 10. This appropriation includes money for improvements to an existing portion of Hancock Street South, new construction of an extension of Hancock Street South, and construction of sanitary sewer, water main, storm sewer, and other publicly owned infrastructure.

Subd. 16. Wakefield - 200th Street Reconstruction

600,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, to the town of Wakefield, the town of Luxembourg, or grants to both townships, for reconstruction of an approximately 2.7 mile portion of 200th Street, a township line road in Stearns County.

Subd. 17. Rochester - Bus Storage Facility Expansion

2,500,000

For a grant to the city of Rochester to predesign, design, construct, furnish, and equip an expansion to the city's existing bus storage facility.

**Subd. 18. Goodview, Minnesota City - Railroad Crossing
Quiet Zone**

330,000

For a grant to the city of Goodview for construction of a railroad crossing quiet zone that consists of construction and installation of concrete median barriers and associated road improvements at five Canadian Pacific railroad crossings in the cities of Goodview and Minnesota City.

Subd. 19. Hennepin County - Railroad Crossing Safety

1,200,000

For one or more grants to Hennepin County or the affected city in the county to construct railroad crossing safety improvements in Hennepin County. Of this amount, \$350,000 is for crossings at Townline Road and marked County Road 19 in the city of Loretto; \$450,000 is for crossings at marked Road 116/County Road 115 and Arrowhead Drive in the city of Medina; and \$400,000 is for crossings at East Lake Street and Barry Avenue in the city of Wayzata.

Subd. 20. New Brighton - Rice Creek Railroad Bridge

1,000,000

For a grant to Minnesota Commercial Railway Company to demolish the existing railroad bridge over Rice Creek in New Brighton and to predesign, design, acquire any right-of-way needed, engineer, construct, and equip a replacement railroad bridge to meet the needs of the railroad operators that use the bridge. This grant is contingent on:

(1) review and approval of the railway company's design, engineering, and plans for the project by Ramsey County to ensure the project does not interfere with recreational use of adjacent park property and Rice Creek, and by the Rice Creek Watershed District to ensure that the project's impact on flows in the creek is in accordance with the watershed district's adopted rules. These reviews and approvals are in addition to any other reviews, permits, or approvals required for the project;

(2) Minnesota Commercial Railway Company removing all structures related to the existing bridge from the Rice Creek streambed as part of the demolition and removal of the existing bridge, including any pilings, footings, or water control structures placed to protect the existing bridge structures, except to the extent prohibited by a permitting authority, including but not limited to the Department of Natural Resources and the United States Army Corps of Engineers. The replacement bridge and structures will be the property of the owner of the

railroad right-of-way and railroad operator, as may be arranged between them; and

(3) Minnesota Commercial Railway Company entering into an agreement with Ramsey County that gives the company access for both construction and ongoing maintenance of the bridge, and that provides for repair of the county trail damaged by railway maintenance work in the two years before the effective date of this section as well as immediately following construction and any subsequent maintenance activities.

In entering into a grant agreement with the commissioner of transportation, Minnesota Commercial Railway Company is agreeing to cooperate with the city of New Brighton and Ramsey County in development of crossings and trails in or near to the railway right-of-way.

Subd. 21. Moorhead - Rail Grade Crossing Separation at 21st Street South

6,000,000

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. This appropriation is in addition to the appropriation for the same purpose in Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 4.

Subd. 22. Rosemount - Railroad Quiet Zone

1,000,000

For a grant to the city of Rosemount to predesign, design, and construct railroad crossing improvements to create a quiet zone at the railroad crossing located on Bonaire Path in Rosemount.

Subd. 23. Stone Arch Bridge

1,000,000

For the design and engineering of the rehabilitation of the James J. Hill Stone Arch Bridge over the Mississippi River.

Sec. 17. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation

\$ 15,900,000

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

Subd. 2. Metropolitan Cities Inflow and Infiltration Grants

5,000,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the 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. 3. Carver County - Lake Waconia Development

1,500,000

For a grant to Carver County to predesign, to design, and for engineering of development of Lake Waconia Regional Park including construction of sewer and water utilities to the site, site grading, construction of a parking lot, and road improvements.

Subd. 4. Loretto - Wastewater Connection

400,000

For a grant to the city of Loretto to connect the city's existing wastewater collection system to the force main in the city of Independence for wastewater treatment by the wastewater treatment system shared by the cities of Independence, Greenfield, and Medina.

Subd. 5. New Hope - Outdoor Swimming Pool

2,000,000

For a grant to the city of New Hope to predesign, design, construct, and equip an outdoor 50-meter swimming pool on the civic center campus.

Subd. 6. St. Paul - Nature Sanctuary Visitor Center

3,000,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip a visitor and interpretive center in the Bruce Vento Nature Sanctuary in St. Paul for programs that the city determines meet regional and city park purpose requirements. The city may enter into a lease or management agreement under Minnesota Statutes, section 16A.695, to operate the programs in the center.

Subd. 7. White Bear Lake Trail and Route**4,000,000**

(a) To the Metropolitan Council for grants to complete design and construction of a multiuse paved trail and route for pedestrians, bicycles, and wheelchairs around White Bear Lake in Ramsey and Washington Counties.

(b) \$2,600,000 of this appropriation is for a grant to Ramsey County to design and construct trail improvements, consistent with the completed preliminary engineering, along South Shore Boulevard between White Bear Avenue and marked Trunk Highway 120 and to pave an existing dirt path within the Ramsey County Beach and Water Park from the entrance to the park at Highway 96 to the northeast edge of the park.

(c) \$1,400,000 of this appropriation is for a grant to the city of Mahtomedi to design and construct and design, construct, and equip elements of the trail and route along or proximate to Birchwood Road, Wildwood Beach Road, and on or in the proximity of Briarwood Road, consistent with the completed preliminary engineering, and final design and specification, subject to approval of the commissioner of transportation with regard to elements of the trail and route that are within or adjacent to the right-of-way of marked Trunk Highway 244.

Sec. 18. HUMAN SERVICES**Subdivision 1. Total Appropriation****\$ 74,723,000**

To the commissioner of administration, or other named entity, for the purposes specified in this section.

Subd. 2. Asset Preservation**10,000,000**

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

Subd. 3. St. Peter Regional Treatment Center Campus - Dietary Building HVAC and Electrical Replacement**2,200,000**

To predesign, design, engineer, and renovate the mechanical and electrical systems in the Dietary Building on the St. Peter Regional Treatment Center campus, including: the upgrade, replacement, and improvement of existing heating and ventilation equipment; installation of air-conditioning equipment; replacement of the building's outdated and undersized

electrical system; design and abatement of asbestos and hazardous materials; and structural, site, and utility work necessary to support the project.

Subd. 4. Anoka Metro Regional Treatment Center - Roof and HVAC Replacement

6,550,000

To predesign, design, engineer, construct, and equip improvements on the Anoka Metro Regional Treatment Center campus, including but not limited to design and abatement of asbestos and hazardous materials, replacement of roofs on residential units, installation of metal wall cladding on the mechanical penthouses, installation of new heating, ventilation, and air conditioning systems, fire sprinkler systems, electrical lighting systems in the Miller Building, and installation of a new heating system in the warehouse building.

Subd. 5. Regional Behavioral Health Crisis Facility Grants

28,100,000

To the commissioner of human services for behavioral health crisis program facilities grants under Minnesota Statutes, section 245G.011.

Subd. 6. Minneapolis - The Family Partnership

10,000,000

To the commissioner of human services for a grant to the city of Minneapolis to acquire real property, demolish unusable portions of the existing building, renovate some areas of the existing building, construct new space, and to furnish and equip the facility to provide mental health, early childhood education, and other services to support children and families. The city of Minneapolis may operate a center providing services for Minnesota victims of sex trafficking; trauma-informed counseling services; early learning programming and therapeutic childcare; and statewide training for professionals and community leaders.

Subd. 7. Scott County - Regional Crisis Stabilization and Intensive Residential Treatment Services Facility

1,900,000

To the commissioner of human services for a grant to Scott County to design, construct, furnish, and equip a facility in the city of Savage to provide regional intensive residential and treatment services (IRTS) and residential crisis stabilization subject to Minnesota Statutes, section 16A.695. This appropriation shall be used for construction of a 16-bed facility in conjunction with Guild Incorporated, a nonprofit organization based in St. Paul, to maximize the space available for 16 IRTS and crisis stabilization beds. The new facility shall provide acute stabilization and treatment for

persons with a primary or secondary mental health diagnosis in lieu of inpatient psychiatric hospitalization.

Subd. 8. White Earth - Opiate Treatment Facility

900,000

From the general fund in fiscal year 2019 to the commissioner of human services for a grant to the tribal council of the White Earth Nation to refurbish and equip the White Earth Opiate Treatment Facility on the White Earth Reservation. The facility shall treat Native Americans and provide culturally specific programming to individuals placed in the treatment center.

Subd. 9. Hennepin County - Regional Medical Examiner's Facility

15,073,000

For a grant to Hennepin County to design, construct, furnish, and equip a 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 located in southern Hennepin County at a site that best supports access needs for the three founding counties and reasonable scene response times for the geographic service area.

Sec. 19. VETERANS AFFAIRS

Subdivision 1. Total Appropriation

\$ 41,000,000

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

Subd. 2. Asset Preservation

9,000,000

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

Subd. 3. Bemidji, Montevideo, and Preston - New Veterans Homes

32,000,000

(a) \$12,400,000 of this appropriation is to predesign, design, construct, furnish, and equip a veterans home in Bemidji. \$9,400,000 of this appropriation is to predesign, design, construct, furnish, and equip a

veterans home in Montevideo. \$10,200,000 of this appropriation is to predesign, design, construct, furnish, and equip a veterans home in Preston.

(b) These veterans homes are subject to the requirements of the People's Veterans Homes Act in article 2.

Sec. 20. CORRECTIONS

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>39,950,000</u>
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To the commissioner of administration for the purposes specified in this section.

<u>Subd. 2. Asset Preservation</u>	<u>22,000,000</u>
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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.

<u>Subd. 3. Minnesota Correctional Facility - St. Cloud</u>	<u>16,000,000</u>
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To design, upgrade, construct, replace, and install new plumbing, ventilation, and exhaust systems as required by code and to meet other requirements. This appropriation includes money for design and abatement of asbestos and hazardous materials.

<u>Subd. 4. Minnesota Correctional Facility - Moose Lake</u>	<u>1,950,000</u>
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To predesign, design, construct, furnish, and equip the renovation and expansion of the outdated master control center at the Minnesota Correctional Facility - Moose Lake to improve security and efficiency. The renovation includes updating fire alarm panels and mechanical and electrical systems and improving visibility of the visiting area.

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. 21. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation**

\$ 109,344,000

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

Subd. 2. **Greater Minnesota Business Development Public Infrastructure Grants**

5,000,000

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

Subd. 3. **Transportation Economic Development**

3,000,000

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

Subd. 4. **Innovative Business Development Public Infrastructure Grants**

2,000,000

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

Subd. 5. **Austin - Public TV**

2,500,000

For a grant to the city of Austin to acquire land for, and to predesign, design, construct, furnish, and equip a regional public television station in the city of Austin.

Subd. 6. **Brooklyn Park - Second Harvest**

18,000,000

For a grant to the city of Brooklyn Park to acquire land for, and to predesign, design, construct, furnish, and equip a statewide Second Harvest Heartland charitable food warehouse, distribution, and office facility in the city of Brooklyn Park. The city may enter into lease or management agreements under Minnesota Statutes, section 16A.695, for operation of the facility. Amounts expended for this project by nonstate sources since June 1, 2016, shall count toward the nonstate match.

Subd. 7. **CentraCare Health System - Long Prairie**

700,000

From the general fund in fiscal year 2019 for a grant to CentraCare Health System - Long Prairie to design, construct, furnish, and equip the Regional Wellbeing Center in Long Prairie. The money may be used for any construction, equipment, or installation costs incurred after April 1, 2018.

Subd. 8. **Duluth - Steam Plant**

6,900,000

From the general fund in fiscal year 2019 for a grant to the city of Duluth for the same purposes as in Laws 2017, First Special Session chapter 8, article 1, section

20, subdivision 7, the Duluth municipal district heating facility and systems upgrade.

Subd. 9. Fergus Falls - Regional Treatment Center Redevelopment

3,500,000

For a grant to the city of Fergus Falls for phases 2 and 3 of the deconstruction of the former regional treatment center campus to prepare the site for public use, redevelopment, and historic preservation purposes. This appropriation includes money for demolition of all or portions of buildings and other structures deemed unnecessary or undesirable for redevelopment or renovation, removal of debris, site preparation and remediation, hazardous materials abatement, and improvements for building envelope and structural integrity to stabilize existing buildings and structures for redevelopment or renovation. This demolition is part of a larger project to redevelop the campus of the regional treatment center. This appropriation may not be used to demolish the central tower or the U-shaped building connected to the central tower.

Subd. 10. Goodhue County - Historical Society Museum

616,000

For a grant to the city of Red Wing for replacement of the Goodhue County Historical Society Museum building's HVAC system, roofing, and windows, and for renovation of the building's storefront entrance.

Subd. 11. Hennepin County - Children's Theatre

1,000,000

For a grant to Hennepin County to design, renovate, furnish, and equip the Children's Theatre Company's current facility, including improvements to the facility's existing heating, ventilation, and air conditioning system, subject to Minnesota Statutes, section 16A.695.

Subd. 12. Hennepin County - Hennepin Center for the Arts

1,400,000

From the general fund in fiscal year 2019 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 in addition to the appropriation in Laws 2017, First Special session chapter 8, article 1, section 20, subdivision 10, and no further nonstate contribution is required.

Subd. 13. Itasca County - Northern Community Radio Infrastructure

514,000

For a grant to Itasca County for site preparation, including deconstruction and removal of the old KAXE

Northern Community Radio broadcast tower, and to design, construct, and equip a new broadcast tower, transmitter, and transmission building in Trout Lake Township for a 100,000-watt public radio station to replace the KAXE Northern Community Radio transmission plant.

Subd. 14. Jackson - Memorial Park

290,000

For a grant to the city of Jackson to complete phase I of the redevelopment of Memorial Park, including trails, landscaping, a canoe launch, and other amenities.

Subd. 15. Litchfield - Opera House

100,000

From the general fund in fiscal year 2019 for a grant to the Greater Litchfield Opera House Association to repair and update the electrical capabilities and interior walls in the Litchfield Opera House.

Subd. 16. Minneapolis - Upper Harbor Terminal Redevelopment

15,000,000

For a grant to the city of Minneapolis, the Minneapolis Park and Recreation Board, or both, for predesign, design, and construction work for site preparation and for park and public infrastructure improvements to support an initial phase of redevelopment of the Upper Harbor Terminal on the Mississippi River; a site that was rendered inoperable for barging by the federal closure of the Upper St. Anthony Falls Lock.

Subd. 17. Minneapolis - American Indian Center

5,000,000

From the general fund in fiscal year 2019 for a grant to the Minneapolis American Indian Center to design, construct, furnish, and equip the renovation and expansion of the center on Franklin Avenue. This project includes: demolition work; improvements and additions to, or replacement of, the mechanical, electrical, plumbing, heating, ventilating, and air conditioning systems; repairs to the existing roof and exterior enclosure; required site improvements; general renovation of interior spaces; and expansion of the cafe space, the event spaces, and the performance spaces.

Subd. 18. Pipestone County - Dental Facility

500,000

For a grant to Pipestone County to predesign, design, construct, furnish, and equip a dental care facility in Pipestone County. The county may enter into an agreement under Minnesota Statutes, section 16A.695, for operation of the dental clinic.

Subd. 19. Perham - Redevelopment**6,000,000**

For a grant to the city of Perham to design, construct, redevelop, renovate, furnish, and equip buildings, land, and infrastructure at the site of the area community center and former high school for use as a community family services center, subject to Minnesota Statutes, section 16A.695.

Subd. 20. Polk County - North Country Food Bank**3,000,000**

For a grant to Polk County to predesign, design, construct, renovate, furnish, and equip a regional charitable food warehouse, distribution, and office facility in the city of Crookston, subject to Minnesota Statutes, section 16A.695.

Subd. 21. Ramsey County - Landmark Center**350,000**

From the general fund in fiscal year 2019 for a grant to Ramsey County to renovate and construct improvements to restroom facilities in the Landmark Center in the city of St. Paul.

Subd. 22. Rosemount - Family Resource Center**450,000**

For a grant to the city of Rosemount to design, construct, furnish, and equip an addition to the Family Resource Center in the city of Rosemount, to provide after-school tutoring, a food shelf, and other programs, subject to Minnesota Statutes, section 16A.695.

Subd. 23. Silver Bay - Black Beach Campground**1,765,000**

For a grant to the city of Silver Bay to predesign, design, construct, furnish, and equip a campground adjacent to the Black Beach recreational beach in Silver Bay, including camping sites; electrical, water, and sewer infrastructure; a playground; a pavilion; lavatory vaults; a shower and lavatory building; and a main office building. This appropriation may also be used to design, construct, and equip a walking trail from the campground to the Black Beach recreational site. The nonstate contribution may be made in-kind. In-kind contributions may include site preparation, whether begun before or after the effective date of this section.

Subd. 24. St. Paul - Conway Recreation Center**4,500,000**

For a grant to the city of St. Paul to complete the construction of playing fields and expansion of facilities at the Conway Community Recreation Center, including the renovation of and addition to the existing

structure at the field location, site remediation, design and site improvements, construction of seasonal dome infrastructure, and construction of four turf athletic fields. The city may enter into a lease management agreement under Minnesota Statutes, section 16A.695, for operation of the facility.

Subd. 25. St. Paul - Humanities Center

1,000,000

For a grant to the city of St. Paul for asset preservation of the Minnesota Humanities Center's main facility, including mechanical systems upgrades, including heating, ventilation, and cooling, subject to Minnesota Statutes, section 16A.695.

Subd. 26. St. Paul - Minnesota Museum of American Art

2,500,000

For a grant to the St. Paul Port Authority to acquire, design, construct, furnish, and equip the Minnesota Museum of American Art in the historic Pioneer Endicott Building. This appropriation is in addition to the amount appropriated by Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 21, and is available in accordance with the requirements of that subdivision. This appropriation may be used as needed for the costs of the project, including but not limited to secure loading dock, and art restoration and exhibit preparation areas.

Subd. 27. St. Paul - RiverCentre Parking Facility

5,000,000

For a grant to the city of St. Paul for demolition of the existing RiverCentre ramp and removal of debris. This demolition is part of a larger project to rebuild the parking facility.

Subd. 28. St. Paul - Southeast Asian Language Job Training Facilities

5,500,000

For a grant to the city of St. Paul to predesign, design, renovate, construct, furnish, and equip a bus driver and mechanics training facility on Acker Street in St. Paul for training drivers and mechanics through programming primarily in the Southeast Asian languages, and to predesign, design, renovate, construct, furnish, and equip a training facility on Plato Avenue in St. Paul to be used during renovation of the Acker Street facility and for use as a training facility for health care, manufacturing, and information technology jobs through programming primarily in the Southeast Asian languages. This appropriation may be used to acquire property for these purposes. The city of St. Paul may enter into a lease or management agreement with a nonprofit corporation for either or

both of these facilities under Minnesota Statutes, section 16A.695.

