

CHAPTER 15--H.F.No. 18

An act relating to capital investment; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; modifying prior appropriations; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2024, sections 16A.501; 116.182, subdivision 5; 446A.07, subdivision 8; 446A.072, subdivision 5a; 446A.073, subdivision 1, as amended; 446A.081, subdivision 9; Laws 2013, chapter 143, article 12, section 21; Laws 2020, Fifth Special Session chapter 3, article 1, sections 16, subdivision 34; 17, subdivision 13, as amended; 21, subdivision 7, as amended; Laws 2023, chapter 71, article 1, sections 9, subdivision 12; 11, subdivision 7; 14, subdivisions 24, 49, 67, as amended, 81, as amended, 93, as amended, 97; 15, subdivisions 7, 16; Laws 2023, chapter 72, article 1, sections 4; 7, subdivision 18; 16, subdivision 15; article 2, section 2; proposing coding for new law in Minnesota Statutes, chapters 115B; 446A; 462A; repealing Minnesota Statutes 2024, sections 16A.662; 116J.417, subdivision 9.

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, clause (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, clauses (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**\$****60,000,000**

To the Board of Regents of the University of Minnesota to be spent in accordance with Minnesota Statutes, section 135A.046.

Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES**Subdivision 1. Total Appropriation****\$****84,000,000**

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)**60,000,000**

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

Subd. 3. Alexandria Technical and Community College**24,000,000**

To construct, furnish, and equip a new Transportation Center building at Alexandria Technical and Community College. This appropriation may also be used for the demolition of buildings rendered obsolete by the new Transportation Center and for the renovation, furnishing, and equipping of student services spaces.

Subd. 4. 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. 5. 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

\$

750,000

To the commissioner of education for Mary C. Murphy library construction grants under Minnesota Statutes, section 134.45.

Sec. 5. **MINNESOTA STATE ACADEMIES** **\$ 1,000,000**

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** **\$ 1,260,000**

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** **\$ 44,000,000**

(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** **33,000,000**

For the preservation and replacement 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.

Subd. 3. **Accessibility** **1,000,000**

For the design and construction of accessibility improvements at state parks, recreation areas, and wildlife management areas.

Subd. 4. **Flood Hazard Mitigation** **9,000,000**

(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) Project priorities shall be determined by the commissioner as appropriate, based on need and consideration of available leveraging of federal, state, and local funds.

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

Subd. 5. Reforestation

1,000,000

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

Subd. 6. 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

Subdivision 1. Total Appropriation

\$ 12,000,000

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

Subd. 2. Statewide Drinking Water Contamination Mitigation Program**6,000,000**For projects or grants under Minnesota Statutes, section 115B.245.**Subd. 3. Capital Assistance Program****6,000,000**For grants under the capital assistance program under Minnesota Statutes, section 115A.54.**Sec. 9. BOARD OF WATER AND SOIL RESOURCES****\$****5,000,000**

To the Board of Water and Soil Resources 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). Notwithstanding Minnesota Statutes, section 103G.222, subdivision 3, the board may implement the wetland replacement program statewide. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420. Up to five percent of this appropriation may be used for restoration and enhancement.

Sec. 10. MINNESOTA ZOOLOGICAL GARDEN**Subdivision 1. Total Appropriation****\$****13,740,000**To the Minnesota Zoological Board for the purposes specified in this section.**Subd. 2. Asset Preservation****2,740,000**

For capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo, to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding the specified uses of money under Minnesota Statutes,

section 16B.307, this appropriation may be used to replace buildings that are in poor condition, outdated, and no longer support the work of the Minnesota Zoological Garden; to construct and renovate trails and roads on the Minnesota Zoological Garden site; and to renovate animal exhibits to meet modern animal welfare standards, address animal and staff safety issues, and improve the viewing experience for guests.

Subd. 3. Animal Hospital

11,000,000

To design, construct, furnish, and equip a new animal hospital building at the Minnesota Zoological Garden.

Sec. 11. ADMINISTRATION

Subdivision 1. Total Appropriation

\$ 11,500,000

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

Subd. 2. Capital Asset Preservation and Replacement Account

1,000,000

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

Subd. 3. Capitol Complex - Physical Security Upgrades Phase III

2,000,000

For the continuation of the design, construction, and equipping required to upgrade the physical security elements and systems for the Capitol Mall and 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 and an updated assessment completed in 2022. Upgrades include but are not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, surveillance systems, security kiosks, lighting system upgrades, locking devices, and traffic and crowd control devices. This appropriation includes money for work associated with the following buildings: Administration, Ag/Health Lab, Andersen, BCA Maryland, Capitol, Centennial, Freeman, Governor's Residence, Judicial

Center, Minnesota History Center, Capitol Complex
Power Plant and Shops, Stassen, Senate, and Veterans
Service.

Subd. 4. **Capitol Tunnel**

8,500,000

To design, construct, and equip improvements to bring
a portion of the tunnel under Rev. Dr. Martin Luther
King Jr. Boulevard and to the east to the State Capitol
into compliance with the Americans with Disabilities
Act.

Sec. 12. **AMATEUR SPORTS COMMISSION**

Subdivision 1. **Total Appropriation**

\$ 6,000,000

To the Minnesota Amateur Sports Commission for the
purposes specified in this section.

Subd. 2. **Asset Preservation**

5,000,000

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

Subd. 3. **Mighty Ducks**

1,000,000

For grants to local units of government under
Minnesota Statutes, section 240A.09. This
appropriation must not be used to acquire ice
resurfacing or edging equipment.

Sec. 13. **PUBLIC SAFETY**

\$ 67,000,000

To the commissioner of administration to design,
construct, furnish, and equip a new Bureau of Criminal
Apprehension regional office and laboratory facility
in Mankato. This appropriation may also be used to
design and complete hazardous materials abatement.
This appropriation may also be used to fund the state's
portion of the cost to extend Bassett Drive to serve the
project site.

Sec. 14. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**

\$ 80,000,000

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

Subd. 2. Local Road Improvement Program

47,000,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for eligible improvements on 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) \$5,000,000 of this appropriation is for grants to townships for capital improvements to township roads.

Subd. 3. Local Bridge Replacement Program

31,000,000

(a) 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.

(b) \$11,000,000 of this appropriation is for grants for major local bridges under Minnesota Statutes, section 174.50, subdivision 6d. The appropriation under this paragraph may be used for other costs, including design, construction engineering, approach reconstruction work identified within the project limits, and right-of-way acquisition.

Subd. 4. Highway Rail Grade Crossings

1,000,000

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

Subd. 5. Minnesota Rail Service Improvement Program

1,000,000

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

Sec. 15. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation **\$ 16,000,000**

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

Subd. 2. Metropolitan Cities Inflow and Infiltration Grants **15,000,000**

For inflow and infiltration grants under Minnesota Statutes, section 473.5491.

Subd. 3. Community Tree-Planting Grants **1,000,000**

For community tree-planting grants under Minnesota Statutes, section 473.355.

Sec. 16. DIRECT CARE AND TREATMENT**Subdivision 1. Total Appropriation** **\$ 62,500,000**

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

Subd. 2. Asset Preservation **7,500,000**

For asset preservation improvements and betterments of a capital nature, to be spent in accordance with Minnesota Statutes, section 16B.307, at facilities operated by Direct Care and Treatment following the department's separation from the Department of Human Services.

Subd. 3. Miller Building Replacement **55,000,000**

To design, construct, furnish, and equip a new 50-bed psychiatric residential treatment facility and associated site improvements on the campus of the Anoka Metro Regional Treatment Center. This appropriation may also be used to design and complete demolition of the Miller Building located on the campus of the Anoka Metro Regional Treatment Center, and associated site improvements, and to design and complete hazardous materials abatement. Notwithstanding Minnesota Statutes, section 16B.31, subdivision 2, the Executive Board of Direct Care and Treatment may use operating funds to complete the project.

Sec. 17. CHILDREN, YOUTH, AND FAMILIES **\$ 1,000,000**

To the commissioner of Children, Youth, and Families for grants under Minnesota Statutes, section 142A.46, to predesign, design, construct, renovate, furnish, and equip early childhood learning facilities.