Subd. 29. Wabasha - National Eagle Center and Wabasha Rivertown Resurgence

8,000,000

For a grant to the city of Wabasha to acquire land, predesign, design, renovate, construct, furnish, and equip the National Eagle Center in order to expand program and exhibit space, increase aviary space for eagles, and for improvements to the riverfront in Wabasha for infrastructure, large vessel landing areas and docks, and public access and program areas.

Subd. 30. Waite Park - Quarry Redevelopment

5,000,000

For a grant to the city of Waite Park to redevelop a former quarry site located off Parkway Drive and 17th Avenue South as a regional park and to predesign, design, construct, furnish, and equip a public open-air stage and related facilities. The city may enter into one or more lease or management agreements for operation of the open-air stage and related facilities, subject to Minnesota Statutes, section 16A.695.

Sec. 22. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$ 64,350,000

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

Subd. 2. State Match for Federal Grants

14,000,000

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

25,000,000

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

(b) This appropriation 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.

(c) After all eligible projects under paragraph (b) have been funded, the Public Facilities Authority may transfer any remaining, uncommitted money to eligible

projects under a program in either the clean water revolving fund or the drinking water fund based on that program's project priority list.

(d) 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. Arden Hills - Water Main

500,000

For a grant to the city of Arden Hills to install a water main extending along Highway 96, from Highway 10 to Interstate Highway 35W.

Subd. 5. Albertville - Wastewater Infrastructure

2,000,000

For a grant to the city of Albertville to design and construct wastewater infrastructure improvements.

Subd. 6. Aurora; Hoyt Lakes; Biwabik; and White Township - Drinking Water System

2,500,000

For a grant to the city of Aurora to acquire land or a permanent interest in land, design, engineer, construct, furnish, and equip a comprehensive municipally owned cooperative joint drinking water system in the cities of Aurora, Hoyt Lakes, and Biwabik, and White Township, including a water intake and treatment plant located in White Township.

Subd. 7. Big Lake - Wastewater Treatment Facility

1,000,000

For a grant to the city of Big Lake to predesign, design, and construct improvements to or the replacement of the city's wastewater treatment facility.

Subd. 8. Cold Spring - Water Infrastructure

4,000,000

For a grant to the city of Cold Spring to acquire land, predesign, design, engineer, construct, furnish, and equip water infrastructure, including drilling new wells, a water treatment plant, and piping for water distribution.

Subd. 9. Glencoe - Wastewater Treatment Facility

3,000,000

For a grant to the city of Glencoe to design, engineer, construct, and equip renovation of the municipal wastewater treatment facility and for other improvements to publicly owned wastewater infrastructure. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been

committed to complete the project, as required by Minnesota Statutes, section 16A.502.

Subd. 10. Keewatin; Nashwauk; Lone Pine Township; And Greenway Township - Wastewater Treatment Facility

850,000

For a grant to a joint powers authority entered into by the city of Keewatin, the city of Nashwauk, Lone Pine Township, and Greenway Township to predesign, design, and engineer a regional wastewater treatment system located in the city of Nashwauk to serve the communities represented by the joint powers authority and other communities.

Subd. 11. Oronoco - Wastewater Infrastructure

2,500,000

For a grant to the city of Oronoco to acquire land or permanent easements, predesign, design, and survey for wastewater infrastructure to serve the city of Oronoco and the region including the Oronoco Estates Mobile Home Community. If this appropriation exceeds the amount needed for acquisition, predesign, design, and surveying, the remainder of the appropriation may be applied to acquisition or construction.

Subd. 12. St. James - Storm Sewer and Utilities

3,000,000

For a grant to the city of St. James to design, engineer, and construct an extension of the storm sewer retention pond in the northwest portion of the city, including reconstruction of streets, sidewalks, storm water and sanitary sewer, water mains, lighting, and utilities.

Subd. 13. Waldorf - Water and Public Infrastructure

1,900,000

For grants to the city of Waldorf. Of this amount, \$1,294,000 is to design, construct, and equip a stabilization pond system, a wastewater collection system, a water treatment and distribution system, and storm water drainage systems. Of this amount, \$606,000 is for capital improvements to streets and other publicly owned infrastructure.

Subd. 14. Windom - Wastewater Treatment Facility

3,000,000

For a grant to the city of Windom to design, construct, and equip capital improvements to renovate and upgrade the municipal wastewater treatment facility.

Subd. 15. Winnebago - Drinking Water

1,100,000

To the city of Winnebago to predesign, design, engineer, and reconstruct the drinking water

distribution system and the sanitary and storm sewer collection systems in the northwest utility improvement area.

Sec. 23. **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. 24. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. **Total Appropriation**

\$ 23,000,000

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

Subd. 2. **Historic Sites Asset Preservation**

8,000,000

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 Visitor Center**

15,000,000

To demolish the existing visitor center and to renovate, construct, furnish, and equip facilities, including landscaping and wayfinding, to support visitor services at Historic Fort Snelling.

Sec. 25. **BOND SALE EXPENSES**

Subdivision 1. **Total Appropriation** **\$ 1,310,000**

To the commissioner of management and budget for the purposes specified in this section.

Subd. 2. **Bond Proceeds Fund** **892,000**

From the bond proceeds fund for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Subd. 3. **Trunk Highway Fund** **418,000**

From the bond proceeds account in the trunk highway fund for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

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

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$776,699,000 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 \$103,060,000 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. 3. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$14,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 4. **Trunk highway fund.** To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$416,608,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Sec. 27. **CANCELLATION.**

The uncommitted and unobligated amount of the appropriation from the bond proceeds fund in Laws 2011, First Special Session chapter 12, section 18, subdivision 4, for the transportation improvements within the Lindau Lane corridor in Bloomington, estimated to be \$4,035,839, is canceled, and the bond sale authorization in Laws 2011, First Special Session chapter 12, section 23, subdivision 1, is reduced by the same amount.

Sec. 28. Laws 2017, First Special Session chapter 8, article 1, section 27, is amended to read:

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~~ \$1,138,524,000 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. 29. TRUNK HIGHWAY BOND APPROPRIATIONS, AUTHORIZATION TAKE EFFECT ONLY ONCE.

If an appropriation from the bond proceeds account in the trunk highway fund, and a corresponding authorization to sell trunk highway bonds, for the same purpose as in this act is enacted more than once in the 2018 legislative session, the appropriation and bond sale authorization must be given effect only once. If the appropriation and authorization for the same purpose are for different amounts, the highest of the amounts is the one to be given effect.

Sec. 30. 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, as amended by Laws 2017, First Special Session chapter 8, article 2, section 1, is amended to read:

15B.32 STATE CAPITOL PRESERVATION COMMISSION.

Subdivision 1. **Definitions.** (a) As used in this section and section 15B.36, the terms defined in this subdivision have the following meanings.

- (b) "Commission" means the State Capitol Preservation Commission created under this section.
- (c) "Capitol Area" means the geographic area defined in section 15B.02.
- (d) "Board" means the Capitol Area Architectural and Planning Board created under section 15B.03.
- (e) "Predesign" has the meaning given in section 16B.335, subdivision 3, paragraph (a).

Subd. 2. **Membership.** The State Capitol Preservation Commission consists of ~~22~~ 24 members, appointed as follows:

- (1) the governor;
- (2) the lieutenant governor;
- (3) the attorney general;

(4) the chief justice of the Supreme Court, or the chief justice's designee, who shall be a member of the Supreme Court;

(5) the majority leader of the senate or the majority leader's designee, who shall be a member of the senate;

(6) the minority leader of the senate or the minority leader's designee, who shall be a member of the senate;

(7) the speaker of the house or the speaker's designee, who shall be a member of the house of representatives;

(8) the minority leader of the house of representatives or the minority leader's designee, who shall be a member of the house of representatives;

~~(7)~~ (9) two members of the senate, including one member from the majority party appointed by the majority leader and one member from the minority party appointed by the minority leader;

~~(8)~~ (10) two members of the house of representatives, including one member appointed by the speaker of the house and one member from the minority party appointed by the minority leader;

~~(9)~~ (11) the chair and ranking minority member of the house of representatives committee with jurisdiction over capital investment and the chair and ranking minority member of the senate committee with jurisdiction over capital investment;

~~(10)~~ (12) the commissioner of administration or the commissioner's designee;

~~(11)~~ (13) the commissioner of public safety or the commissioner's designee;

~~(12)~~ (14) the executive director of the Minnesota Historical Society or the executive director's designee;

~~(13)~~ (15) the executive secretary of the Capitol Area Architectural and Planning Board; and

~~(14)~~ (16) four public members appointed by the governor.

Subd. 3. **Terms and compensation.** (a) A member serving on the commission because the member or the appointing authority for the member holds an elected or appointed office shall serve on the commission as long as the member or the appointing authority holds the office.

(b) Public members of the commission shall serve two-year terms. The public members may not serve for more than three consecutive terms.

(c) The removal of members and filling of vacancies on the commission are as provided in section 15.059. ~~Public members may receive compensation and expenses as provided under section 15.059, subdivision 3.~~

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 annually and at other times at the call of the chair. Meetings of the commission are subject to chapter 13D.

Subd. 5. **Administrative support.** ~~The commission may designate an executive secretary and obtain administrative support through a contract with a state agency or other means~~ The commissioner of administration shall provide administrative support to the commission.

Subd. 6. **Duties.** (a) The commission:

(1) shall exercise ongoing coordination of the ~~restoration~~, protection, risk management, and preservation of the Capitol building;

(2) shall consult with and advise the commissioner of administration, the board, and the Minnesota Historical Society regarding their applicable statutory responsibilities for and in the Capitol building;

(3) ~~may assist in the selection of an architectural firm to assist in the preparation of the predesign plan for the restoration of the Capitol building;~~

~~(4) (3) shall develop a comprehensive, multiyear, predesign maintenance and preservation plan for the restoration of the Capitol building, review the plan periodically, and, as appropriate, amend and modify the plan. The predesign plan shall identify appropriate and required functions of the Capitol building; identify and address space requirements for legislative, executive, and judicial branch functions; and identify and address the long-term maintenance and preservation requirements of the Capitol building. In developing the predesign plan, the commission shall take into account the comprehensive plan for the Minnesota State Capitol Area, as amended in 2010, the rules governing zoning and design for the Capitol Area, citizen access, information technology needs, energy efficiency, security, educational programs including public and school tours, and any additional space needs for the efficient operation of state government and shall take into account the recommendations of the long-range strategic plan under section 16B.24;~~

~~(5) (4) shall develop and implement a plan to reopen the ensure a welcoming and accessible Minnesota State Capitol and reintroduce it to the citizens of Minnesota for all Minnesotans and visitors;~~

~~(6) (5) shall develop and implement a comprehensive financial plan to fund the ongoing preservation and restoration of the Capitol building;~~

~~(7) (6) shall provide annual reports about the condition of the Capitol building and its needs, as well as all activities related to the restoration preservation of the Capitol building; and~~

~~(8) (7) may solicit gifts, grants, or donations of any kind from any private or public source to carry out the purposes of this section. For purposes of this section, the commissioner of administration may expend money appropriated by the legislature for these purposes in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. All gifts, grants, or donations received by the commission shall be deposited in a State Capitol preservation account established in the special revenue fund. Money in the account is appropriated to the commissioner of administration for the activities of clause (5), the commission, and implementation of the predesign plan under this section. The gift acceptance procedures under sections 16A.013 to 16A.016 do not apply to this clause. Appropriations under this clause do not cancel and are available until expended; and~~

~~(8) shall approve a program of art exhibits to encourage public visits to the Capitol and to be displayed in a space in the Capitol building that is listed in section 15B.36, subdivision 1, before an exhibit that is part of the program can be displayed for two weeks or longer. When considering recommendations made under section 15B.36, the commission must approve or reject recommended exhibits as a whole and may not approve or reject individual pieces within a recommended exhibit. The approved program must address the proposed schedule, how it addresses adopted themes for art in the Capitol, and the type or types of artwork.~~

(b) By January 15 of each year, the commission shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over ~~the commission state government operations, capital investment, finance, ways and means, and legacy finance regarding the activities and efforts of the commission in the preceding calendar year~~ maintenance and preservation needs of the Capitol building, including recommendations adopted by the commission, the comprehensive financial plan required under paragraph (a), clause (6), and any proposed draft legislation necessary to implement the recommendations of the commission.

Sec. 2. [15B.36] CAPITOL ART EXHIBIT ADVISORY COMMITTEE.

Subdivision 1. **Application.** This section applies to art exhibits in the following spaces within the State Capitol: third floor east wing, the egress lobbies added as part of the Capitol restoration completed in 2017, the tunnels connecting legislative office buildings to the Capitol, room 104A of the Capitol, and the entire Capitol basement, excluding the historic Rathskeller, Governor's Dining Room, and Justices' Dining Room. Historic paintings located in Room 317A remain subject to section 138.68. The speaker of the house, president of the senate, and chief justice of the Minnesota Supreme Court may request the advisory committee to provide recommendations on art in their respective hearing rooms and other tenant spaces.

Subd. 2. **Creation, duties.** (a) The Capitol Art Exhibit Advisory Committee is established to advise and make recommendations to the State Capitol Preservation Commission regarding art exhibits to be displayed in State Capitol spaces listed in subdivision 1. To develop these recommendations, the committee shall:

(1) receive proposals from a broad diversity of Minnesota artists, art organizations, and other individuals and evaluate the extent to which proposals meet the criteria in paragraph (b); and

(2) prepare a list of recommended art exhibits for consideration by the commission, including information on the availability of the exhibits, a summary of how the recommended exhibits meet the criteria in paragraph (b) and reflect Minnesota history not covered by previous art exhibits, and the estimated costs and logistical needs for recommended exhibits.

(b) Art exhibits displayed in the State Capitol should tell Minnesota stories and engage people to:

(1) reflect on Minnesota history;

(2) understand Minnesota government;

(3) recognize the contributions of Minnesota's diverse peoples;

(4) inspire citizen engagement; and

(5) appreciate the varied landscapes of Minnesota.

(c) The commissioner of administration shall provide administrative support for the art exhibits approved by the commission under section 15B.32, subdivision 6, paragraph (a), clause (8).

(d) A preference shall be given for recommended art exhibits for artists currently living in Minnesota or living in Minnesota at the time portrayed. The selection process should ensure that a wide range of artists have a chance to be considered and that, over time, the art reflects the contributions of artists of various demographic backgrounds, including age, disability, gender, and racial and ethnic identity.

Subd. 3. **Membership.** (a) The advisory committee consists of members of the public appointed as follows:

(1) five appointed by the governor;

(2) two appointed by the majority leader of the senate and two appointed by the minority leader of the senate; and

(3) two appointed by the speaker of the house and two appointed by the minority leader of the house of representatives.

(b) To the extent practicable, the appointing authorities shall appoint individuals with knowledge or experience in art, Minnesota history, or Native American history, so that the advisory committee reflects the demographic and geographic diversity of the state. The public members appointed by the governor must be appointed using the public appointments process under section 15.0597.

(c) The State Arts Board, the Minnesota Historical Society, the Capitol Area Architectural and Planning Board, and the commissioner of administration shall each appoint one individual to serve ex-officio on the advisory committee as a nonvoting member.

(d) The advisory committee may meet as frequently as needed to complete its work and shall annually, or when requested by the commissioner, provide the commission with a list of recommended exhibits of works of art by Minnesota artists for possible display in the State Capitol.

Subd. 4. **Terms; removal; vacancies; compensation.** Except as otherwise provided in this section, terms, removal, vacancies, and compensation are as provided in section 15.059. Terms of advisory committee members begin the first Tuesday after the first Monday in January and are for four years.

Subd. 5. **Chair.** The committee shall elect a chair from among its members. The committee may elect other officers as it deems necessary.

Subd. 6. **Open meetings.** Committee meetings are subject to chapter 13D.

Subd. 7. **Conflict of interest.** A member of the committee may not participate in the discussion of or vote on a decision of the committee relating to an organization in which the member has either a direct or indirect financial interest.

Subd. 8. **Gifts; grants; donations.** The committee may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the state. Funds received under this paragraph are appropriated to the commissioner of administration for purposes of the committee.

Sec. 3. Minnesota Statutes 2016, section 16A.642, subdivision 1, is amended to read:

Subdivision 1. **Reports.** (a) The commissioner of management and budget shall report to the chairs of the senate Committee on Finance and the house of representatives Committees on Ways and Means and Capital Investment by January 1 of each ~~odd-numbered~~ year on the following:

(1) all laws authorizing the issuance of state bonds, bonds supported by a state appropriation, or appropriating general fund money for state or local government capital investment projects enacted more than four years before January 1 of that ~~odd-numbered~~ year; the projects authorized to be acquired and constructed for which less than 100 percent of the authorized total cost has been expended, encumbered, or otherwise obligated; the cost of contracts to be let in accordance with existing plans and specifications shall be considered expended for this report; and the amount of general fund money appropriated but not spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held but not previously expended, encumbered, or otherwise obligated for these projects; and

(2) all laws authorizing the issuance of state bonds, bonds supported by a state appropriation, or appropriating general fund money for state or local government capital programs or projects other than those described in clause (1), enacted more than four years before January 1 of that ~~odd-numbered~~ year; and the amount of general fund money appropriated but not spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held but not previously expended, encumbered, or otherwise obligated for these programs and projects.

(b) The commissioner shall also report on general fund appropriations for capital projects, bond authorizations or bond proceed balances that may be canceled because projects have been canceled, completed, or otherwise concluded, or because the purposes for which the money was appropriated or bonds were authorized or issued have been canceled, completed, or otherwise concluded. The general fund appropriations, bond authorizations or bond proceed balances that are unencumbered or otherwise not obligated that are reported by the commissioner under this subdivision are canceled, effective July 1 of the year of the report, unless specifically reauthorized by act of the legislature.

(c) The reports required by this subdivision shall only contain bond authorizations supported by a state appropriation and their associated general fund appropriations for projects authorized or amended after December 31, 2013.

Sec. 4. Minnesota Statutes 2016, section 16A.86, subdivision 4, is amended to read:

Subd. 4. **Funding.** (a) The state share of a project covered by this section must be no more than half the total cost of the project, including predesign, design, construction, furnishings, and equipment, except as provided in paragraph (b) or (c). This subdivision does not apply to a project proposed by a school district or other school organization.

(b) The state share may be more than half the total cost of a project if the project is deemed needed as a result of a disaster or to prevent a disaster or is located in a political subdivision with a very low average net tax capacity.

(c) Nothing in this section prevents the governor from recommending, or the legislature from considering or funding, projects that do not meet the deadline in subdivision 2 or ~~the criteria in this subdivision or subdivision 3~~ a state share that is greater than half the total cost of the project when the governor or the legislature determines that there is a compelling reason for the recommendation or funding.

Sec. 5. Minnesota Statutes 2016, section 16B.335, subdivision 1, is amended to read:

Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or any other recipient to whom an appropriation is made to acquire or better public lands or buildings or other public improvements of a capital nature, must not prepare final plans and specifications for any construction, major remodeling, or land acquisition in anticipation of which the appropriation was made until the agency that will use the project has presented the program plan and cost estimates for all elements necessary to complete the project to the chair of the senate Finance Committee and the chair of the house of representatives Ways and Means Committee and the chairs have made their recommendations, and the chair and ranking minority member of the senate Capital Investment Committee and the chair and ranking minority member of the house of representatives Capital Investment Committee are notified. "Construction or major remodeling" means construction of a new building, a substantial addition to an existing building, or a substantial change to the interior configuration of an existing building. The presentation must note any significant changes in the work that will be done, or in its cost, since the appropriation for the project was enacted or from the predesign submittal. The program plans and estimates must be presented for review at least two weeks before a recommendation is needed. The recommendations are advisory only. Failure or refusal to make a recommendation is considered a negative recommendation. The chairs and ranking minority members of the senate Finance and Capital Investment Committees and the house of representatives Capital Investment and Ways and Means Committees must also be notified whenever there is a substantial change in a construction or major remodeling project, or in its cost.

(b) Capital projects exempt from the requirements of this subdivision include demolition or decommissioning of state assets, hazardous material projects, utility infrastructure projects, environmental testing, parking lots, parking structures, park and ride facilities, bus rapid transit stations, light rail lines, passenger rail projects, freight rail projects, exterior lighting, fencing, highway rest areas, truck stations, storage facilities not consisting primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds, athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer separation projects, water and wastewater facilities, port development projects for which the commissioner of transportation has entered into an assistance agreement under section 457A.04, ice centers, a local government project with a construction cost of less than \$1,500,000, or any other capital project with a construction cost of less than \$750,000.

Sec. 6. Minnesota Statutes 2016, section 16B.35, is amended by adding a subdivision to read:

Subd. 1c. **PFA excluded.** Notwithstanding subdivision 1, an appropriation to the Public Facilities Authority, and project financing provided by the authority from the appropriation, may not include an amount to acquire works of art.

Sec. 7. Minnesota Statutes 2016, section 115.03, is amended by adding a subdivision to read:

Subd. 5d. **Required disclosures to national pollution discharge elimination system permit applicants.** The commissioner must provide an applicant for a national pollution discharge elimination system permit with a written summary of all available methods for the applicant to participate in the permit process, including an explanation of all procedures for challenging and appealing a decision of the agency or a permit requirement included in any draft of final permit.

Sec. 8. **[115.456] COMPLIANCE SCHEDULES.**

The commissioner of the Pollution Control Agency must consider current debt service on existing municipal wastewater treatment infrastructure when developing compliance schedules for new effluent limits in municipal national pollutant discharge elimination system (NPDES) permits. Any compliance schedule for new effluent limits in municipal NPDES permits must be developed in a manner consistent with state and federal law to maximize the repayment of existing debt on wastewater infrastructure before requiring additional capital infrastructure upgrades. To the extent allowable under federal law, the commissioner may issue compliance schedules in municipal NPDES permits for new effluent limit requirements in excess of 20 years.

Sec. 9. Minnesota Statutes 2016, section 116.072, is amended by adding a subdivision to read:

Subd. 14. **Treatment works penalty orders.** To the extent allowable under federal law, the agency shall not issue an administrative penalty order to the operator of a publicly owned treatment works for violating any effluent limitation unless both of the following conditions have been satisfied:

(1) 45 days have elapsed since the agency has issued the operator of the treatment works with a notice of violation or an alleged violation letter that describes the violation; and

(2) the agency provides the operator with a copy of the written summary developed under section 115.03, subdivision 5d, after or at the same time as the notice of violation or alleged violation letter is issued.

Sec. 10. Minnesota Statutes 2017 Supplement, section 222.49, is amended to read:

222.49 RAIL SERVICE IMPROVEMENT ACCOUNT ACCOUNTS; APPROPRIATION.

~~The~~ (a) A rail service improvement account is created in the special revenue fund in the state treasury. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account, excluding bond proceeds as authorized by article XI, section 5, clause (i), of the Minnesota Constitution. All money so deposited is appropriated to the department for expenditure for rail service improvement in accordance with applicable state and federal law. This appropriation shall not lapse but shall be available until the purpose for which it was appropriated has been accomplished.

(b) A rail service improvement account is created in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner. Money in the account may only be expended for the purposes specified in section 222.50 that are permitted under the Minnesota Constitution, article XI, section 5, clause (a) or (i).

Sec. 11. **[245G.011] BEHAVIORAL HEALTH CRISIS FACILITIES GRANTS.**

Subdivision 1. **Commissioner.** "Commissioner" means the commissioner of human services.

Subd. 2. **Eligible applicant.** "Eligible applicant" or "applicant" means a statutory or home rule charter city, county, housing and redevelopment authority, publicly owned hospital, or other public entity otherwise eligible to receive state general obligation bond proceeds that is designated to apply for a behavioral health crisis program facilities grant by the local mental health authority, established under Minnesota Statutes, section 245.466, or on behalf of a regional consortium of organizations that serve individuals with mental illness or a substance use disorder.

Subd. 3. **Eligible project.** "Eligible project" or "project" means 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). It includes acquisition of land or interest in land, predesign, design, renovation, construction, furnishing, and equipping facilities in which to provide behavioral health crisis programs and services.

Subd. 4. **Project criteria.** For purposes of this section, "behavioral health crisis facilities" or "facility" means a facility whose purpose is to provide mental health or substance use disorder services. Proceeds may be up to 100 percent of project costs, up to \$5,000,000 per project. Priority must be given to proposals that:

- (1) demonstrate a need for the program in the region;
- (2) provide a detailed service plan, including the services that will be provided and to whom, and staffing requirements;
- (3) provide an estimated cost of operating the program;
- (4) verify financial sustainability by detailing sufficient funding sources and the capacity to obtain third-party payments for services provided, including private insurance and federal Medicaid and Medicare financial participation;
- (5) demonstrate an ability and willingness to build on existing resources in the community; and
- (6) agree to a comprehensive evaluation of services and financial viability by the commissioner.

Subd. 5. **Report.** The commissioner shall report to the legislative committees with jurisdiction over mental health issues and capital investment. The report is due by February 15 of each odd-numbered year and must include information on the projects funded and the programs and services provided in those facilities.

Sec. 12. Minnesota Statutes 2017 Supplement, 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) door locks; (2) exit sign placement at exit access doors; and ~~(2)~~ (3) occupancy limit signs. The house of representatives and senate may install door locks within their chambers in the State Capitol that meet their needs. 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 door lock or 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.

Sec. 13. **[446A.076] ESTIMATED FUNDING NEEDS.**

By February 1 each year, the Public Facilities Authority must submit to the legislative committees with jurisdiction over capital investment and environment and natural resources finance an estimate of the amount necessary to fund grants under sections 446A.072 and 446A.073.

Sec. 14. Minnesota Statutes 2017 Supplement, section 462A.2035, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The agency shall establish a manufactured home park redevelopment program for the purpose of making manufactured home park redevelopment grants or loans ~~to cities, counties, community action programs, nonprofit organizations, and cooperatives created under chapter 308A or 308B~~ for the purposes specified in this section.

Sec. 15. Minnesota Statutes 2017 Supplement, section 462A.2035, subdivision 1b, is amended to read:

Subd. 1b. **Manufactured home park infrastructure grants.** Eligible recipients may use manufactured home park infrastructure grants under this program for:

- (1) improvements in manufactured home parks; and
- (2) infrastructure, including storm shelters and community facilities.

EFFECTIVE DATE. This section is effective the day following final enactment for bonds authorized in 2018 and thereafter.

Sec. 16. Minnesota Statutes 2016, section 462A.37, subdivision 1, is amended to read:

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

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

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

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

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

(f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal Revenue Code, finance qualified residential rental projects within the meaning of Section 142(d) of the Internal Revenue Code, or are tax-exempt bonds that are not private activity bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective the day following final enactment for bonds authorized in 2018 and thereafter.

Sec. 17. Minnesota Statutes 2016, section 462A.37, subdivision 2, is amended to read:

Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, or grants for the purposes of clause (4), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

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

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

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

(4) to finance that portion of the improvement and infrastructure of manufactured home parks under section 462A.2035, subdivision 1b, that is attributable to land to be leased to low- and moderate-income manufactured home owners;

(5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of senior housing; and

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

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

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

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

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

- (1) demonstrate a commitment to maintaining the housing financed as affordable to seniors;
- (2) leverage other sources of funding to finance the project, including the use of low-income housing tax credits;
- (3) provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability;
- (4) provide a service plan containing the elements of clause (3) reviewed by the housing authority, economic development authority, public housing authority, or community development agency that has an area of operation for the jurisdiction in which the project is located; and
- (5) include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

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

EFFECTIVE DATE. This section is effective the day following final enactment for bonds authorized in 2018 and thereafter.

Sec. 18. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision to read:

Subd. 2d. **Additional authorization.** In addition to the amount authorized in subdivisions 2, 2a, 2b, and 2c, the agency may issue up to \$30,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged. Housing funded with proceeds from bonds sold under this authorization must be permanent supportive housing for people with behavioral health needs.

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

Subd. 2e. **Additional authorization.** In addition to the amount authorized in subdivisions 2, 2a, 2b, 2c, and 2d, the agency may issue up to \$50,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

Sec. 20. Minnesota Statutes 2017 Supplement, 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, 2b, ~~and 2c,~~ 2d, and 2e.

(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~~ 2019 and through ~~2039~~ 2040, 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) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2d 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). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

~~(e)~~ (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e 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). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

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

Subd. 6. **Cancellation.** Any amount appropriated in this section for debt service payments that is not needed in that fiscal year for debt service payments is canceled to the general fund. The cancellation must occur no later than June 30 of the same fiscal year.

Sec. 22. Minnesota Statutes 2017 Supplement, section 473.857, subdivision 2, is amended to read:

Subd. 2. **Within 60 days; report.** A hearing shall be conducted within 60 days after the request, provided that the advisory committee or the administrative law judge shall consolidate hearings on related requests. The 60-day period within which the hearing shall be conducted may be extended or suspended by mutual agreement of the council and the local governmental unit. The hearing ~~shall not~~ may consider the need for or reasonableness of the metropolitan system plans or parts thereof. The hearing shall afford all interested persons an opportunity to testify and present evidence. The advisory committee or administrative law judge may employ the appropriate technical and professional services of the office of dispute resolution for the purpose of evaluating disputes of fact. The proceedings shall not be deemed a contested case. Within 30 days after the hearing, the advisory committee or the administrative law judge shall report to the council respecting the proposed amendments to the system statements. The report shall contain findings of fact, conclusions, and recommendations and shall apportion the costs of the proceedings among the parties.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for system statements prepared by the Metropolitan Council on or after that date. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 23. Laws 2009, chapter 93, article 1, section 14, subdivision 3, as amended by Laws 2011, First Special Session chapter 12, section 37, is amended to read:

Subd. 3. **Veterans Cemeteries**

1,500,000

Of this amount, up to \$500,000 is to acquire land located in southeastern, southwestern, and northeastern Minnesota for publicly owned veterans cemeteries, to

be operated by the commissioner of veterans affairs. The commissioner also must seek donations of land for the cemeteries. The balance of the appropriation is to predesign and design the cemeteries. Federal reimbursement of design costs for each cemetery must be deposited in the state treasury ~~and credited to a special account~~ and is appropriated to the commissioner of veterans affairs to design the remaining cemeteries. Following completion of ~~all~~ design of the legislatively authorized Minnesota state veterans cemeteries in Redwood, St. Louis, and Fillmore Counties, final federal reimbursement of predesign and design costs is appropriated to the commissioner for asset preservation of veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307. Federal reimbursement may be sought for each cemetery and must be spent to acquire land for, to predesign and design additional cemeteries, or for asset preservation as provided in this subdivision. 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. 24. Laws 2014, chapter 294, article 1, section 5, subdivision 3, is amended to read:

Subd. 3. New Residence Hall

10,654,000

To complete the design of and perform asbestos and hazardous materials abatement and demolition of Frechette Hall and to design, construct, furnish, and equip a new ~~boys'~~ dormitory on the Minnesota State Academy for the Deaf campus. The unspent portion of this appropriation after the project has been substantially completed, 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. 25. Laws 2014, chapter 294, article 1, section 7, subdivision 15, as amended by Laws 2017, First Special Session chapter 8, article 2, section 27, is amended to read:

Subd. 15. Grant County Trail Grant

100,000

For a grant to Grant County for predesign, ~~acquisition, or improvements~~ and design 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. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until June 30, 2021.

Sec. 26. Laws 2014, chapter 294, article 1, section 21, subdivision 12, as amended by Laws 2015, First Special Session chapter 5, article 3, section 19, and Laws 2017, First Special Session chapter 8, article 2, section 30, 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.

(e) 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, 2020.

Sec. 27. Laws 2014, chapter 294, article 1, section 22, subdivision 5, is amended to read:

Subd. 5. City of Rice Lake Township - Water Main Replacement

1,168,000

For a grant to the city of Rice Lake Township in St. Louis County to design and construct a replacement water main and related public infrastructure on East

Calvary Road and Kolstad, Austin, Milwaukee, Mather, and Chicago Avenues in the city of Rice Lake Township. 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. This appropriation is available until December 31, 2020.

Sec. 28. Laws 2014, chapter 295, section 9, is amended to read:

Sec. 9. CORRECTIONS

\$ 18,000,000

To the commissioner of administration to design, construct, furnish, and equip phase one of a new health services unit, a new service corridor and security station leading to the unit, and a mechanical building to serve the new health unit and associated utility infrastructure systems and site work; and to design phase two consisting of new intake, warehouse, and loading dock buildings associated utility infrastructure systems and sitework and all associated repurposing, including asbestos and hazardous materials abatement of interior spaces that were formally used for the occupancies being moved to the new phase one and two buildings at the Minnesota Correctional Facility in St. Cloud. Any unspent portion of this appropriation not needed to complete this work, upon written notice to the commissioner of management and budget, may be used for the purposes described in Laws 2017, First Special Session chapter 8, article 1, section 19, subdivision 3, as amended in section 38, and notwithstanding Minnesota Statutes, section 16A.642, is available until December 31, 2020.

Sec. 29. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, as amended by Laws 2017, First Special Session chapter 8, article 2, section 31, 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 predesign, design, right-of-way acquisition, engineering, construction, and reconstruction of local roads in conjunction with the Willmar Wye project as well as to ~~re-establish~~ reestablish the local road network on the southwest side of Willmar.

Sec. 30. Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Multimodal Systems

(a) Aeronautics

(1) Airport Development and Assistance	26,001,000	16,598,000
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This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after the year of the appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$6,619,000 in the first year is for a grant to the Duluth Airport Authority for improvements at the Duluth International Airport and the Sky Harbor Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the Authority for costs incurred after March 1, 2015. This is a onetime appropriation.

\$2,334,000 in the first year is for a grant to the city of Rochester for improvements to the passenger terminal building at the Rochester International Airport in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner of transportation may waive the

requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation may be used to reimburse the city for costs incurred after May 1, 2016. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 360.017, \$250,000 in the first year is for a grant to the city of St. Cloud for an air transport optimization planning study for the St. Cloud Regional Airport. The study must be comprehensive and market-based, using economic development and air service expertise to research, analyze, and develop models and strategies that maximize the return on investments made to enhance the use and impact of the St. Cloud Regional Airport. By January 5, 2018, the city of St. Cloud shall submit a report to the governor and the members and staff of the legislative committees with jurisdiction over capital investment, transportation, and economic development with recommendations based on the findings of the study. This is a onetime appropriation.

If the commissioner of transportation determines that a balance remains in the state airports fund following the appropriations made in this article and that the appropriations made are insufficient for advancing airport development and assistance projects, an amount necessary to advance the projects, not to exceed the balance in the state airports fund, is appropriated in each year to the commissioner and must be spent according to Minnesota Statutes, section 360.305, subdivision 4. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation must notify the commissioner of management and budget and the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation finance concerning the funds appropriated. Funds appropriated under this contingent appropriation do not adjust the base for fiscal years 2020 and 2021.

The base is \$15,298,000 in each of fiscal years 2020 and 2021.

(2) Aviation Support and Services	6,710,000	6,854,000
Appropriations by Fund		
	2018	2019
Airports	5,231,000	5,231,000
Trunk Highway	1,479,000	1,623,000
(3) Civil Air Patrol	3,580,000	80,000

This appropriation is from the state airports fund for the Civil Air Patrol.

\$3,500,000 in the first year is for a grant to: (i) perform site selection and analysis; (ii) ~~purchase, renovate a portion of and, or construct an addition to the~~ training and maintenance facility located at the South St. Paul airport, facilities; and ~~to~~ (iii) furnish and equip the facility facilities, including communications equipment. If the Civil Air Patrol purchases an existing facility, predesign requirements are waived. The facilities must be located at an airport in Minnesota. Notwithstanding the matching requirements in Minnesota Statutes, section 360.305, subdivision 4, a nonstate contribution is not required for this appropriation. Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for ~~five~~ six years after the year of the appropriation. This is a onetime appropriation.

(b) Transit	1,416,000	18,268,000
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Appropriations by Fund

	2018	2019
General	570,000	17,395,000
Trunk Highway	846,000	873,000

\$150,000 in each year is from the general fund for grants to transportation management organizations that provide services exclusively or primarily in the city located along the marked Interstate Highway 494 corridor having the highest population as of the effective date of this section. The commissioner must not retain any portion of the funds appropriated under this section. From the appropriation in each fiscal year, the commissioner must make grant payments in full by July 31. Permissible uses of funds under this grant include administrative expenses and programming and service expansion, including but not limited to staffing, communications, outreach and education program development, and operations management. This is a onetime appropriation.

The base from the general fund is \$17,245,000 in each year for fiscal years 2020 and 2021.

(c) Safe Routes to School	500,000	500,000
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This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

(d) Passenger Rail	500,000	500,000
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This appropriation is from the general fund for passenger rail system planning, alternatives analysis, environmental analysis, design, and preliminary engineering under Minnesota Statutes, sections 174.632 to 174.636.

(e) Freight

Freight and Commercial Vehicle Operations	8,506,000	6,578,000
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Appropriations by Fund

	2018	2019
General	3,156,000	1,056,000
Trunk Highway	5,350,000	5,522,000

\$1,100,000 in the first year is from the general fund for port development assistance grants under Minnesota Statutes, chapter 457A, to the city of Red Wing and to the Port Authority of Winona. Any improvements made with the proceeds of the grants must be publicly owned. This is a onetime appropriation and is available in the second year.