Sec. 18. **VETERANS AFFAIRS**

\$ 7,500,000

To the commissioner of administration for asset preservation improvements and betterments of a capital nature at the veterans homes in Minneapolis, Hastings, Fergus Falls, Montevideo, Bemidji, Preston, Silver Bay, and Luverne, and the state veterans cemeteries at Little Falls, Preston, and Duluth, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 19. **CORRECTIONS**

Subdivision 1. **Total Appropriation**

\$ 40,400,000

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

Subd. 2. **Asset Preservation**

33,000,000

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

Subd. 3. **Minnesota Correctional Facility - Lino Lakes**

7,400,000

To construct, renovate, furnish, and equip an existing building and complete associated site work at the Minnesota Correctional Facility - Lino Lakes to construct an incarcerated persons programming and support space. The renovation of the existing building includes but is not limited to the removal of hazardous materials, upgrades to comply with current codes, interior demolition, and the construction of spaces appropriate for programming functions. This appropriation is in addition to the appropriation for the same purpose in Laws 2023, chapter 72, article 1, section 20, subdivision 3.

Subd. 4. **Unspent Appropriations**

The unspent portion of an appropriation for a Department of Corrections project in this section that

is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 20. EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation **\$ 3,000,000**

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

Subd. 2. Greater Minnesota Business Development Public Infrastructure **1,500,000**

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

Subd. 3. Transportation Economic Development Infrastructure **1,500,000**

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

Sec. 21. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation **\$ 176,000,000**

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

Subd. 2. State Match for Federal Grants to State Revolving Loan Programs **39,000,000**

To match federal capitalization 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 **87,000,000**

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

(b) \$43,500,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) \$43,500,000 is for drinking water projects listed on the commissioner of health's project priority list in the fundable range under the drinking water revolving fund program.

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

Subd. 4. Point Source Implementation Grants Program

32,000,000

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. 5. Emerging Contaminants Grant Program

18,000,000

For grants to eligible municipalities under the Emerging Contaminants Grant Program under Minnesota Statutes, section 446A.082.

Sec. 22. MINNESOTA HOUSING FINANCE AGENCY

Subdivision 1. Total Appropriation

\$ 29,000,000

To the Minnesota Housing Finance Agency for the purposes specified in this section.

Subd. 2. Public Housing Rehabilitation

26,000,000

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 publicly owned. Priority may be given to proposals that maximize nonstate resources to finance the capital costs and requests that prioritize health, safety, and energy improvements. 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.

Subd. 3. Cooperative Manufactured Housing Infrastructure

3,000,000

For grants under the cooperative manufactured housing infrastructure grant program under Minnesota Statutes, section 462A.2036.

Sec. 23. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation

\$ 5,000,000

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

Subd. 2. Historic Sites Asset Preservation

4,000,000

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. County and Local Preservation Grants

1,000,000

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

Sec. 24. BOND SALE AUTHORIZATION.

(a) To provide the money appropriated in this act from the bond proceeds fund, and to provide for expenses authorized in Minnesota Statutes, section 16A.641, subdivision 8, paragraph (c), the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$649,365,000 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.

(b) To provide the money appropriated in this act from the bond proceeds account in the state transportation fund, and to provide for expenses authorized in Minnesota Statutes, section 16A.641, subdivision 8, paragraph (c), the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$78,000,000 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. 25. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.

The amounts of the general obligation bond proceeds appropriations listed in the cancellation report submitted to the legislature in 2025, pursuant to Minnesota Statutes, section 16A.642, are canceled on the effective date of this section, with the exception of appropriations and related bond sale authorizations that are extended in article 3. The corresponding bond sale authorizations are reduced by the same amounts. If an appropriation in this section is canceled more than once, the cancellation must be given effect only once.

Sec. 26. 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, 2027, no more than \$1,205,280,000 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. 27. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 2**POLICY**

Section 1. Minnesota Statutes 2024, section 16A.501, is amended to read:

16A.501 REPORT ON EXPENDITURE OF BOND PROCEEDS.

(a) The commissioner of management and budget must report annually to the legislature on the degree to which entities receiving appropriations for capital projects in previous omnibus capital improvement acts have encumbered or expended that money. The report must be submitted to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee by January + 15 of each year.