\$800,000 in each year is from the general fund for additional rail safety and rail service activities.

\$1,000,000 in the first year is from the general fund for a grant to the city of Grand Rapids to fund rail planning studies, design, and preliminary engineering relating to the construction of a freight rail line located in the counties of Itasca, St. Louis, and Lake to serve local producers and shippers. The city of Grand Rapids shall collaborate with the Itasca Economic Development Corporation and the Itasca County Regional Railroad Authority in the activities funded with the proceeds of this grant. This is a onetime appropriation and is available until June 30, 2019.

Sec. 31. Laws 2017, First Special Session chapter 3, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. State Roads

(a) Operations and Maintenance	340,475,000	329,435,000
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The base is \$317,102,000 in fiscal year 2020 and \$310,889,000 in fiscal year 2021.

(b) Program Planning and Delivery

(1) Planning and Research

34,107,000

32,403,000

If a balance remains of this appropriation, the commissioner may transfer up to that amount for program delivery under clause (2).

Up to \$600,000 in the first year is for the highway construction costs and cost inflation study under article 3, section 133. This is a onetime appropriation.

\$130,000 in each year is available for administrative costs of the targeted group business program.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available:

(1) to regional development commissions;

(2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and

(3) in regions where no regional development commission or joint powers board is functioning, to the Department of Transportation district office for that region.

The base is \$31,375,000 in fiscal year 2020 and \$30,858,000 in fiscal year 2021.

(2) Program Delivery

229,148,000

222,845,000

This appropriation includes use of consultants to support development and management of projects.

Up to \$140,000 in the first year is for development, implementation, and reporting on project selection policy under article 3, section 124. This is a onetime appropriation.

\$1,000,000 in each year is available for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the

appropriation for either year is insufficient, the appropriation for the other year is available for it.

The base is \$214,623,000 in fiscal year 2020 and \$210,481,000 in fiscal year 2021.

(c) State Road Construction	1,003,010,000	884,101,000
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This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of actual payments to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation includes federal highway aid.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

The base is \$864,295,000 in fiscal year 2020 and \$849,282,000 in fiscal year 2021.

(d) Corridors of Commerce	25,000,000	25,000,000
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This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088.

The commissioner may use up to 17 percent of the amount each year for program delivery.

(e) Highway Debt Service	224,079,000	242,325,000 <u>242,475,000</u>
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\$214,579,000 in fiscal year 2018 and ~~\$232,825,000~~ \$232,975,000 in fiscal year 2019 are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget must transfer the deficiency amount under the statutory open appropriation and notify the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over transportation

finance and the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(f) **Statewide Radio Communications** 5,648,000 5,829,000

Appropriations by Fund

	2018	2019
General	3,000	3,000
Trunk Highway	5,645,000	5,826,000

\$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Sec. 32. Laws 2017, First Special Session chapter 8, article 1, section 6, subdivision 6, is amended to read:

Subd. 6. State Trail, Recreation Area, and Park	18,698,000
Acquisition and Development	<u>18,048,000</u>

(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.

Sec. 33. Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 3, is amended to read:

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~~ design, acquire land for, engineer, and construct improvements to, including the realignment of County State-Aid Highway 23 (Lake Drive), County State-Aid Highway 54 (West Freeway Drive), and to Hornsby Street in the city of Columbus to support the overall interchange project.

(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.

Sec. 34. Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 11, is amended to read:

Subd. 11. Grand Rapids - Pedestrian Bridge

750,000

For a grant to the city of Grand Rapids to design ~~the construction of~~ and construct 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.

Sec. 35. Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 13, is amended to read:

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, including associated road and pathway improvements, at existing and proposed highway-rail grade crossings, and pathway-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. 36. Laws 2017, First Special Session chapter 8, article 1, section 16, subdivision 7, is amended to read:

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~~ \$141,000 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 and for engineering for a multiuse trail for pedestrians and bicycles in proximity to Highway 96 from Pacific Avenue to the western border of the town of White Bear; \$11,000 is for a grant to the town of White Bear for engineering for a multiuse trail for pedestrians and bicycles in proximity to Highway 96 in the town of White Bear; \$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.

Sec. 37. Laws 2017, First Special Session chapter 8, article 1, section 17, subdivision 9, is amended to read:

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. A nonstate contribution is not required. Any unspent portion of this appropriation remaining after predesign and design are completed, upon written notice to the commissioner of management and budget, is available for the purposes of article 1, section 18, subdivision 6.~~

Sec. 38. Laws 2017, First Special Session chapter 8, article 1, section 19, subdivision 3, is amended to read:

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. To design and complete hazardous materials abatement, site improvements, and utility infrastructure work, to rent and set up temporary laundry facilities, and to renovate, construct, furnish, and equip the second phase of the two-phase project including building additions, infill of an interior courtyard, and renovation of existing areas to provide improved laundry, property, intake, vehicle sally port, storage, and loading dock areas and security at the St. Cloud correctional facility.~~

The unspent amount of this appropriation after the projects described in this subdivision are completed may, upon written notice to the commissioner of management and budget, be used for asset preservation under Minnesota Statutes, section 16B.307, at Minnesota Correctional Facility - St. Cloud.

Sec. 39. Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 9, is amended to read:

Subd. 9. Eagle's Healing Nest

500,000

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

Sec. 40. Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 21, is amended to read:

Subd. 21. St. Paul - Minnesota Museum of American Art

6,000,000

For a grant to the St. Paul Port Authority to acquire, 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.

Sec. 41. Laws 2017, First Special Session chapter 8, article 1, section 21, subdivision 8, is amended to read:

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, and to acquire and install electrical infrastructure improvements to provide electrical power to the sewer ponds. This appropriation does not require a nonstate contribution.

Sec. 42. Laws 2017, First Special Session chapter 8, article 1, section 23, subdivision 3, is amended to read:

Subd. 3. **Historic Fort Snelling**

4,000,000

To design facilities to support visitor services and history programs at Historic Fort Snelling. Upon completion of design, the unspent portion of this appropriation is available for the next phase of the project, as provided in article 1, section 24, subdivision 3.

Sec. 43. **CAPITOL ART EXHIBIT ADVISORY COMMITTEE; FIRST APPOINTMENTS AND FIRST MEETING.**

(a) Appointing authorities for membership of the Capitol Art Exhibit Advisory Committee under Minnesota Statutes, section 15B.36, shall make first appointments to the committee by September 15, 2018. The commissioner of administration shall convene the first meeting of the committee by November 1, 2018, and serves as chair until the committee elects a chair from among its members at its first meeting.

(b) The following members are appointed to an initial term that ends January 5, 2021: two members appointed by the governor; one member each appointed by the majority leader of the senate, the minority leader of the senate, the speaker of the house, and the minority leader of the house of representatives. The remaining members are appointed to terms that end on January 3, 2023.

Sec. 44. **VETERANS HOMES CONSTRUCTION.**

Subdivision 1. **Short title.** This section may be cited as the "People's Veterans Homes Act."

Subd. 2. **Veterans homes established.** (a) The commissioner of veterans affairs may apply for federal funding and establish veterans homes with up to 72 beds per facility available to provide a continuum of care, including skilled nursing care, for eligible veterans and their spouses in the following locations:

- (1) Preston;
- (2) Montevideo; and
- (3) Bemidji.

(b) The state shall provide the necessary operating costs for the veterans homes in excess of any revenue and federal funding for the homes that may be required to continue the operation of the homes and care for Minnesota veterans.

Subd. 3. **Nonstate contribution.** The commissioner of administration may accept contributions of land or money from private individuals, businesses, local governments, veterans service organizations, and other nonstate sources for the purpose of providing matching funding when soliciting federal funding for the development of the homes authorized by this section.

Sec. 46. **NOWTHEN; COMPREHENSIVE PLAN.**

Notwithstanding any law, metropolitan system plan, or the 2015 system statement for the city of Nowthen, the Metropolitan Council shall conform its metropolitan development guide, system plans, and the system statement for the city of Nowthen to implement any changes requested by the city of Nowthen relating to the council's designation of part or all of the city for purposes of the metropolitan development guide, systems plans and statements, and the city's comprehensive plan.

EFFECTIVE DATE; APPLICATION. This section is effective the day after the governing body of the city of Nowthen and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 47. **RICE CREEK RAILROAD BRIDGE.**

(a) From the amount appropriated under article 1, section 16, the commissioner of transportation must provide the grant to Minnesota Commercial Railway Company to demolish the existing railroad bridge over Rice Creek in New Brighton and to predesign, design, acquire any needed right-of-way, engineer, construct, and equip a replacement railroad bridge to meet the needs of the railroad operators that use the bridge.

(b) The grant under this section is contingent on:

(1) review and approval of the railway company's design, engineering, and plans for the project by Ramsey County to ensure the project does not interfere with recreational use of adjacent park property and Rice Creek, and by the Rice Creek Watershed District to ensure that the project's impact on flows in the creek complies with the watershed district's adopted rules. These reviews and approvals are in addition to any other reviews, permits, or approvals required for the project;

(2) Minnesota Commercial Railway Company removing all structures related to the existing bridge, including any pilings, footings, or water control structures placed to protect the existing bridge structures, from the Rice Creek streambed as part of the demolition and removal of the existing bridge, except to the extent prohibited by a permitting authority, including but not limited to the Department of Natural Resources and the United States Army Corps of Engineers. The replacement bridge and structures are the property of the owner of the railroad right-of-way and railroad operator, as may be arranged between them; and

(3) Minnesota Commercial Railway Company entering into an agreement with Ramsey County that: (i) grants the company access to both construct and perform ongoing maintenance on the bridge; and (ii) provides for repair of the county trail damaged by railway maintenance work that occurred in the two years before the effective date of this section, as well as immediately after construction and any subsequent maintenance activities.

(c) By entering into a grant agreement with the commissioner of transportation, Minnesota Commercial Railway Company agrees to cooperate with the city of New Brighton and Ramsey County to develop crossings and trails in or near to the railway right-of-way in the city.

Sec. 48. **STONE ARCH BRIDGE INTEGRITY PROTECTION.**

No state agency or political subdivision shall grant permission to or enter into any agreement with any person, corporation, or entity to allow or facilitate construction of any type under, near, or adjacent to the James J. Hill Stone Arch Bridge over the Mississippi River that may disturb the foundations or piers or that may adversely affect the structural integrity of the Stone Arch Bridge.

EFFECTIVE DATE. This section is effective the day after final enactment and expires after completion of repair to the Stone Arch Bridge, as described in the capital budget request submitted by the commissioner of transportation, published by the commissioner of management and budget in January 2018.

Sec. 49. **EFFECTIVE DATE.**

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

ARTICLE 3**SUPPLEMENTAL APPROPRIATIONS; CONFORMING CHANGES**

Section 1. Minnesota Statutes 2016, section 462A.222, subdivision 3, is amended to read:

Subd. 3. **Allocation procedure.** (a) Projects will be awarded tax credits in two competitive rounds on an annual basis. The date for applications for each round must be determined by the agency. No allocating agency may award tax credits prior to the application dates established by the agency.

(b) Each allocating agency must meet the requirements of section 42(m) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax credits and the selection of projects.

(c) For projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue Code of 1986, as amended, tax credits may only be allocated if the project satisfies the requirements of the allocating agency's qualified allocation plan. For projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue Code of 1986, as amended, for which the agency is the issuer of the bonds for the project, or the issuer of the bonds for the project is located outside the jurisdiction of a city or county that has received reserved tax credits, the applicable allocation plan is the agency's qualified allocation plan.

(d)(1) To maximize the resources available for and increase the supply of affordable housing in Minnesota by leveraging the benefits to Minnesota from the use of tax-exempt bonds to finance multifamily housing and to allow local units of government more flexibility to address specific affordable housing needs in their communities, the agency shall make residential rental housing projects financed with an allocation of tax-exempt bonds under chapter 474A the highest strategic priority for tax credits under the agency's qualified allocation plan under section 42(m)(1)(D) of the Internal Revenue Code of 1986, as amended.

(2) For projects eligible for an allocation of tax credits under section 42(h)(4) of the Internal Revenue Code of 1986, as amended, the agency's qualified allocation plan and other related agency guidance and requirements:

(i) shall not include any selection criteria other than (A) the criteria of section 42(m)(1)(C) of the Internal Revenue Code of 1986, as amended, and (B) whether the project has received an allocation of tax-exempt bonds under chapter 474A, with subitem (B) as the most important criteria;

(ii) shall grant projects receiving an allocation of tax-exempt bonds under chapter 474A the highest possible preference and, to the extent applicable, ahead of any preference described in section 42(m)(1)(B) of the Internal Revenue Code of 1986, as amended;

(iii) shall exclude any per-unit cost limitations, cost reasonableness, or other similar restrictions for residential rental housing projects financed with an allocation of tax-exempt bonds under chapter 474A; and

(iv) shall not adopt or impose any additional rules, requirements, regulations, or restrictions other than those required by section 42 of the Internal Revenue Code of 1986, as amended, regarding the allocation of credits.

Each developer of a residential rental housing project that has received an allocation of tax-exempt bonds under chapter 474A and the proposed issuer of such tax-exempt bonds shall have standing to challenge the agency's qualified allocation plan for failure to comply with this clause.

In the event of any conflict or inconsistency between this paragraph and section 462A.04, the provisions of this paragraph shall govern and control. The provisions of paragraph (d) shall not apply to any allocating agency other than the agency.

~~(d)~~ (e) For applications submitted for the first round, an allocating agency may allocate tax credits only to the following types of projects:

(1) in the metropolitan area:

(i) new construction or substantial rehabilitation of projects in which, for the term of the extended use period, at least 75 percent of the total tax credit units are single-room occupancy, efficiency, or one bedroom units and which are affordable by households whose income does not exceed 30 percent of the median income;

(ii) new construction or substantial rehabilitation family housing projects that are not restricted to persons who are 55 years of age or older and in which, for the term of the extended use period, at least 75 percent of the tax credit units contain two or more bedrooms and at least one-third of the 75 percent contain three or more bedrooms; or

(iii) substantial rehabilitation projects in neighborhoods targeted by the city for revitalization;

(2) outside the metropolitan area, projects which meet a locally identified housing need and which are in short supply in the local housing market as evidenced by credible data submitted with the application;

(3) projects that are not restricted to persons of a particular age group and in which, for the term of the extended use period, a percentage of the units are set aside and rented to persons:

(i) with a serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c);

(ii) with a developmental disability as defined in United States Code, title 42, section 6001, paragraph (5), as amended through December 31, 1990;

(iii) who have been assessed as drug dependent persons as defined in section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in section 254A.02, subdivision 2;

(iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or

(v) with permanent physical disabilities that substantially limit one or more major life activities, if at least 50 percent of the units in the project are accessible as provided under Minnesota Rules, chapter 1340;

(4) projects, whether or not restricted to persons of a particular age group, which preserve existing subsidized housing, if the use of tax credits is necessary to prevent conversion to market rate use or to remedy physical deterioration of the project which would result in loss of existing federal subsidies; or

(5) projects financed by the Farmers Home Administration, or its successor agency, which meet statewide distribution goals.

~~(e)~~ (f) Before the date for applications for the final round, the allocating agencies other than the agency shall return all uncommitted and unallocated tax credits to a unified pool for allocation by the agency on a statewide basis.

~~(f)~~ (g) Unused portions of the state ceiling for low-income housing tax credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation.

~~(g)~~ (h) If an allocating agency determines, at any time after the initial commitment or allocation for a specific project, that a project is no longer eligible for all or a portion of the low-income housing tax credits committed or allocated to the project, the credits must be transferred to the agency to be reallocated pursuant to the procedures established in paragraphs ~~(e)~~ (f) to ~~(g)~~ (h); provided that if the tax credits for which the project is no longer eligible are from the current year's annual ceiling and the allocating agency maintains a waiting list, the allocating agency may continue to commit or allocate the credits until not later than the date of applications for the final round, at which time any uncommitted credits must be transferred to the agency.

Sec. 2. [474A.22] FORT SNELLING NATIONAL LANDMARK REDEVELOPMENT.

Subdivision 1. Fort Snelling bonding authority allocation. Notwithstanding any law, rule, or policy to the contrary, the commissioner shall reserve \$29,000,000 in bonding authority allocated under section 474A.03 to the Minnesota Housing Finance Agency and \$29,000,000 in bonding authority allocated under section 474A.03 to the small issue pool in 2019, and in 2020 if bonds are not permanently issued in 2019 subject to subdivision 3, for issuance of residential rental project bonds for purposes of the rehabilitation and renovation of the Fort Snelling Upper Post as a qualified residential rental project as provided in this section and section 474A.047. The qualified residential rental project shall be required to enter into a minimum 25-year agreement with the issuer to provide the applicable rental rates and incomes. Notwithstanding section 474A.091, subdivision 1, the amount reserved from the small issue pool in each year shall not be transferred to the unified pool but shall continue to be available under this section.

Subd. 2. Issuance; other issuer. Upon application by an eligible issuer on forms prescribed by the department and payment of the required application fee, the commissioner shall allocate the bonding authority under subdivision 1. An issuer receiving this allocation shall be authorized to act as the issuer regardless of its geographical area. In no event shall the bonds issued under this section be guaranteed as to payment by the state or the issuer. An issuer shall not be required to pay a refundable application deposit.

Subd. 3. Failure to permanently issue. In the event the bonds reserved or allocated under this section are not permanently issued by December 1, 2019, or December 1, 2020, as applicable, the bonding authority shall be reallocated to the Minnesota Housing Finance Agency for issuance for a qualified residential rental project.

Subd. 4. Low-income housing tax credits. The redevelopment of the Fort Snelling Upper Post shall be a strategic priority of the state and the Minnesota Housing Finance Agency. If the allocation of bonding authority under subdivision 2 makes the Fort Snelling Upper Post development preliminarily eligible for an allocation of low-income housing tax credits under section 42(h)(4) of the Internal Revenue Code of 1986, as amended, the Minnesota Housing Finance Agency shall promptly process any application or preapplication for low-income housing tax credits submitted under this subdivision pursuant to the qualified allocation plan and shall not require or impose additional criteria, requirements, regulations, or restrictions upon the Fort Snelling Upper Post project that would otherwise undermine the priorities of this section other than as required under section 42 of the Internal Revenue Code of 1986, as amended. The issuer of the bonds under this section and not the Minnesota Housing Finance Agency shall determine the financial feasibility and the reasonableness of the development costs for the project and the Minnesota Housing Finance Agency shall not include in its review of the project any per-unit cost limitations or other similar restrictions. The Minnesota Housing Finance Agency shall consider the legislature's determinations in evaluating the project and granting any requests or making any determinations related to the Fort Snelling Upper Post project to facilitate an allocation of low-income housing tax credits in light of the importance to the state of this unique and historic development.

Subd. 5. State historic structure rehabilitation tax credit. Notwithstanding the provisions of section 290.0681 or section 47(a)(2) of the Internal Revenue Code of 1986, as amended, to the extent the Fort Snelling Upper Post project qualifies for the credit as provided in section 290.0681, the amount of the credit shall be 100 percent of the credit allowed under section 47(a)(2) of the Internal Revenue Code of 1986, as amended, but shall be taken in full in the taxable year in which the qualified rehabilitation expenditures are placed in service for the Fort Snelling Upper Post project rather than ratably as described in section 47(a) of the Internal Revenue Code of 1986, as amended.

EFFECTIVE DATE. This section is effective the day following final enactment and shall expire on December 31, 2020.

Sec. 3. Laws 2013, chapter 136, section 3, subdivision 2, is amended to read:

Subd. 2. Capitol Renovation and Restoration

109,000,000

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

(1) to complete the design of, and to construct, repair, improve, renovate, restore, furnish, and equip the State Capitol building and grounds; including but not limited to exterior stone repairs and window replacement; asbestos and hazardous materials abatement; mechanical, electrical, plumbing, and security systems replacement; general construction, including but not limited to demolition, site improvements, life safety improvements, accessibility, security and telecommunications; roof replacement; and finish work; and

(2) to predesign, design, conduct hazardous materials abatement, construct, repair, renovate, remodel, furnish, and equip the State Office Building, Administration Building, Centennial Office Building, 321 Grove Street Building, and other buildings and parking facilities located on the Capitol campus as determined by the commissioner of administration to meet temporary and permanent office, storage, parking, and other space needs occasioned by and in furtherance of an efficient restoration of the State Capitol Building and for the efficient and effective function of the tenants currently located in the Capitol Building.

In addition to any other approvals required, the commissioner of administration must submit the schematic design, design development, and work packages to the Capitol Preservation Commission, and may not proceed with a work package until the commission approves that work package.

The commissioner must incorporate life safety (Tier 1), water management (Tier 2), and selective restoration of architectural features (Tier 3), as described in the Minnesota State Capitol Exterior Stone Repair Project report dated May 8, 2013, into repair work on the exterior stone of the Capitol that is funded under this appropriation.

The commissioner of administration must not construct or place any permanent building, structure, or facility for offices, parking, storage, or other use, in the area commonly known as Lief Erikson Park in the Capitol complex.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond

proceeds in this subdivision are available until December 31, 2022. The unspent portion of this appropriation, upon written notice to the commissioner of management and budget, is available to design, construct, and complete accessibility improvements to the Capitol grounds and repairs to monuments and memorials located on the Capitol complex.

Sec. 4. Laws 2014, chapter 294, article 1, section 12, subdivision 2, is amended to read:

Subd. 2. Capitol Renovation and Restoration Continued

126,300,000

This appropriation is in addition to the appropriations in Laws 2012, chapter 293, section 13, subdivision 3, and Laws 2013, chapter 136, section 3, subdivision 2, for the same purposes and subject to the same restrictions, tenant approvals, and other terms specified in Laws 2013, chapter 136, section 3, subdivisions 2 and 3. In addition, the appropriation may be used to predesign, design, construct, repair, renovate, remodel, furnish, and equip space for broadcast media, and for assessment and conservation of works of art in the Capitol. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds in this subdivision are available until December 31, 2022. The unspent portion of this appropriation, upon written notice to the commissioner of management and budget, is available to design, construct, and complete accessibility improvements to the Capitol grounds and repairs to monuments and memorials located on the Capitol complex.

Sec. 5. Laws 2015, First Special Session chapter 5, article 1, section 8, subdivision 2, is amended to read:

Subd. 2. Capitol Restoration

26,724,000

(a) To complete the design of, and to construct, repair, improve, renovate, restore, furnish, and equip the expanded restoration elements of the State Capitol Building and grounds, and any associated asbestos and hazardous materials abatement, including but not limited to: (1) water infiltration, settlement, and deterioration on the plaza, terrace, and stairs; (2) visitor access and bus loading and unloading; (3) decorative painting; (4) cove molding; (5) accessibility, safety, and security for the South Loggia; (6) landscaping on Lot O; and (7) modifications to Aurora Avenue.

(b) \$2,000,000 may be used to design, construct, repair, improve, renovate, restore, furnish, and equip other items as needed to meet the guiding principles established by the Capitol Preservation Commission

of architectural integrity, functionality, and life-safety. The commissioner of administration must submit designs and plans for the use of this appropriation to the Capitol Preservation Commission and, other than for design work, the appropriation in this paragraph is not available until the commission approves these plans.

(c) Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds in this subdivision are available until December 31, 2022. The unspent portion of this appropriation, upon written notice to the commissioner of management and budget, is available to design, construct, and complete accessibility improvements to the Capitol grounds and repairs to monuments and memorials located on the Capitol complex.

Sec. 6. Laws 2015, First Special Session chapter 5, article 1, section 8, subdivision 3, is amended to read:

Subd. 3. Contingency for Capitol Site Security Enhancements

6,200,000

To complete the design of, and to construct, repair, furnish, and equip, including associated asbestos and hazardous materials abatement, if any, physical security improvements for the Capitol grounds bordered by Aurora Avenue to the South, University Avenue to the North, Cedar Street to the East, and the Rev. Dr. Martin Luther King Jr. Boulevard to the West. The commissioner of administration must submit site security design elements to the Capitol Preservation Commission and may not proceed with those elements until the commission approves site security design elements. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds in this subdivision are available until December 31, 2022. The unspent portion of this appropriation, upon written notice to the commissioner of management and budget, is available to design, construct, and complete accessibility improvements to the Capitol grounds and repairs to monuments and memorials located on the Capitol complex.

Sec. 7. HIGHWAY-RAIL GRADE SEPARATION.

Subdivision 1. **Appropriation.** \$2,000,000 is appropriated from the bond proceeds account in the state transportation fund to the commissioner of transportation for engineering, design, and right-of-way acquisition required for construction of an underpass on Anoka County State-Aid Highway 56, otherwise known as Ramsey Boulevard, under the Burlington Santa Fe Railroad in the city of Ramsey and associated improvements on U.S. Trunk Highway 10/169 in the city of Ramsey.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds account in the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$2,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

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

Sec. 8. **ANOKA COUNTY - MARKED U.S. HIGHWAY 10.**

Subdivision 1. **Appropriation.** \$15,000,000 is appropriated from the bond proceeds account in the state transportation fund to the commissioner of transportation for a grant to Anoka County for environmental documentation, preliminary engineering, land acquisition, final design engineering, construction and construction engineering, and administration for the local cost shares of the interchanges and overpass on marked U.S. Highway 10 at Thurston Avenue, West Main Street, and Fair Oak Avenue and the associated frontage, backage, and connecting local streets to support the U.S. Highway 10 improvements in the city of Anoka.

Subd. 2. **Bond sale.** To provide the money appropriated in subdivision 1 from the bond proceeds account in the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$15,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7, at the times and in the amounts requested by the commissioner of transportation.

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

Sec. 9. **DULUTH; LAKE SUPERIOR ZOO.**

Subdivision 1. **Appropriation.** \$1,900,000 is appropriated from the bond proceeds fund to the commissioner of employment and economic development for a grant to the city of Duluth to complete design of and to construct and equip a new large brown bear exhibit and adjacent large cat exhibit in the space of the former Polar Shores exhibit. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$1,900,000 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.

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

Sec. 10. **WATER MAIN REPLACEMENT, RICE LAKE.**

Subdivision 1. **Appropriation.** \$359,000 is appropriated from the bond proceeds fund to the commissioner of employment and economic development for a grant to the city of Rice Lake to design, engineer, construct, and equip new water mains on East Calvary Road, and Kolstad, Austin, Milwaukee, Mather, and Chicago Avenues in Rice Lake to replace existing deteriorated water mains. This appropriation is available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to

\$359,000 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.

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

Sec. 11. **ELY TRAILHEAD DEVELOPMENT; HOSPITAL ACCESS IMPROVEMENTS.**

(a) \$1,300,000 is appropriated from the bond proceeds fund to the commissioner of natural resources for a grant to the city of Ely to predesign, design, construct, furnish, and equip a trailhead facility with parking, visitor information, and restrooms for trail users on the west end of the city near marked Trunk Highway 169. This appropriation does not require a nonstate contribution. Money from this appropriation not needed to complete the trailhead project may be used to predesign an extension to Pattison Street to provide a direct connection from marked Trunk Highway 169 to St. Louis County Highway 21 and improve access to the Ely Bloomenson Community Hospital campus and emergency services building.

(b) To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$1,300,000 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. 12. **CANCELLATIONS.**

The unexpended 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 \$1,719,000, is canceled, and the bond sale authorization in Laws 2014, chapter 294, article 1, section 26, subdivision 1, is reduced by the same amount.

Sec. 13. **REFORESTATION AND STAND IMPROVEMENT.**

(a) \$3,000,000 is appropriated from the bond proceeds fund to the commissioner of natural resources 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.

(b) To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$3,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 14. **APPLICATION.**

Appropriations in this article are subject to article 1, section 1. The appropriation in section 9 is from the local road improvement fund.

Sec. 15. **REDUCTIONS.**

The following appropriations are reduced in article 1:

- (1) \$2,900,000 from the Merit Center;
- (2) \$2,000,000 from TED;
- (3) \$2,000,000 from Corrections Asset Prevention; and

(4) \$15,000,000 from Local Road and Bridge.

Sec. 16. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 4

ENVIRONMENT AND NATURAL RESOURCES TRUST FUND APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the environment and natural resources trust fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2018</u>	<u>2019</u>

Sec. 2. **MINNESOTA RESOURCES**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>89,000</u>	<u>\$</u>	<u>42,799,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions. Appropriations are available for two years beginning July 1, 2018, unless otherwise stated in the appropriation. Any unencumbered balance remaining in the first year does not cancel and is available for the second year or until the end of the appropriation.

Subd. 2. **Definition**

"Trust fund" means the Minnesota environment and natural resources trust fund established under the Minnesota Constitution, article XI, section 14.

Subd. 3. **Foundational Natural Resource Data and Information**

<u>-0-</u>	<u>4,533,000</u>
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(a) County Geologic Atlases - Part A

\$1,240,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota, Minnesota Geological Survey, to continue producing county geologic atlases for the purpose of informed management of surface water and groundwater

resources. This appropriation is to complete part A, which focuses on the properties and distribution of earth materials to define aquifer boundaries and the connection of aquifers to the land surface and surface water resources. This appropriation is available until June 30, 2022, by which time the project must be completed and final products delivered.

(b) Providing Critical Water-Quality Information for Lake Management

\$250,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop a semiautomated system to acquire, process, and deliver new satellite-derived water-quality data in near real time on water clarity, algae, and turbidity for Minnesota lakes. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(c) Minnesota Biodiversity Atlas - Phase 2

\$350,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to expand the biodiversity atlas project by adding more than 800,000 records and images of Minnesota wildlife, plants, and fungi, including observations from state agencies and other museum collections, to enhance research, guide field surveys, and inform conservation planning. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(d) Peatland Forest Management

\$600,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to identify management actions to maximize benefits to wildlife, water quality, timber production, and native plant communities in peatland forests. This appropriation is available until June 30, 2022, by which time the project must be completed and final products delivered.

(e) Assessing Natural Resource Benefits Provided by Lichens and Mosses

\$213,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to survey, map, and analyze mosses and lichens across the state, including their moisture-retention capacity, effects on hydrology, and ability to filter airborne pollutants. This appropriation is available until June

30, 2021, by which time the project must be completed and final products delivered.

(f) Develop a System to Assess Wildlife Health Threats in Minnesota

\$280,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop a statewide information-management system that uses wildlife-rehabilitation data to identify emerging threats to wildlife health in Minnesota.

(g) Conserving Minnesota's Forest Birds of Management Concern

\$500,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to identify forest-management actions and guidelines to conserve birds in Minnesota's forests. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(h) Mapping Avian Movement in Minnesota

\$200,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to pilot the establishment of a network of automated radio-telemetry stations to monitor bird migration and local movements and to develop strategic plans for using the infrastructure long term to monitor animal movement for conservation. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(i) Improve Trout-Stream Management by Understanding Variable Winter Thermal Conditions

\$400,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to identify how winter groundwater flows, air temperature, and streambed conditions affect insect productivity in order to guide restoration and management efforts in southeastern Minnesota trout streams. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(j) Develop Sonar Data Mapping on Three Rivers to Assess Suitability for Native Mussel Habitat

\$200,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the National Park Service to create high-resolution sonar data maps to identify critical native mussel habitat for the designated Lower St. Croix National Scenic Riverway and the Mississippi National River and Recreation Area including part of the Minnesota River.

(k) Conserving Minnesota's Nine Species of Freshwater Turtles

\$300,000 the second year is from the trust fund to the Minnesota Zoological Garden to improve the long-term viability of Minnesota's imperiled turtle populations by researching threats, identifying mitigation strategies, implementing mechanisms to reduce threats and mortality, and creating related outreach and educational materials. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

Subd. 4. **Water Resources**

89,000

5,786,000

(a) Pilot Program to Optimize Local Mechanical and Pond Wastewater-Treatment Plants

\$89,000 the first year and \$611,000 the second year are from the trust fund to the commissioner of the Minnesota Pollution Control Agency, in partnership with the Minnesota Rural Water Association and the University of Minnesota's Technical Assistance Program, to implement a pilot program to optimize existing local mechanical and pond wastewater-treatment systems to increase nutrient removal and improve efficiency without requiring costly upgrades.

(b) Assess and Develop Strategies to Remove Microscopic Plastic-Particle Pollution from Minnesota Water Bodies

\$300,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to assess, track, and develop methods to remove microscopic plastic particles that are dispersed and accumulating as pollution in Minnesota water bodies. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(c) Reduce Chlorides in Minnesota Waters by Evaluating Road-Salt Alternatives and Pavement Innovations

\$400,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to investigate road-salt alternatives and pavement innovations to reduce lake, stream, and groundwater degradation caused by road-salt chlorides. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(d) Protect Water Quality with Efficient Removal of Contaminants in Treatment Ponds for Storm Water

\$325,000 the second year is from the trust fund to the Board of Trustees of the Minnesota State Colleges and Universities system for St. Cloud State University to evaluate the effectiveness of best management practices in removing contaminants from storm water to safeguard aquatic habitats. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(e) Develop Small and Inexpensive Purification System for Community Drinking Water

\$425,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop a small and inexpensive purification-technology system for community drinking-water facilities to remove toxic contaminants, make water safe to drink, and improve drinking-water quality. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(f) Evaluate Emerging Pathogens in Lakes, Rivers, and Tap Water to Keep Drinking Water Safe

\$325,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to evaluate emerging pathogens including Legionella and mycobacteria to ensure that surface water used for drinking water and tap water is safe to drink. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(g) Characterize Unregulated Contaminants in Source Water and Drinking Water

\$1,000,000 the second year is from the trust fund to the commissioner of health to establish monitoring networks of public water-system wells and surface-water intakes to determine if contaminants

persist after standard public water treatment. This appropriation is available until June 30, 2022, by which time the project must be completed and final products delivered.

(h) Mapping Antibiotic Resistance in Minnesota to Help Protect Environmental, Animal, and Human Health

\$750,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to quantify and map antibiotic and antibiotic-resistance gene contamination in Minnesota waters and soils to identify locations in need of mitigation to protect environmental, animal, and human health. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(i) Farmer-Led Expansion of Alfalfa Production to Increase Water Protection

\$500,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop a farmer-led, market-based working-lands approach to increase water protection in agricultural areas by targeted expansion of alfalfa production and development of methods to convert alfalfa to high-value bioproducts. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(j) Using Perennial Grain Crops in Wellhead Protection Areas to Protect Groundwater

\$250,000 the second year is from the trust fund to the commissioner of agriculture to establish demonstration plots of Kernza, a new intermediate perennial grain crop, to evaluate the potential to profitably reduce nitrate contamination of groundwater in vulnerable wellhead protection regions of Minnesota. Any income generated as part of this appropriation may be used to expand the project.

(k) Implement Pilot Credit-Trading System for Storm Water in Shell Rock River Watershed to Improve Water Quality

\$300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to develop and implement a pilot water-quality credit-trading program for storm water that provides voluntary and cost-effective options to reduce pollution on a watershed scale.

(l) Lake Agnes Treatment

\$600,000 the second year is to the Board of Water and Soil Resources for a grant to the Alexandria Lake Area Sanitary District for lake management activities, including, but not limited to, alum treatment in Lake Agnes, carp removal in Lake Winona, and related management and reassessment measures that are intended to achieve and maintain compliance with water quality standards for phosphorus and the total maximum daily load for Lake Winona.

Subd. 5. Technical Assistance, Outreach, and Environmental Education-0-4,968,000**(a) Prairie Sportsman Statewide Environmental Broadcasts and Videos**

\$300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Pioneer Public Television to provide outreach on outdoor recreation, conservation, and natural resource issues, including water quality, wildlife habitat, and invasive species, through a series of interrelated educational and training videos and statewide broadcast television programs.

(b) YES! Students Take on Minnesota Water- Quality Challenge

\$213,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Prairie Woods Environmental Learning Center to expand the Youth Energy Summit (YES!) model to improve local waterways by training and mobilizing over 20 youth-led teams in Minnesota communities to complete 30 or more projects related to water quality including monitoring and reporting.

(c) Get Outdoors After-School Training

\$30,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Project Get Outdoors to train and equip youth leaders at out-of-school youth organizations across Minnesota with knowledge, skills, and resources to incorporate outdoor nature activities into after-school programs for at least 6,000 children, including those from underserved populations.

(d) Connecting Students with Water Stewardship through Hands-on Learning

\$400,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to engage students in classroom and outdoor hands-on learning focused on water quality, groundwater, aquatic life, and watershed stewardship and providing youth and their families with fishing experiences. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(e) Expanding River Watch Program on the Minnesota River With High School Teams

\$100,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Friends of the Minnesota Valley to expand a River Watch program on the Minnesota River to recruit at least 15 additional teams of high school students in monthly monitoring and reporting of water quality.

(f) Pollinator Ambassadors Program for Gardens

\$250,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to increase knowledge of pollinators in gardens and yards and improve pollinator habitat by expanding outreach, training, and tools for Minnesota communities as part of the Pollinator Ambassadors program. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(g) Morris Prairie Pollinator Demonstration Area and Education

\$550,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the West Central Research and Outreach Center at Morris to restore 17 acres of native prairie for pollinators and to construct wayside shelters and kiosks along an existing trail to provide information to visitors on the importance of pollinators and native prairie ecosystems. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(h) Expanding Nature Knowledge and Experience with New Interactive Exhibits at North Mississippi Regional Park

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to develop new interactive exhibits at North Mississippi

Regional Park to encourage the approximately 326,000 annual visitors to better understand and explore the river and surrounding natural area.

(i) Update International Wolf Center Exhibits

\$1,000,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the International Wolf Center to design, construct, and install new interactive educational exhibits to help Minnesotans understand coexistence with the state's wolf populations and ongoing wolf- management efforts.