(b) The commissioner of management and budget must report by January 15 of each year to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over capital investment, finance, and ways and means on the amount and percentage of each agency's capital appropriation that is used to pay for the costs of staff directly attributable to capital programs or projects funded with state general obligation bond proceeds. The report must also include information on agencies' compliance with the commissioner's policies governing the use of general obligation bond proceeds to pay staff costs and any changes to the commissioner's policies.

Sec. 2. [115B.245] STATEWIDE DRINKING WATER CONTAMINATION MITIGATION PROGRAM.

Subdivision 1. **Program established.** The commissioner may design and construct, or may make grants to eligible grantees as provided under this section to design and construct, projects to provide safe drinking water, due to contamination of drinking water by hazardous substances, through projects such as treatment systems, new drinking water wells, sealing contaminated wells, and connecting to alternative drinking water sources. The criteria for selecting projects must follow the criteria and rules established under section 115B.17.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible grantee" means:

(1) for projects funded from the statewide drinking water contamination mitigation account in the bond proceeds fund, a city, county, school district, joint powers board, or other political subdivision of the state; and

(2) for projects funded from the statewide drinking water contamination mitigation account in the general fund, any person.

(c) "Private infrastructure projects" means improvements made to nonpublicly owned infrastructure such as sealing of private wells, connecting private properties to water mains, water service fees, treatment systems, and drilling new private wells in an unimpaired drinking water aquifer.

(d) "Public infrastructure projects" means improvements made to publicly owned infrastructure such as water main installation, public water system improvements, treatment systems, and associated improvements.

Subd. 3. **Accounts.** (a) A statewide drinking water contamination mitigation account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner for this purpose. Money in the account may only be expended to acquire land or an interest in land and predesign, design, construct, and improve public infrastructure projects that further the purposes of this section. Notwithstanding section 115B.17, subdivision 6 or 16, any money recovered in a civil action for a project financed with bonds under this section shall be transferred to the commissioner of management and budget and applied toward principal and interest on outstanding bonds.

(b) A statewide drinking water contamination mitigation account is established in the general fund. The account consists of money as provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended on public or private infrastructure projects that further the purposes of this section.

Sec. 3. Minnesota Statutes 2024, section 116.182, subdivision 5, is amended to read:

Subd. 5. **Rules.** (a) The agency shall adopt rules for the administration of the financial assistance program. For wastewater treatment projects, the rules must include:

(1) application requirements;

(2) criteria for the ranking of projects in order of priority based on factors including the type of project and the degree of environmental impact, and scenic and wild river standards; and

(3) criteria for determining essential project components.

(b) Notwithstanding any provision in Minnesota Rules, chapter 7077, to the contrary, for purposes of Minnesota Rules, parts 7077.0117, 7077.0118, and 7077.0119, the commissioner must assign 40 points if a municipality is proposing a project to address emerging contaminants, as defined by the United States Environmental Protection Agency. This paragraph expires June 30, 2030.

Sec. 4. Minnesota Statutes 2024, section 446A.07, subdivision 8, is amended to read:

Subd. 8. **Other uses of revolving fund.** (a) The clean water revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:

(1) to buy or refinance the debt obligation of governmental units for treatment works where debt was incurred and construction begun after March 7, 1985, at or below market rates;

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

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

(4) to provide loan guarantees, loans, or set-aside for similar revolving funds established by a governmental unit other than state agencies, or state agencies under sections 17.117, 103F.725, subdivision 1a, and 116J.617;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the Pollution Control Agency of administering the fund and conducting activities required under the Federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act;

(b) The clean water revolving fund may be used to provide additional subsidization as permitted under the Federal Water Pollution Control Act and other federal laws to provide principal forgiveness or grants:

~~(7) to provide principal forgiveness or grants to the extent permitted under the Federal Water Pollution Control Act and other federal law, (1) based on the affordability criteria and requirements established for the wastewater water infrastructure funding program under section 446A.072; and~~

~~(8) to provide loans, principal forgiveness, or grants to the extent permitted under the Federal Water Pollution Control Act and other federal law (2) for 25 percent of project costs up to a maximum of \$1,000,000 for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities; and~~

(3) for 50 percent of project costs up to a maximum of \$3,000,000 for projects that address emerging contaminants as defined by the United States Environmental Protection Agency.