(j) Expanding the State's Reuse Economy to Conserve Natural Resources

\$275,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with ReUSE Minnesota to provide outreach and technical assistance to communities and small businesses to create and expand opportunities for reusing, renting, and repairing consumer goods as an alternative to using new materials so solid-waste disposal and its impacts are measurably reduced and more local reuse jobs are created. Net income generated as part of this appropriation may be reinvested in the project if a plan for reinvestment is approved in the work plan.

(k) Expand Materials Reuse and Recycling Jobs Program

\$665,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Better Futures Minnesota, in cooperation with the Northwest Indian Community Development Corporation, and \$135,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Natural Resources Research Institute in Duluth to expand building deconstruction and material-reuse practices and jobs in partnership with counties, tribes, and municipalities statewide and to document the environmental, health, and economic benefits of these practices. Net income generated by Better Futures as part of this or a previous related appropriation from the environment and natural resources trust fund may be reinvested in the project if a plan for reinvestment is approved in the work plan.

(l) Increase Diversity in Environmental Careers to Serve Minnesota's Changing Demographics

\$550,000 the second year is from the trust fund to the commissioner of natural resources in cooperation with

Conservation Corps Minnesota and Iowa to provide a college-to-work pathway for students of diversity to pursue natural resources careers through internships and mentorships with state agencies. This appropriation is available until June 30, 2023, by which time the project must be completed and final products delivered.

Subd. 6. Aquatic and Terrestrial Invasive Species

-0-

5,760,000

(a) Minnesota Invasive Terrestrial Plants and Pests Center - Phase 4

\$3,500,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for high-priority research at the Invasive Terrestrial Plants and Pests Center to protect Minnesota's natural and agricultural resources from terrestrial invasive plants, pathogens, and pests as identified through the center's strategic prioritization process. This appropriation is available until June 30, 2023, by which time the project must be completed and final products delivered.

(b) Palmer Amaranth Detection and Eradication Continuation

\$431,000 the second year is from the trust fund to the commissioner of agriculture to continue to monitor, ground survey, and control Palmer amaranth primarily in conservation plantings and to develop and implement aerial-survey methods to prevent infestation and protect prairies, other natural areas, and agricultural crops.

(c) Evaluate Control Methods for Invasive Hybrid Cattails

\$131,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Voyageurs National Park to evaluate the effectiveness of mechanical harvesting and managing muskrat populations to remove exotic hybrid cattails and restore fish and wildlife habitat in Minnesota wetlands. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(d) Developing RNA Interference to Control Zebra Mussels

\$500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the United States Geological Survey to develop a genetic control tool that exploits the natural process

of RNA silencing to specifically target and effectively control zebra mussels without affecting other species or causing other nontarget effects. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(e) Install and Evaluate an Invasive Carp Deterrent for Mississippi River Locks and Dams

\$998,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota in cooperation with the United States Army Corps of Engineers and the United States Fish and Wildlife Service to install, evaluate, and optimize a system in Mississippi River locks and dams to deter passage of invasive carp without negatively impacting native fish and to evaluate the ability of predator fish in the pools above the locks and dams to consume young carp. The project must conduct a cost comparison of equipment purchase versus lease options and choose the most effective option. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(f) Determining Risk of Toxic Alga in Minnesota Lakes

\$200,000 the second year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to determine the historical distribution, abundance, and toxicity of the invasive blue-green alga, *Cylindrospermopsis raciborskii*, in about 20 lakes across Minnesota and inform managers and the public about the alga's spread and health risks. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

Subd. 7. Air Quality and Renewable Energy

-0-

1,200,000

(a) Develop Solar Window Concentrators for Electricity

\$350,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop, evaluate, and optimize thin film silicon-based luminescent solar window concentrators in order to produce inexpensive, clean energy and reduce air pollution. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(b) Demonstrations for Community-Scale Storage Systems for Renewable Energy

\$550,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to install, demonstrate, and evaluate three community-scale storage systems for renewable energy and develop a guidebook on storing renewable energy for statewide use. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(c) Develop Inexpensive Energy from Simple Roll-to-Roll Manufacturing

\$300,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop inexpensive, high-efficiency solar energy with simple roll-to-roll advanced manufacturing technology, using new materials such as perovskite to make solar cells. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

Subd. 8. Methods to Protect or Restore Land, Water, and Habitat

-0-

2,539,000

(a) Nongame Wildlife Program Acceleration

\$220,000 the second year is from the trust fund to the commissioner of natural resources to accelerate the nongame wildlife program including rare wildlife data collection, habitat management, collaborative land protection, conservation education, and a new emphasis on promoting nature tourism to benefit wildlife, visitors, and rural communities.

(b) Develop Biomulch to Replace Plastic Soil Covering in Vegetable and Fruit Production to Increase Yield and Reduce Waste

\$310,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop and test the performance of biodegradable biomulch to increase yield, conserve water, suppress weeds and pests, add nutrients to the soil, and replace large amounts of nonrecyclable and nondegradable plastic used in vegetable and fruit production. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(c) Develop Market-Based Alternatives for Perennial Crops to Benefit Water Quality and Wildlife

\$150,000 the second year is from the trust fund to the Science Museum of Minnesota for the St. Croix Watershed Research Station to design and evaluate at least six market-based scenarios for perennial cropping systems in Minnesota, including technological and economic feasibility, and estimate their potential to improve water quality and provide wildlife habitat. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(d) Agricultural Weed Control Using Autonomous Mowers

\$750,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the West Central Research and Outreach Center at Morris to design, integrate, and field-test new technology mowers to control weeds, reduce herbicide use, reduce energy costs, and improve native vegetation and forage quality on agricultural lands. This appropriation is subject to Minnesota Statutes, section 116P.10. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(e) Restoring Forests in Minnesota State Parks

\$250,000 the second year is from the trust fund to the commissioner of natural resources to restore at least 255 acres of high-quality forests in state parks such as Itasca, Jay Cooke, and Forestville Mystery Cave State Parks and Greenleaf Lake State Recreation Area. This appropriation is available until June 30, 2023, by which time the project must be completed and final products delivered.

(f) Develop Strategies for Timber Harvest to Minimize Soil Impacts to Maintain Healthy and Diverse Forests

\$200,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota to develop strategies and practical tools to minimize soil compaction and other impacts across a range of conditions during timber harvest to maintain timber availability, improve regeneration of diverse forests, and benefit wildlife habitat. This appropriation is available until June 30, 2022, by which time the project must be completed and final products delivered.

(g) Restoring Wetland Invertebrates to Revive Wildlife Habitat

\$400,000 the second year is from the trust fund to the commissioner of natural resources to assess invertebrate amphipods in wetlands and explore stocking them as a valuable food source for ducks and other wildlife in the Prairie Pothole Region of the state. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(h) Preserving Minnesota's Native Orchids - Phase 2

\$259,000 the second year is from the trust fund to the Board of Regents of the University of Minnesota for the Minnesota Landscape Arboretum to expand collection and preservation efforts to enable long-term conservation of at least 25 of the 48 native orchid species in Minnesota and to continue propagation and cultivation research. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

Subd. 9. Land Acquisition, Habitat, and Recreation

-0-

17,439,000

(a) Grants for Local Parks, Trails, and Natural Areas

\$2,000,000 the second year is from the trust fund to the commissioner of natural resources to solicit, rank, and fund competitive matching grants for local parks, trail connections, and natural and scenic areas under Minnesota Statutes, section 85.019. The appropriation is for local nature-based recreation and connections to regional and state natural areas and recreation facilities and does not include athletic facilities such as sport fields, courts, and playgrounds. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(b) Develop Mesabi Trail Segment From County Road 88 to Ely

\$600,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for environmental assessment, permitting, right-of-way easements or other acquisition as needed, engineering, and construction of an approximately three-mile-long bituminous surface section of the Mesabi Trail between Ely and the intersection of Highway 169 and County Road 88. This appropriation is available until June 30, 2022, by which time the project must be completed and final products delivered.

(c) Harmony State Trail Extension Land Acquisition

\$235,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Harmony to acquire fee title of about 16 parcels to allow for the approximate six-mile extension of the legislatively authorized state trail from Harmony south to the Iowa state border with a spur to Niagara Cave. The land must be transferred to the state after it has been purchased.

(d) Mississippi Blufflands State Trail - Red Wing Barn Bluff to Colvill Park Segment

\$550,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Red Wing to be used with other funds to construct an approximate three-quarter-mile-long hard-surfaced segment of the Mississippi Blufflands State Trail along Red Wing's Mississippi River riverfront from Barn Bluff Regional Park to Colvill Park. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(e) Swedish Immigrant Regional Trail Segment within Interstate State Park

\$2,254,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Chisago County Environmental Services to construct an approximate one-half-mile regional county trail segment within Interstate State Park from the end point of the existing trail at the park boundary to city hall including a trail bridge over the ravine and parking and trailhead improvements and to conduct a natural and cultural review to determine the feasibility and route of a future section of the trail through the park. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(f) Enhancement Plan for Superior Hiking Trail

\$100,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Superior Hiking Trail Association to evaluate improvements to the 310-mile-long Superior Hiking Trail including routing, safety, water management, maintenance, and other environmental, recreational, and design issues and to develop an interactive trail-management system to capture efficiencies and best management practices.

(g) Protecting Mississippi River Headwaters Lands through Local, State, and Federal Partnership

\$700,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Baxter, in cooperation with Brainerd Public Schools and the Camp Ripley Sentinel Landscape Program, to acquire about 200 acres of forested land on the upper Mississippi River adjacent to Mississippi River Overlook Park for multiple public benefits, including being an outdoor classroom for local schools. To be eligible for reimbursement, costs for real estate transactions must be specific to this acquisition and documented as required in subdivision 15, paragraph (k).

(h) Protecting North-Central Minnesota Lakes

\$750,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the Crow Wing County Soil and Water Conservation District to increase watershed protection to maintain and improve water quality in lakes and rivers in Aitkin and Crow Wing Counties with about ten permanent RIM conservation easements and 12 forest stewardship plans and by implementing six best management practices. Of this amount, up to \$59,000 may be contributed to an easement stewardship account established under Minnesota Statutes, section 103B.103, as approved in the work plan.

(i) Easement Program for Native Prairie Bank

\$2,000,000 the second year is from the trust fund to the commissioner of natural resources to provide technical stewardship assistance to private landowners, restore and enhance about 270 acres of native prairie protected by easements in the native prairie bank, and acquire easements for the native prairie bank in accordance with Minnesota Statutes, section 84.96, on about 275 acres, including preparing initial baseline property assessments. Up to \$120,000 of this appropriation may be deposited in the natural resources conservation easement stewardship account, created in Minnesota Statutes, section 84.69, proportional to the number of easement acres acquired. A list of proposed easement acquisitions and restoration sites for the native prairie bank are required in the work plan. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(j) Minnesota State Trail Development

\$2,500,000 the second year is from the trust fund to the commissioner of natural resources to expand high-priority recreational opportunities on Minnesota's

state trails by developing new trail segments and rehabilitating, improving, and enhancing existing state trails. High-priority trail segments to develop and enhance include but are not limited to the Gateway, Gitchi Gami, Paul Bunyan, and Heartland State Trails. A proposed list of trail projects on legislatively authorized state trails is required in the work plan. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(k) Minnesota State Parks and State Trails

\$2,500,000 the second year is from the trust fund to the commissioner of natural resources to acquire about 163 acres of high-priority in holdings from willing sellers within the legislatively authorized boundaries of state parks and trails in order to protect Minnesota's natural heritage, enhance outdoor recreational opportunities, and improve the efficiency of public land management. Priorities include but are not limited to Tettegouche, Sibley, and Minneopa State Parks and the Goodhue Pioneer State Trail. A list of proposed acquisitions is required in the work plan. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(l) Scientific and Natural Areas Program

\$3,250,000 the second year is from the trust fund to the commissioner of natural resources for the scientific and natural areas program. Of this amount, \$1,500,000 is for habitat restoration activities, \$500,000 is for scientific and natural areas public engagement and outreach, and \$1,250,000 is to acquire strategic high-quality lands that meet criteria for scientific and natural areas under Minnesota Statutes, section 86A.05, from willing sellers. A list of proposed acquisitions and restorations is required in the work plan. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

Subd. 10. Emerging Issues Account

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439,000

\$439,000 the second year is from the trust fund to an emerging issues account authorized in Minnesota Statutes, section 116P.08, subdivision 4, paragraph (d).

Subd. 11. Wastewater Treatment Recommendations

(a) Wastewater Treatment System Grants

Until June 30, 2021, the Legislative-Citizen Commission on Minnesota Resources must consider recommending up to \$10,000,000 of the available money from the trust fund to match appropriations from the bond proceeds fund for wastewater infrastructure funding that exceed \$10,000,000 per year for expenditure by the Public Facilities Authority for wastewater treatment grants to home rule charter and statutory cities and towns with a population under 5,000. The grants must be issued under Minnesota Statutes, sections 446A.072 and 446A.073. The recommendations may include a technical assistance program for recipients eligible under this subdivision. The commission must work with the Public Facilities Authority in developing its recommendations. Any deadlines established by the commission for submission of proposals for the commission's fiscal year 2020 recommendations are waived until July 1, 2018, for proposals authorized under this subdivision.

(b) Wastewater Treatment System Loans

The commission must consider recommending up to five percent of the corpus of the trust fund for loans to the Public Facilities Authority to issue loans under Minnesota Statutes, section 446A.07, to home rule charter and statutory cities and towns with a population under 5,000.

(c) Work Program and Semiannual Progress Report

The work plan required under Minnesota Statutes, section 116P.05, subdivision 2, paragraph (b), must consist of lists showing the fundable ranges for grants and loans pursuant to this subdivision.

Subd. 12. Contract Agreement Reimbursement

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135,000

\$135,000 the second year is from the trust fund to the commissioner of natural resources, at the direction of the Legislative-Citizen Commission on Minnesota Resources, for expenses incurred for preparing and administering contracts for the agreements specified in this section. The commissioner must provide documentation to the Legislative-Citizen Commission on Minnesota Resources on the expenditure of these funds.

Subd. 13. Availability of Appropriations

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the work plan approved by the Legislative-Citizen

Commission on Minnesota Resources. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Costs that are directly related to and necessary for an appropriation, including financial services, human resources, information services, rent, and utilities, are eligible only if the costs can be clearly justified and individually documented specific to the appropriation's purpose and would not be generated by the recipient but for receipt of the appropriation. No broad allocations for costs in either dollars or percentages are allowed. Unless otherwise provided, the amounts in this section are available until June 30, 2020, when projects must be completed and final products delivered. For acquisition of real property, the appropriations in this section are available for an additional fiscal year if a binding contract for acquisition of the real property is entered into before the expiration date of the appropriation. If a project receives a federal grant, the period of the appropriation is extended to equal the federal grant period.

Subd. 14. Data Availability Requirements

Data collected by the projects funded under this section must conform to guidelines and standards adopted by the Office of MN.IT Services. Spatial data must also conform to additional guidelines and standards designed to support data coordination and distribution that have been published by the Minnesota Geospatial Information Office. Descriptions of spatial data must be prepared as specified in the state's geographic metadata guideline and must be submitted to the Minnesota Geospatial Information Office. All data must be accessible and free to the public unless made private under the Data Practices Act, Minnesota Statutes, chapter 13. To the extent practicable, summary data and results of projects funded under this section should be readily accessible on the Internet and identified as having received funding from the environment and natural resources trust fund.

Subd. 15. Project Requirements

(a) As a condition of accepting an appropriation under this section, an agency or entity receiving an appropriation or a party to an agreement from an appropriation must comply with paragraphs (b) to (l) and Minnesota Statutes, chapter 116P, and must submit a work plan and annual or semiannual progress reports in the form determined by the Legislative-Citizen Commission on Minnesota Resources for any project

funded in whole or in part with funds from the appropriation. Modifications to the approved work plan and budget expenditures must be made through the amendment process established by the Legislative-Citizen Commission on Minnesota Resources.

(b) A recipient of money appropriated in this section that conducts a restoration using funds appropriated in this section must use native plant species according to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines and include an appropriate diversity of native species selected to provide habitat for pollinators throughout the growing season as required under Minnesota Statutes, section 84.973.

(c) For all restorations conducted with money appropriated under this section, a recipient must prepare an ecological restoration and management plan that, to the degree practicable, is consistent with the highest-quality conservation and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration project. The plan must include the proposed timetable for implementing the restoration, including site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and take advantage of the best-available science and include innovative techniques to achieve the best restoration.

(d) An entity receiving an appropriation in this section for restoration activities must provide an initial restoration evaluation at the completion of the appropriation and an evaluation three years after the completion of the expenditure. Restorations must be evaluated relative to the stated goals and standards in the restoration plan, current science, and, when applicable, the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The evaluation must determine whether the restorations are meeting planned goals, identify any problems with implementing the restorations, and, if necessary, give recommendations on improving restorations. The evaluation must be focused on improving future restorations.

(e) All restoration and enhancement projects funded with money appropriated in this section must be on land permanently protected by a conservation easement or public ownership.

(f) A recipient of money from an appropriation under this section must give consideration to contracting with Conservation Corps Minnesota for contract restoration and enhancement services.

(g) All conservation easements acquired with money appropriated under this section must:

(1) be permanent;

(2) specify the parties to an easement in the easement;

(3) specify all the provisions of an agreement that are permanent;

(4) be sent to the Legislative-Citizen Commission on Minnesota Resources in an electronic format at least ten business days before closing;

(5) include a long-term monitoring and enforcement plan and funding for monitoring and enforcing the easement agreement; and

(6) include requirements in the easement document to protect the quantity and quality of groundwater and surface water through specific activities such as keeping water on the landscape, reducing nutrient and contaminant loading, and not permitting artificial hydrological modifications.

(h) For any acquisition of lands or interest in lands, a recipient of money appropriated under this section must not agree to pay more than 100 percent of the appraised value for a parcel of land using this money to complete the purchase, in part or in whole, except that up to ten percent above the appraised value may be allowed to complete the purchase, in part or in whole, using this money if permission is received in advance of the purchase from the Legislative-Citizen Commission on Minnesota Resources.

(i) For any acquisition of land or interest in land, a recipient of money appropriated under this section must give priority to high-quality natural resources or conservation lands that provide natural buffers to water resources.

(j) For new lands acquired with money appropriated under this section, a recipient must prepare an ecological restoration and management plan in compliance with paragraph (c), including sufficient

funding for implementation unless the work plan addresses why a portion of the money is not necessary to achieve a high-quality restoration.

(k) To ensure public accountability for using public funds, a recipient of money appropriated under this section must, within 60 days of the transaction, provide to the Legislative-Citizen Commission on Minnesota Resources documentation of the selection process used to identify parcels acquired and provide documentation of all related transaction costs, including but not limited to appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Legislative-Citizen Commission on Minnesota Resources any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted.