~~(b) Amounts spent under paragraph (a), clause (6), may not exceed the amount allowed under the Federal Water Pollution Control Act.~~

~~(c) Principal forgiveness or grants provided under paragraph (a), clause (8), may not exceed 25 percent of the eligible project costs as determined by the Pollution Control Agency for project components directly related to green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities, up to a maximum of \$1,000,000.~~

Sec. 5. Minnesota Statutes 2024, section 446A.072, subdivision 5a, is amended to read:

Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant funding from the USDA/RECD, the authority may provide assistance in the form of a grant of up to 65 percent of the eligible grant need determined by USDA/RECD. A governmental unit may not receive a grant under this paragraph for more than ~~\$5,000,000~~ \$10,000,000 per project or \$20,000 per existing connection, whichever is less, unless specifically approved by law.

(b) For a governmental unit receiving a loan from the clean water revolving fund under section 446A.07, the authority may provide assistance under this section in the form of a grant if the average annual residential wastewater system cost after completion of the project would otherwise exceed 1.4 percent of the median household income of the project service area. In determining whether the average annual residential wastewater system cost would exceed 1.4 percent, the authority must consider the total costs associated with building, operating, and maintaining the wastewater system, including existing wastewater debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the clean water revolving fund loan under section 446A.07, subdivision 7. The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential wastewater system cost to 1.4 percent of median household income in the project service area, to a maximum of ~~\$5,000,000~~ \$10,000,000 per project or \$20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

(c) For a governmental unit receiving a loan from the drinking water revolving fund under section 446A.081, the authority may provide assistance under this section in the form of a grant if the average annual residential drinking water system cost after completion of the project would otherwise exceed 1.2 percent of the median household income of the project service area. In determining whether the average annual residential drinking water system cost would exceed 1.2 percent, the authority must consider the total costs associated with building, operating, and maintaining the drinking water system, including existing drinking water debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the drinking water revolving fund loan under section 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential drinking water system cost to 1.2 percent of median household income in the project service area, to a maximum of ~~\$5,000,000~~ \$10,000,000 per project or \$20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

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

Sec. 6. Minnesota Statutes 2024, section 446A.073, subdivision 1, as amended by Laws 2025, chapter 20, section 266, is amended to read:

Subdivision 1. **Program established.** When money is appropriated for grants under this program, the authority shall award grants up to a maximum of ~~\$7,000,000~~ \$12,000,000 to governmental units to cover 80 percent of the cost of water infrastructure projects made necessary by:

(1) a wasteload reduction prescribed under a total maximum daily load plan required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);

(2) a phosphorus concentration or mass limit which requires discharging one milligram per liter or less at permitted design flow which is incorporated into a permit issued by the Pollution Control Agency;

(3) any other water quality-based effluent limit established under section 115.03, subdivision 1, paragraph (a), clause (5), item (viii), and incorporated into a permit issued by the Pollution Control Agency that exceeds secondary treatment limits; or

(4) a total nitrogen concentration or mass limit that requires discharging ten milligrams per liter or less at permitted design flow.

Sec. 7. Minnesota Statutes 2024, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

(5) to earn interest on fund accounts;

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

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

(b) The drinking water revolving fund may be used to provide additional subsidization as permitted under the federal Safe Drinking Water Act and other federal law to disadvantaged communities to provide principal forgiveness or grants:

~~(8) to provide principal forgiveness or grants to the extent permitted under the federal Safe Drinking Water Act and other federal law, (1) based on the affordability criteria and requirements established for drinking water projects under the water infrastructure funding program under section 446A.072;~~

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

~~(10) to provide principal forgiveness or grants (2) for 80 percent of project costs up to a maximum of \$100,000 for projects needed to comply with national primary drinking water standards for an existing nonmunicipal community public water system;~~

~~(11) to provide principal forgiveness or grants (3) to the extent permitted under the federal Safe Drinking Water Act and other federal laws for projects to replace the privately owned portion of drinking water lead service lines; and~~

~~(12) to provide principal forgiveness or grants (4) to the extent permitted under the federal Safe Drinking Water Act and other federal laws for 50 percent of project costs up to a maximum of \$3,000,000 for projects to address emerging contaminants in drinking water as defined by the United States Environmental Protection Agency; and~~

(5) for 50 percent of project costs up to a maximum of \$3,000,000 for projects needed to comply with a maximum contaminant level as defined by the federal Safe Drinking Water Act.

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

Sec. 8. [446A.082] EMERGING CONTAMINANTS GRANTS.

Subdivision 1. **Program established.** When money is appropriated under this program, the authority shall award grants to a governmental unit for up to 50 percent of the cost of drinking water infrastructure projects to address a confirmed exceedance of a health advisory level for a drinking water emerging contaminant as defined by the Environmental Protection Agency.

Subd. 2. **Eligibility.** An eligible project for this program must:

(1) be listed on the Drinking Water Revolving Fund Project Priority List under Minnesota Rules, part 4720.9015;

(2) receive priority points under Minnesota Rules, part 4720.9020, subpart 4a; and

(3) be certified by the commissioner of health under Minnesota Rules, part 4720.9060.

Subd. 3. **Application and reservation of funds.** (a) Grant applications to the authority may be made at any time on forms prescribed by the authority, including a project schedule and cost estimate for the work necessary to comply with the purpose described in subdivision 2.

(b) The commissioner of health shall review and certify to the authority those projects that have plans and specifications approved under Minnesota Rules, part 4720.9060. When a project is certified by the commissioner of health, the authority shall reserve grant funds for the project in the order listed on the

commissioner of health's project priority list and in an amount based on the cost estimate in the commissioner of health's certification or the as-bid costs, whichever is less.

Subd. 4. **Grant amount.** The grant amount for an eligible project under this program shall be for an amount up to 50 percent of the eligible as-bid project cost up to \$5,000,000, minus the amount of federal emerging contaminant funds the project receives under section 446A.081, subdivision 9, paragraph (b), clause (4), or other federal emerging contaminant funds.

Subd. 5. **Grant approval.** The authority shall award a grant for an eligible project only after:

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

(2) the commissioner of health has certified the grant eligible portion of the project; and

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

Subd. 6. **Grant disbursement.** Grant funds shall be disbursed by the authority as eligible project costs are incurred by the governmental unit and in accordance with a project financing agreement and applicable state laws and rules governing the disbursements.

Subd. 7. **Recovering expenses.** Money granted to a grantee under this program may be recovered in a civil action brought by the attorney general against any person who may be liable under section 115B.04 or any other law. To be eligible for recovery, the expenses must be reasonable and necessary expenses, including all response costs, and administrative and legal expenses. The authority, Department of Health, and Pollution Control Agency's certification of expenses shall be prima facie evidence that the expenses are reasonable and necessary. Any money recovered in a civil action for a project financed with bonds under this section shall be transferred to the commissioner of management and budget for deposit in the state bond proceeds fund and applied toward principal interest on outstanding bonds.

Sec. 9. **[462A.2036] COOPERATIVE MANUFACTURED HOUSING INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The agency may make grants to counties and cities to provide up to 50 percent of the capital costs of housing infrastructure necessary for an eligible cooperative manufactured housing development project. The agency shall prioritize a grant award after determining that nonstate resources are committed to complete the project. The nonstate contribution may be either cash or in kind. In-kind contributions may include the value of the site, whether the site is prepared before or after the law appropriating money for the grant is enacted.

Subd. 2. **Definition.** For purposes of this section, "housing infrastructure" means publicly owned physical infrastructure necessary to support cooperative manufactured housing development projects, including but not limited to sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.

Subd. 3. **Eligible projects.** Housing infrastructure eligible for a grant under this section shall serve manufactured housing cooperatives as defined in section 273.124, subdivision 3a.