(l) A recipient of an appropriation from the trust fund under this section must acknowledge financial support from the environment and natural resources trust fund in project publications, signage, and other public communications and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the trust fund logo or inclusion of language attributing support from the trust fund. Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must satisfy all reporting and other requirements incumbent upon constitutionally dedicated funding recipients as provided in Minnesota Statutes, section 3.303, subdivision 10, and Minnesota Statutes, chapter 116P.

Subd. 16. Payment Conditions and Capital-Equipment Expenditures

(a) All agreements, grants, or contracts referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after July 1, 2018, or the date the work plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic payments must be made upon receiving documentation that the deliverable items articulated in the approved work plan have been achieved, including partial achievements as evidenced by approved progress reports. Reasonable amounts may be advanced to projects to accommodate cash-flow needs or match federal money. The advances

must be approved as part of the work plan. No expenditures for capital equipment are allowed unless expressly authorized in the project work plan.

(b) Single-source contracts as specified in the approved work plan are allowed.

Subd. 17. Purchasing Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation under this section must use the appropriation in compliance with Minnesota Statutes, section 16C.0725, regarding purchasing recycled, repairable, and durable materials and Minnesota Statutes, section 16C.073, regarding purchasing and using paper stock and printing.

Subd. 18. Energy Conservation and Sustainable Building Guidelines

A recipient to whom an appropriation is made under this section for a capital improvement project must ensure that the project complies with the applicable energy conservation and sustainable building guidelines and standards contained in law, including Minnesota Statutes, sections 16B.325, 216C.19, and 216C.20, and rules adopted under those sections. The recipient may use the energy planning, advocacy, and State Energy Office units of the Department of Commerce to obtain information and technical assistance on energy conservation and alternative-energy development relating to planning and constructing the capital improvement project.

Subd. 19. Accessibility

Structural and nonstructural facilities must meet the design standards in the Americans with Disabilities Act (ADA) accessibility guidelines.

Subd. 20. Carryforward; Extension

(a) The availability of the appropriations for the following projects are extended to June 30, 2019:

(1) Laws 2014, chapter 226, section 2, subdivision 6, paragraph (j), Dredged Sediment for Forest Restoration on Unproductive Minelands;

(2) Laws 2014, chapter 226, section 2, subdivision 7, paragraph (b), Metropolitan Regional Park System Acquisition, as extended by Laws 2017, chapter 96, section 2, subdivision 18, paragraph (a), clause (5);

(3) Laws 2015, chapter 76, section 2, subdivision 3, paragraph (b), County Geologic Atlases - Part B;

(4) Laws 2015, chapter 76, section 2, subdivision 4, paragraph (a), Understanding Water Scarcity, Threats, and Values to Improve Management;

(5) Laws 2015, chapter 76, section 2, subdivision 6, paragraph (c), Biological Control of Canada Thistle;

(6) Laws 2015, chapter 76, section 2, subdivision 6, paragraph (d), Preventing New Disease of Pines in Minnesota;

(7) Laws 2015, chapter 76, section 2, subdivision 9, paragraph (d), Native Prairie Stewardship and Prairie Bank Easement Acquisition;

(8) Laws 2015, chapter 76, section 2, subdivision 9, paragraph (g), Metro Conservation Corridors Phase VIII - Priority Expansion of Minnesota Valley National Wildlife Refuge; and

(9) Laws 2015, chapter 76, section 2, subdivision 10, Emerging Issues Account.

(b) The availability of the appropriations for the following projects are extended to June 30, 2020:

(1) Laws 2015, chapter 76, section 2, subdivision 9, paragraph (b), Metropolitan Regional Park System Land Acquisition - Phase IV;

(2) Laws 2016, chapter 186, section 2, subdivision 10, paragraph (b), Grants Management System;

(3) Laws 2017, chapter 96, section 2, subdivision 6, paragraph (d), Adapting Stream Barriers to Remove Common Carp; and

(4) Laws 2016, chapter 186, section 2, subdivision 9, paragraph (g), Otter Tail River Recreational Trail Acquisition.

(c) The availability of the appropriation under Laws 2017, chapter 96, section 2, subdivision 8, paragraph (l), Conservation Reserve Enhancement Program (CREP), is extended to June 30, 2022.

(d) The availability of the appropriation under Laws 2017, chapter 96, section 2, subdivision 3, paragraph (n), Pollinator Research and Outreach, is extended to June 30, 2023.

Subd. 21. Fiscal Year 2020 Recommendations

For fiscal year 2020, the commission shall consider recommending funding for the Pollution Control Agency to clean up a closed landfill in Burnsville for the protection of the state's air, water, land, fish, and

wildlife from significant contamination. Any deadlines established by the commission for submission of proposals for the commission's fiscal year 2020 recommendations are waived until July 15, 2018, for proposals authorized under this subdivision.

Sec. 3. Minnesota Statutes 2016, section 116P.08, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** Money from the trust fund may not be spent for:

(1) purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;

(2) purposes of municipal water pollution control in municipalities with a population of 5,000 or more under the authority of chapters 115 and 116;

(3) costs associated with the decommissioning of nuclear power plants;

(4) hazardous waste disposal facilities;

(5) solid waste disposal facilities; or

(6) projects or purposes inconsistent with the strategic plan.

Sec. 4. Minnesota Statutes 2016, section 116P.12, subdivision 1, is amended to read:

Subdivision 1. **Loans authorized.** (a) If the principal of the trust fund equals or exceeds \$200,000,000, the commission may vote to set aside up to five percent of the principal of the trust fund for water system improvement loans. The purpose of water system improvement loans is to offer below market rate interest loans to local units of government for the purposes of water system improvements.

(b) The interest on a loan shall be calculated on the declining balance at a rate ~~four percentage points below~~ that is the greater of one percent or 50 percent of the secondary market yield of one-year United States Treasury bills calculated according to section 549.09, subdivision 1, paragraph (c).

(c) An eligible project must prove that existing federal or state loans or grants have not been adequate.

(d) Payments on the principal and interest of loans under this section must be credited to the trust fund.

(e) Repayment of loans made under this section must be completed within 20 years.

(f) The Minnesota Public Facilities Authority must report to the commission each year on ~~the loan program~~ any loans made to the authority under this section.

Sec. 5. Laws 2015, chapter 76, section 2, subdivision 9, is amended to read:

Subd. 9. **Land Acquisition for Habitat and Recreation**

14,190,000

-0-

(a) State Parks and Trails Land Acquisitions

\$1,500,000 the first year is from the trust fund to the commissioner of natural resources to acquire at least 335 acres for authorized state trails and critical parcels within the statutory boundaries of state parks. State park land acquired with this appropriation must be sufficiently improved to meet at least minimum

management standards, as determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(b) Metropolitan Regional Park System Land Acquisition - Phase IV

\$1,000,000 the first year is from the trust fund to the Metropolitan Council for grants to acquire at least 133 acres of lands within the approved park unit boundaries of the metropolitan regional park system. This appropriation may not be used to purchase habitable residential structures. A list of proposed fee title and easement acquisitions must be provided as part of the required work plan. This appropriation must be matched by at least 40 percent of nonstate money that must be committed by December 31, 2015, or the appropriation cancels. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(c) SNA Acquisition, Restoration, Enhancement, and Public Engagement

\$4,000,000 the first year is from the trust fund to the commissioner of natural resources to acquire at least 350 acres of lands with high-quality native plant communities and rare features to be established as scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5, restore and improve at least 550 acres of scientific and natural areas, and provide technical assistance and outreach. A list of proposed acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(d) Native Prairie Stewardship and Prairie Bank Easement Acquisition

\$3,325,000 the first year is from the trust fund to the commissioner of natural resources to acquire native prairie bank easements on at least 675 acres, prepare baseline property assessments, restore and enhance at least 1,000 acres of native prairie sites, and provide technical assistance to landowners. Of this amount, up to ~~\$135,000~~ \$195,000 must be deposited in a conservation easement stewardship account. Deposits

into the conservation easement stewardship account must be made upon closing on conservation easements or at a time otherwise approved in the work plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(e) Metro Conservation Corridors - Phase VIII Coordination, Mapping, and Conservation Easements

\$515,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Land Trust for Phase VIII of the Metro Conservation Corridors partnership to provide coordination and mapping for the partnership and to acquire permanent conservation easements on at least 120 acres of strategic ecological landscapes to protect priority natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties. A list of proposed easement acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. Expenditures are limited to the identified project corridor areas as defined in the work plan. Up to \$40,000 may be used for coordination and mapping for the Metro Conservation Corridors. All conservation easements must be perpetual and have a natural resource management plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available June 30, 2018, by which time the project must be completed and final products delivered.

(f) Metro Conservation Corridors - Phase VIII Strategic Lands Protection

\$750,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land for Phase VIII of the Metro Conservation Corridors partnership to acquire in fee at least 35 acres of high-quality priority state and local natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties. A list of proposed acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as

determined by the commissioner of natural resources. Expenditures are limited to the identified project corridor areas as defined in the work plan. This appropriation may not be used to purchase habitable residential structures, unless expressly approved in the work plan. A list of fee title acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

**(g) Metro Conservation Corridors - Phase VIII
Priority Expansion of Minnesota Valley National
Wildlife Refuge**

\$500,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the Minnesota Valley National Wildlife Refuge Trust, Inc. for Phase VIII of the Metro Conservation Corridors partnership to acquire in fee at least 100 acres of priority habitat for the Minnesota Valley National Wildlife Refuge in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties. A list of proposed acquisitions must be provided as part of the required work plan. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards. Expenditures are limited to the identified project corridor areas as defined in the work plan. This appropriation may not be used to purchase habitable residential structures, unless expressly approved in the work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

**(h) Metro Conservation Corridors - Phase VIII
Wildlife Management Area Acquisition**

\$400,000 the first year is from the trust fund to the commissioner of natural resources for Phase VIII of the Metro Conservation Corridors partnership to acquire in fee at least 82 acres along the lower reaches of the Vermillion River in Dakota County within the Gores Pool Wildlife Management Area. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards. This appropriation may not be used to purchase habitable residential structures, unless expressly approved in the work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(i) Mesabi Trail Development Soudan to Ely - Phase II

\$1,000,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for the right-of-way acquisition, design, and construction of segments of the Mesabi Trail, totaling approximately seven miles between Soudan and Ely. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(j) Multi-benefit Watershed Scale Conservation on North Central Lakes

\$950,000 the first year is from the trust fund to the Board of Water and Soil Resources to secure permanent conservation easements on at least 480 acres of high-quality habitat in Crow Wing and Cass Counties. Of this amount, up to \$65,000 must be deposited in a conservation easement stewardship account; and \$54,000 is for an agreement with the Leech Lake Area Watershed Foundation in cooperation with Crow Wing County Soil and Water Conservation District and Cass County Soil and Water Conservation District. Deposits into the conservation easement stewardship account must be made upon closing on conservation easements or at a time otherwise approved in the work plan. A list of proposed easement acquisitions must be provided as part of the required work plan. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

(k) Conservation Easement Assessment and Valuation System Development

\$250,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to assess the effectiveness of existing conservation easements acquired through state expenditures at achieving their intended outcomes of public value and ecological benefits and to develop a standardized, objective conservation easement valuation system for guiding future state investments in conservation easements to ensure the proposed environmental benefits are being achieved in a cost-effective manner. This appropriation is available until June 30, 2018, by which time the project must be completed and final products delivered.

Sec. 6. Laws 2016, chapter 186, section 2, subdivision 9, is amended to read:

Subd. 9. **Land Acquisition, Habitat, and Recreation** -0- 8,793,000

(a) Scientific and Natural Area Restoration

\$1,386,000 the second year is from the trust fund to the commissioner of natural resources to restore and improve approximately 750 acres of scientific and natural areas. A list of proposed restorations must be provided as part of the required work plan. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(b) Minnesota Point Pine Forest Scientific and Natural Area Acquisition

\$500,000 the second year is from the trust fund to the commissioner of natural resources in cooperation with the Duluth Airport Authority to acquire approximately ten acres as an addition to the designated Minnesota Point Pine Forest Scientific and Natural Area located along the shores of Lake Superior in Duluth.

(c) Conservation Easements in Avon Hills - Phase III

\$1,300,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Saint John's University in cooperation with Minnesota Land Trust to secure permanent conservation easements on approximately 500 acres of high-quality habitat in Stearns County, prepare conservation management plans, and provide public outreach. A list of proposed easement acquisitions must be provided as part of the required work plan. An entity that acquires a conservation easement with appropriations from the trust fund must have a long-term stewardship plan for the easement and a fund established for monitoring and enforcing the agreement. Funding for the long-term monitoring and enforcement fund must come from nonstate sources for easements acquired with this appropriation. The state may enforce requirements in the conservation easements on land acquired with this appropriation and the conservation easement document must state this authority and explicitly include requirements for water quality and quantity protection. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(d) Lincoln Pipestone Rural Water System Acquisition for Wellhead Protection

\$1,500,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with Lincoln Pipestone Rural Water to acquire and restore lands designated under an approved wellhead protection plan. Lands acquired with this appropriation must be from willing sellers and be identified by the Department of Health as targeted vulnerable lands for wellhead protection. Lands must be restored to permanent vegetative cover, but may be used for recreation and renewable energy if adequate protection of the drinking water aquifer is provided. A list of proposed acquisitions must be provided as part of the required work plan. Plant and seed materials must follow the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. Income derived from the lands acquired with funds appropriated under this paragraph is exempt from Minnesota Statutes, section 116P.10, if used for additional wellhead protection as provided under this paragraph until adequate wellhead protection has been achieved, as determined by the commissioner of health. Any income earned after that must be returned to the environment and natural resources trust fund. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(e) Mesabi Trail Segment from Highway 135 to Town of Embarrass

\$1,200,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the St. Louis and Lake Counties Regional Railroad Authority for engineering and construction of segments of the Mesabi Trail, totaling approximately six miles between Highway 135 and the town of Embarrass. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(f) Tower Historic Harbor Trail Connections

\$679,000 the second year is from the trust fund to the commissioner of natural resources for an agreement with the city of Tower to construct recreational trails along the harbor in Tower and to connect to the Mesabi Trail. This appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

(g) Otter Tail River Recreational Trail Acquisition

\$600,000 the second year is from the trust fund to the commissioner of natural resources for an agreement

with the city of Fergus Falls to acquire ~~approximately 16 acres~~ land along the Otter Tail River for a recreational trail and park. This appropriation is contingent on at least a ~~\$400,000~~ 40 percent match of nonstate money. Prior to the acquisition, a phase 1 environmental assessment must be completed and the city must not accept any liability for previous contamination of lands acquired with this appropriation.

Sec. 7. Laws 2017, chapter 96, section 2, subdivision 8, is amended to read:

**Subd. 8. Methods to Protect or
Restore Land, Water, and Habitat**

2,729,000

16,554,000

5,000,000

**(a) Optimizing the Nutrition of Roadside Plants for
Pollinators**

\$815,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota in cooperation with the Departments of Agriculture, Natural Resources, and Transportation and the Board of Water and Soil Resources to produce site-specific recommendations for roadside plantings in Minnesota to maximize the nutritional health of native bees and monarch butterflies that rely on roadside habitat corridors. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

**(b) Promoting Conservation Biocontrol of Beneficial
Insects**

\$400,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota to research integrated pest management strategies, including insecticide alternatives, and overwintering habitat sites to conserve beneficial insects, including bees, butterflies, and predator insects. The integrated pest management strategies will be used to develop best management practices to increase pollinator and beneficial insect diversity and abundance in various restored habitats. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

**(c) Evaluating the Use of Bison to Restore and Preserve
Savanna Habitat**

\$388,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, Cedar Creek Ecosystem Science Reserve, to research combined bison grazing and fire management strategies to restore Minnesota's oak savanna ecosystems. This

appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(d) State Park Pollinator Habitat Restoration

\$672,000 the first year is from the trust fund to the commissioner of natural resources to restore at least 520 acres of monarch butterfly and other native pollinator habitats in at least seven state parks in the Minnesota Prairie Conservation Plan core areas and establish pollinator plantings and interpretive exhibits in at least ten state parks. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(e) Enhancing Spawning Habitat Restoration in Minnesota Lakes

\$294,000 the first year is from the trust fund to the Board of Regents of the University of Minnesota, St. Anthony Falls Laboratory, in cooperation with the Department of Natural Resources to enhance efforts to increase natural reproduction of fish in Minnesota lakes by assessing wave energy impacts on near-shore spawning habitat. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(f) Prescribed-Fire Management for Roadside Prairies

\$345,000 the first year is from the trust fund to the commissioner of transportation to enhance the prescribed-fire program to manage roadsides to protect and increase biodiversity and pollinator habitat. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(g) Minnesota Bee and Beneficial Species Habitat Restoration

\$732,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the University of Minnesota and the Minnesota Honey Producers Association to restore approximately 800 acres of permanently protected land to enhance bee, butterfly, beneficial insect, and grassland bird habitats. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

(h) Mississippi and Vermillion Rivers Restoration of Prairie, Savanna, and Forest Habitat - Phase X

\$213,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Friends of the Mississippi River for continued implementation of the Metro Conservation Corridors partnership by improving at least 80 acres of habitat at approximately seven sites along the Mississippi River and Vermillion River corridors. Expenditures are limited to the identified project corridor areas as defined in the work plan. A list of proposed restoration sites must be provided as part of the required work plan. Plant and seed materials must follow the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(i) Community Stewardship to Restore Urban Natural Resources - Phase X

\$524,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Great River Greening to work with volunteers for continued implementation of the Metro Conservation Corridors partnership to restore approximately 250 acres of forest, prairie, woodland, wetland, and shoreline throughout the greater Twin Cities metropolitan area. Expenditures are limited to the identified project corridor areas as defined in the work plan. A list of proposed restoration sites and evaluations must be provided as part of the required work plan. Plant and seed materials must follow the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(j) Economic Assessment of Precision Conservation and Agriculture

\$400,000 the first year is from the trust fund to the commissioner of natural resources for an agreement with Pheasants Forever to demonstrate a new approach to promote conservation practices utilizing return-on-investment analysis and identifying revenue-negative acres on agricultural land to assist farmers in implementing conservation practices that will provide environmental and economic benefits. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

**(k) Conservation Reserve Enhancement Program (CREP)
Outreach and Implementation**

\$6,000,000 the first year is from the trust fund to the Board of Water and Soil Resources to fund staff at soil and water conservation districts to assist landowners participating in the federal Conservation Reserve Enhancement Program. This appropriation is contingent upon receipt of federal funds for implementation. This appropriation is available until June 30, 2020, by which time the project must be completed and final products delivered.

(l) Conservation Reserve Enhancement Program (CREP)

\$2,729,000 in fiscal year 2017 and \$5,771,000 the first year and \$5,000,000 the second year are from the trust fund to the Board of Water and Soil Resources to acquire permanent conservation easements and restore land under Minnesota Statutes, section 103F.515. Of this amount, up to \$2,184,000 is for establishing a monitoring and enforcement fund as approved in the work plan and subject to Minnesota Statutes, section 103B.103. This work may be done in cooperation with the federal Conservation Reserve Enhancement Program. This appropriation is available until June 30, 2021, by which time the project must be completed and final products delivered.

Sec. 8. LAKE WINONA MANAGEMENT; USING OFFSET, ADAPTIVE PLANNING.

(a) To facilitate implementation of the Lake Winona total maximum daily load, the Alexandria Lake Area Sanitary District may fund or perform lake management activities in Lake Winona and in Lake Agnes. Lake management activities may include, but are not limited to, carp removal and alum treatment. If the district agrees to fund or perform lake management activities in Lake Winona and in Lake Agnes, the commissioner of the Pollution Control Agency shall do one of the following unless the district chooses another path to compliance that conforms to state and federal law, such as facility construction:

(1) approve an offset of the phosphorous loading proportional to the reduction achievable through lake management activities in Lake Winona and Lake Agnes creditable to the Alexandria Lake Area Sanitary District's wastewater treatment facility and issue or amend the district's NPDES permit MN004738 to include the offset. The approved offset may be related to the lake eutrophication response variable chlorophyll-a, but shall ensure the district can achieve compliance with phosphorus effluent limits through wastewater optimization techniques without performing capital upgrades to the wastewater treatment facility. The lake management activities contemplated under this paragraph need not be completed before the commissioner approves the offset and related discharge limits or issues the permit, but the permit may include a schedule of compliance outlining the required lake management activities and requiring that lake management activities in Lake Winona and Lake Agnes begin immediately upon permit issuance. The approved offset and related permit language must be consistent with Clean Water Act requirements and Minnesota Statutes, section 115.03, subdivision 10; or

(2) amend the district's NPDES permit MN004738 in a manner consistent with state and federal law to include an integrated and adaptive lake management plan and to extend the final compliance deadline for the final phosphorus concentration effluent limit related to the site specific standard for Lake Winona

contained in the district's permit until the time that the adaptive lake management plan, including carp removal in Lake Winona, can be completed and the lake can be reassessed. The permit may include a schedule of compliance outlining the required lake management activities and requiring that lake management activities in Lake Winona and Lake Agnes begin immediately upon permit issuance.

(b) If the district agrees to fund or perform the lake management activities identified in paragraph (a), the district may cooperate with the city of Alexandria in those efforts. The district's responsibility for lake management activities in Lake Winona and Lake Agnes terminates upon completion of the lake management activities identified in the schedule of compliance contemplated under paragraph (a).

EFFECTIVE DATE. This section is effective the day after the governing body of the Alexandria Lake Area Sanitary District and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

ARTICLE 5

LEGISLATIVE BUDGET OFFICE

Section 1. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended to read:

Subdivision 1. **Establishment; duties.** ~~The Legislative Budget Office is established under control of the Legislative Coordinating Commission to provide the house of representatives and senate with nonpartisan, accurate, and timely information on the fiscal impact of proposed legislation, without regard to political factors.~~

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 2. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended to read:

Subd. 2. **Director; staff.** ~~The Legislative Coordinating Commission~~ Legislative Budget Office Oversight Commission must appoint a director ~~who~~ and establish the director's duties. The director may hire staff necessary to do the work of the office. The director serves in the unclassified service for a term of six years and may not be removed during a term except for cause after a public hearing.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 3. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 3. **Uniform standards and procedures.** The director of the Legislative Budget Office must adopt uniform standards and procedures governing the timely preparation of fiscal notes as required by this section and section 3.98. The standards and procedures are not effective until they are approved by the Legislative Budget Office Oversight Commission. Upon approval, the standards and procedures must be published in the State Register and on the office's Web site.

EFFECTIVE DATE. This section is effective September 1, 2019, except that the uniform standards and procedures to be used may be developed and adopted by the oversight commission prior to the effective date of this section.

Sec. 4. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 4. **Access to data; treatment.** Upon request of the director of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the Supreme Court, must promptly supply data that are used to prepare a fiscal note, including data that are not public data under section 13.64 or other applicable law, unless there are federal laws or regulations that prohibit

the provision of the not public data for this purpose. Not public data supplied under this subdivision may only be used by the Legislative Budget Office to review a department or agency's work in preparing a fiscal note and may not be used or disseminated for any other purpose, including use by or dissemination to a legislator or to any officer, department, agency, or committee within the legislative branch. Violation of this subdivision by the director or other staff of the Legislative Budget Office is cause for removal, suspension without pay, or immediate dismissal at the direction of the oversight commission.

EFFECTIVE DATE. This section is effective September 1, 2019.

Sec. 5. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a subdivision to read:

Subd. 5. **Fiscal note delivery and posting.** The director of the Legislative Budget Office must deliver a completed fiscal note to the legislative committee chair who made the request, and to the chief author of the legislation to which it relates. Within 24 hours of completion of a fiscal note, the director of the Legislative Budget Office must post a completed fiscal note on the office's public Web site. This subdivision does not apply to an unofficial fiscal note that is not public data under section 13.64, subdivision 3.

EFFECTIVE DATE. This section is effective September 1, 2019.

Sec. 6. **[3.8854] LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION.**

(a) The Legislative Budget Office Oversight Commission consists of:

(1) two members of the senate appointed by the senate majority leader;

(2) two members of the senate appointed by the senate minority leader;

(3) two members of the house of representatives appointed by the speaker of the house; and

(4) two members of the house of representatives appointed by the minority leader.

The director of the Legislative Budget Office is the executive secretary of the commission. The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan fiscal analyst of the senate, the commissioner of management and budget or a designee, and the legislative auditor are ex-officio, nonvoting members of the commission.

(b) Members serve at the pleasure of the appointing authority, or until they are not members of the legislative body from which they were appointed. Appointing authorities shall fill vacancies on the commission within 30 days of a vacancy being created.

(c) The commission shall meet in January of each odd-numbered year to elect its chair and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall alternate biennially between the senate and the house of representatives. The commission shall meet at the call of the chair. The members shall serve without compensation but may be reimbursed for their reasonable expenses consistent with the rules of the legislature governing expense reimbursement.

(d) The commission shall review the work of the Legislative Budget Office and make recommendations, as the commission determines necessary, to improve the office's ability to fulfill its duties, and shall perform other functions as directed by this section, and sections 3.8853 and 3.98.

Sec. 7. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to read:

Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each department or agency of the state government, including the Supreme Court, shall ~~cooperate with the Legislative Budget Office and the Legislative Budget Office must~~ prepare a fiscal note consistent with the standards and

procedures adopted under section 3.8853, at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house of representatives Ways and Means Committee, or the chair of the senate Committee on Finance.

~~(b) Upon request of the Legislative Budget Office, the head or chief administrative officer of each department or agency of state government, including the Supreme Court, must promptly supply all information necessary for the Legislative Budget Office to prepare an accurate and timely fiscal note.~~

~~(c) The Legislative Budget Office may adopt standards and guidelines governing timing of responses to requests for information and governing access to data, consistent with laws governing access to data. Agencies must comply with these standards and guidelines and the Legislative Budget Office must publish them on the office's Web site.~~

~~(d)~~ (b) For purposes of this subdivision, "Supreme Court" includes all agencies, committees, and commissions supervised or appointed by the state Supreme Court or the state court administrator.

EFFECTIVE DATE. This section is effective September 1, 2019.

Sec. 8. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);
- (10) judge of the Workers' Compensation Court of Appeals;
- (11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;
- (12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;
- (13) member or chief administrator of a metropolitan agency;
- (14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

- (15) member or executive director of the Higher Education Facilities Authority;
- (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- (17) member of the board of directors or executive director of the Minnesota State High School League;
- (18) member of the Minnesota Ballpark Authority established in section 473.755;
- (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- (20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;
- (21) supervisor of a soil and water conservation district;
- (22) director of Explore Minnesota Tourism;
- (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;
- (24) citizen member of the Clean Water Council established in section 114D.30;
- (25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;
- (26) district court judge, appeals court judge, or Supreme Court justice;
- (27) county commissioner;
- (28) member of the Greater Minnesota Regional Parks and Trails Commission; or
- (29) member of the Destination Medical Center Corporation established in section 469.41.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 9. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to read:

Subd. 4. **Fiscal note data must be shared with Legislative Budget Office.** A head or chief administrative officer of a department or agency of the state government, including the Supreme Court, must provide data that are used to prepare a fiscal note, including data that are not public data under this section to the director of the Legislative Budget Office upon the director's request and consistent with section 3.8853, subdivision 4, unless there are federal laws or regulations that prohibit the provision of the not public data for this purpose. The data must be supplied according to any standards and procedures adopted under section 3.8853, subdivision 3, including any standards and procedures governing timeliness. Notwithstanding section 13.05, subdivision 9, a responsible authority may not require the Legislative Budget Office to pay a cost for supplying data requested under this subdivision.

EFFECTIVE DATE. This section is effective September 1, 2019.

Sec. 10. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January 8, 2019~~ July 1, 2018.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 11. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date, is amended to read:

EFFECTIVE DATE. Except where otherwise provided by law, this section is effective ~~January 8, 2019~~ July 1, 2018.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 12. Laws 2017, First Special Session chapter 4, article 2, section 9, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January 8, 2019~~ September 1, 2019.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 13. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective ~~January 8, 2019~~ September 1, 2019. The contract required under this section must be approved by the Legislative Budget Office Oversight Commission and be executed no later than November 1, 2018, and must provide for transfer of operational control of the fiscal note tracking system to the Legislative Budget Office effective September 1, 2019.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 14. **LEGISLATIVE BUDGET OFFICE OVERSIGHT COMMISSION; FIRST APPOINTMENTS; FIRST CHAIR; FIRST MEETING.**

Appointments to the Legislative Budget Office Oversight Commission under Minnesota Statutes, section 3.8854, must be made by July 1, 2018. The chair of the Legislative Coordinating Commission must designate one appointee to convene the commission's first meeting and serve as its chair until a chair is elected by the commission as provided in Minnesota Statutes, section 3.8854. The designated appointee must convene the first meeting no later than July 15, 2018.

Sec. 15. **LEGISLATIVE BUDGET OFFICE DIRECTOR ORIENTATION AND TRAINING.**

Before September 1, 2019, the commissioner of management and budget shall provide orientation and training to the director of the Legislative Budget Office and any staff of the Legislative Budget Office designated by the director on the use of the fiscal note system. The commissioner of management and budget must provide opportunities to the director of the Legislative Budget Office and staff designated by the director of the Legislative Budget Office to learn from the Department of Management and Budget's work on fiscal note requests during the 2019 regular legislative session to facilitate the transfer of duties required by this act.

Sec. 16. **REPEALER.**

(a) Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4, is repealed effective September 1, 2019.

(b) Laws 2017, First Special Session chapter 4, article 2, section 59, is repealed.

EFFECTIVE DATE. This section is effective the day following final enactment unless a different date is specified.

ARTICLE 6**ENVIRONMENT AND NATURAL RESOURCES TRUST FUND APPROPRIATION BONDS AND APPROPRIATIONS****Section 1. [16A.969] ENVIRONMENT AND NATURAL RESOURCES TRUST FUND 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 environment and natural resources trust fund in any biennium for debt service due with respect to obligations described in subdivision 2;

(2) proceeds of the sale of obligations described in subdivision 2;

(3) payments received for that purpose under agreements and ancillary arrangements described in subdivision 2, paragraph (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.

(d) "Environment and natural resources trust fund" or "trust fund" means the fund established under the Minnesota Constitution, article XI, section 14, and governed by that section and chapter 116P.

Subd. 2. **Authorization to issue appropriation bonds; accounts.** (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 and in amounts as provided by law. This authorization meets the public purposes established by the Minnesota Constitution, article XI, section 14 and chapter 116P, and shall be a supplement to the traditional sources of funding for environment and natural resources activities.

(b) The special appropriation trust fund bond proceeds fund is established in the state treasury. Proceeds of the appropriation bonds issued and sold must be credited to the special appropriation trust fund bond proceeds fund. A bond payments account is established in the special appropriation trust fund bond proceeds fund. All income from investment of the bond proceeds, as estimated by the commissioner, must be deposited into the account and is appropriated to the commissioner for the payment of principal and interest on the appropriation bonds.

(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 20 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.

(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.

(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 240.15c2-12. 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.

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

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 trust fund or, if applicable, the special appropriation trust fund 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 for debt service and other purposes.** Notwithstanding section 116P.05, subdivision 2, paragraph (b), the amount needed to pay principal and interest on appropriation bonds issued under this section and as authorized by other law is appropriated each fiscal year from legally available amounts in the environment and natural resources trust 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 appropriation trust fund bond proceeds fund. Investment income earned on proceeds of the appropriation bonds issued under this section shall be deposited in the bond payments account and is appropriated to the commissioner.

Subd. 8. **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. 2. Minnesota Statutes 2017 Supplement, section 116P.08, subdivision 1, is amended to read:

Subdivision 1. **Expenditures.** (a) Money in the trust fund may be spent only for:

- (1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;
- (2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;
- (3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;
- (4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;
- (5) capital projects for the preservation and protection of unique natural resources;
- (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;
- (7) administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund; ~~and~~
- (8) administrative expenses subject to the limits in section 116P.09; and
- (9) to pay principal and interest on special appropriation trust fund bonds issued pursuant to section 16A.969 and other law.

(b) In making recommendations for expenditures from the trust fund, the commission shall give priority to funding programs and projects under paragraph (a), clauses (1) and (6). Any requests for proposals issued by the commission shall clearly indicate these priorities.

Sec. 3. **[446A.076] ESTIMATED FUNDING NEEDS.**

By February 1 each year, the Public Facilities Authority must submit to the legislative committees with jurisdiction over capital investment and environment and natural resources finance an estimate of the amount necessary to fund grants under sections 446A.072 and 446A.073. The report shall show for each community included in the estimate:

(1) the average annual residential wastewater treatment rates for the community if the community does not receive any grant funding under sections 446A.072 and 446A.073;

(2) the average annual residential wastewater treatment rates for the community if the community receives the maximum amount that the community is qualified for under sections 446A.072 and 446A.073; and

(3) a comparison of the rates in clause (2) with three times the annual Twin Cities metropolitan area weighted average retail charge per household as determined in the most recent Survey of Municipal Residential Wastewater Rates prepared by Metropolitan Council Environmental Services.

Sec. 4. **SPECIAL APPROPRIATION TRUST FUND BONDS; AUTHORIZATION; APPROPRIATIONS.**

Subdivision 1. **Appropriations; general.** The sums shown in the column under "Appropriations" are appropriated from the special appropriation trust fund bond proceeds fund to the state agencies or officials indicated, to be spent for public purposes. Money appropriated in this section must be spent as authorized by the Minnesota Constitution, article XI, section 14, Minnesota Statutes, section 16A.969, and unless otherwise specified, as authorized by and subject to the requirements of Minnesota Statutes, chapter 116P. Unless otherwise specified, money appropriated in this section is available until June 30, 2022. Money remaining from an appropriation for a project that is completed or abandoned cancels to the bond payments account established for such purpose in the special appropriation trust fund bond proceeds fund, or if not needed for debt service, to the environment and natural resources trust fund.

Subd. 2. **Legislative findings; appropriations supplement other sources of funding for projects.** The legislature finds that the appropriations in this section are consistent with the requirement in Minnesota Statutes, section 116P.03, that expenditures of money from the environment and natural resources trust fund are for public purposes that supplement traditional sources of money to pay for expenditures authorized by Minnesota Statutes, section 116P.08, subdivision 1. Further, the legislature finds that notwithstanding any limitation on use of trust fund money in Minnesota Statutes, chapter 116P, the appropriations in this section are for a public purpose and supplement other sources of money to help pay for projects that are consistent with the purposes of the trust fund.

Subd. 3. **Bond sale authorization.** To provide the money appropriated in this section, and to pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under Minnesota Statutes, section 16A.969, the commissioner of management and budget shall sell and issue up to \$98,000,000, net of costs of issuance, of special appropriation trust fund bonds, in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, section 16A.969.

Subd. 4. **Management and budget; bond sale expenses; annual debt service.** Up to \$2,940,000 is appropriated in fiscal year 2019 and up to \$7,840,000 is appropriated each fiscal year beginning in fiscal year 2020 and through fiscal year 2039, from the environment and natural resources trust fund to the commissioner of management and budget to pay principal and interest on appropriation bonds issued under this section, as provided in Minnesota Statutes, section 16A.969, subdivision 7.

Subd. 5. Natural Resources

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

(1) Natural Resources Asset Preservation3,419,000

For the renovation of state-owned facilities and recreational assets within units of the outdoor recreation system classified under Minnesota Statutes, section 86A.05, operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946, 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.

(2) Elk River - Lake Orono1,500,000

For a grant to the city of Elk River to dredge Lake Orono.

(3) South St. Paul - Seidl's Lake781,000

For a grant to the city of South St. Paul for capital improvements to improve the water quality of Seidl's Lake. The capital improvements include design, engineering, construction, and equipping of a storm water lift station to discharge excess storm water into the city of South St. Paul's storm sewer system to minimize the fluctuating water levels of the lake. This project would be implemented jointly by the cities of South St. Paul, Inver Grove Heights, and West St. Paul.

Subd. 6. Pollution Control Agency

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

(1) Anoka County-Waste Disposal Engineering Closed Landfill6,000,000

Notwithstanding Minnesota Statutes, section 116P.08, subdivision 2, to design and construct remedial systems, including cleanup and removal of a leaking hazardous waste pit and protection of groundwater, at the Waste Disposal Engineering site in Anoka County in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42.

(2) Lake Redwood Reclamation7,300,000

For a grant to the Redwood-Cottonwood Rivers Control Area, a joint powers entity, to predesign, design, construct, and equip the reservoir reclamation and enhancement of the 66-acre Lake Redwood Reservoir, to remove approximately 650,000 cubic yards of sediment and increase its depth from approximately 2.8 feet to 20 feet in order to secure renewable energy capacity of the hydroelectric dam which is impeded by lack of water capacity, reduce the flow of pollutants to the Minnesota River, and increase fish habitat and enhance recreational opportunities.

Subd. 7. Board of Water and Soil Resources

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

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.

(d) Of this appropriation, up to five percent may be used for restoration, rehabilitation, and enhancement; and no more than \$1,000,000 may be used to acquire working lands easements.

Subd. 8. Public Facilities Authority

Notwithstanding Minnesota Statutes, section 116P.08, subdivision 2, to the Public Facilities Authority for the purposes specified in this section.

(1) State Match for Federal Grants

6,000,000

To match federal grants for the clean water revolving fund for wastewater treatment under Minnesota Statutes, section 446A.07. This appropriation must be used for qualified capital projects.

(2) Water Infrastructure Funding Program

14,652,000

For grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072, for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(3) Point Source Implementation Grants Program

38,348,000

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.

Subd. 9. Metropolitan Council

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

Metropolitan Regional Parks and Trails Capital Improvements

10,000,000

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.

Presented to the governor May 21, 2018

Signed by the governor May 30, 2018, 10:35 a.m.