Subd. 4. **Application.** (a) The agency must develop forms and procedures for soliciting, reviewing, and prioritizing applications for grants under this section. At a minimum, a county or city may include in its application a resolution of the county or city council certifying that the required nonstate match is available. The agency must evaluate complete applications for funding for eligible projects to determine that:

(1) the project is necessary to increase sites available for housing development that will provide adequate housing stock for the current or future workforce; and

(2) the increase in workforce housing will result in substantial public and private capital investment in the county or city in which the project would be located.

(b) The determination of whether to make a grant for a site is within the discretion of the agency, subject to this section. The agency's decisions and application of the criteria are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Maximum grant amount.** A county or city may receive no more than \$60,000 per manufactured housing lot.

Sec. 10. Laws 2013, chapter 143, article 12, section 21, is amended to read:

Sec. 21. **LEGISLATIVE OFFICE FACILITIES.**

(a) The commissioner of administration may enter into a long-term lease-purchase agreement for a term of up to 25 years, to predesign, design, construct, and equip offices, hearing rooms, and parking facilities for legislative and other functions. The facility must be located on the block bounded by Sherburne Avenue on the north, Park Street on the west, University Avenue on the south, and North Capitol Boulevard on the east. The legislative office facility must provide office accommodations for all senators and senate staff who do not have offices in the Capitol building and on-site parking facilities for all members and staff and disabled visitors to senate offices. A parking structure may also be built on the state-owned land located in the block bounded by Sherburne Avenue on the north, Park Street on the east, University Avenue on the south, and Rice Street on the west. The commissioner of management and budget may issue lease revenue bonds or certificates of participation associated with the lease-purchase agreement. The lease-purchase agreements must not be terminated, except for nonappropriation of money. The lease-purchase agreements must provide the state with a unilateral right to purchase the leased premises at specified times for specified amounts. The lease-purchase agreements are exempt from Minnesota Statutes, section 16B.24, subdivisions 6 and 6a.

(b) The facilities under the lease-purchase agreement are exempt from the design competition requirement under Minnesota Statutes, section 15B.10. Notwithstanding anything to the contrary under Minnesota Statutes, sections 16C.32 and 16C.33, if the commissioner of administration elects to use a design-build delivery method to design and construct one or more facilities under this appropriation, the Capitol Area Architectural and Planning Board, in cooperation with the commissioner, shall create a selection committee to act as the board under Minnesota Statutes, sections 16C.32 and 16C.33, for the design and construction of the facilities. Notwithstanding Minnesota Statutes, section 16B.33, if the commissioner elects to contract with a primary designer to design one or more facilities under this appropriation, the Capitol Area Architectural and Planning Board, in cooperation with the commissioner, shall create a selection committee to conduct the selection process in accordance with standards under Minnesota Statutes, chapters 15B, 16B, and 16C. A selection committee created under this section must contain no more than seven members, including at least three representatives designated by the senate Committee on Rules and Administration and three representatives designated by the speaker of the house.

(c) Notwithstanding any provision to the contrary in Minnesota Statutes, sections 16C.32 and 16C.33, if the commissioner of administration elects to use a design-build delivery method to design, construct, and equip one or more facilities and associated infrastructure to provide audio and video broadcast services for the Capitol building, State Office Building, and a new legislative office building, if applicable, the commissioner shall create a selection committee to act as the board under Minnesota Statutes, sections

16C.32 and 16C.33, to design, build, and equip the facilities. The selected design-builder may self-perform trade work or name an audio and video subcontractor as a member of the design-builder's team. If an audio and video subcontractor is named as a member of the design-builder's team, the design-builder is not required to competitively bid the trade work. Notwithstanding Minnesota Statutes, section 16C.33, subdivision 5, paragraph (b), after obtaining and evaluating qualifications from each design-builder, in accordance with the weighted criteria and subcriteria and procedures provided in the request for qualifications, the selection committee shall select a short list of up to five proposals. If the commissioner does not receive any proposals, the commissioner may either:

- (1) solicit new proposals;
 - (2) revise the request for qualifications and thereafter solicit new proposals using the revised request for qualifications; or
 - (3) request selection of a primary designer under Minnesota Statutes, section 16B.33, 16C.08, or 16C.095, and proceed with competitive bidding pursuant to Minnesota Statutes, sections 16C.25 to 16C.29.
- (d) The commissioner of administration may enter into a ground lease for state-owned property in the capitol area in conjunction with the execution of a lease-purchase agreement entered into under this section for any improvements constructed on that site. Notwithstanding the requirements of Minnesota Statutes, section 16A.695, subdivision 2, paragraph (b), the ground lease must be for a term equal to the term of the lease-purchase agreement, and must include an option to purchase the land at its then fair market value, if the improvements are not purchased by the state at the end of the term of the lease-purchase agreement, or at any earlier time that the lease-purchase agreement is terminated.
- (e) The commissioner of administration must not prepare final plans and specifications for any construction authorized under this section until the program plan and cost estimates for all elements necessary to complete the project have been approved by the senate Committee on Rules and Administration.
- (f) \$3,000,000 is appropriated in fiscal year 2014 from the general fund to the commissioner of administration for predesign and design of facilities authorized under paragraph (a). This appropriation is available for expenditure the day following final enactment and until June 30, 2015.
- (g) The commissioner of administration may reserve a portion of money from appropriations for office space costs of the legislature to fund future repairs for facilities constructed under the authority provided in this section. Money reserved under this paragraph must be credited to a segregated account for each building in the special revenue fund and is appropriated to the commissioner to make the repairs. When the state acquires title to a building with an account established under this paragraph, the account for that building must be abolished and the balance remaining in the account must be transferred to the appropriate asset preservation and replacement account.
- (h) Certificates of participation or lease revenue bonds issued by the commissioner of management and budget may be issued by public or private sale and in one or more series on the terms and conditions the commissioner of management and budget determines to be in the best interests of the state, shall be dated and bear interest at a fixed or variable rate, may be includable in or excludable from the gross income of the owners for federal income tax purposes, and may be sold at any price or percentage of par value. Any bid received may be rejected.
- (i) At the time of, or in anticipation of, issuing the lease revenue bonds or certificates of participation, and at any time thereafter, so long as the bonds or certificates are outstanding, the commissioner of management and budget may enter into agreements and ancillary arrangements relating to the bonds or

certificates, 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 of management and budget included in an interest exchange agreement that the agreement relates to a certificate or bond shall be conclusive.

(j) The commissioner of management and budget may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with or facilitate the issuance of the lease-purchase agreement and the related lease revenue bonds or certificates of participation in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of certificates or bonds set forth in the order or resolution authorizing the issuance of the certificates or bonds or in a separate document authorized by the order or resolution.

(k) The commissioner of administration from time to time may enter into a new lease-purchase agreement and the commissioner of management and budget may issue and sell lease revenue bonds or certificates of participation for the purpose of refunding any lease-purchase agreement authorized under this section and related lease revenue bonds or certificates of participation then outstanding, including the payment of any redemption premiums, any interest accrued or that is to accrue to the redemption date, and costs related to the issuance and sale of such refunding bonds or certificates. The proceeds of any refunding bonds or certificates may, in the discretion of the commissioner of management and budget, be applied to the purchase or payment at maturity of the bonds or certificates to be refunded, to the redemption of the outstanding lease-purchase agreements and bonds or certificates on any redemption date, or to pay interest on the refunding lease-purchase agreements and bonds or certificates and may, pending such application, be placed in escrow to be applied to such purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under Minnesota Statutes, section 11A.24. The income earned or realized on any authorized investment may also be applied to the payment of the lease-purchase agreements and bonds or certificates to be refunded, to interest or premiums on the refunded bonds or certificates, or to pay interest on the refunding lease-purchase agreements and bonds or certificates. After the terms of the escrow have been fully satisfied, any balance of proceeds and any investment income may be returned to the general fund for use in a lawful manner. All refunding lease-purchase agreements and bonds or certificates issued under the provisions of this section must be prepared, executed, delivered, and secured by appropriations in the same manner as the lease-purchase agreements and bonds or certificates to be refunded.

(l) The waiver of immunity by the state provided for by Minnesota Statutes, section 3.751, subdivision 1, shall be applicable to lease revenue bonds or certificates of participation issued under this section and any ancillary contracts to which the commissioner is a party.

Sec. 11. DEPARTMENT OF PUBLIC SAFETY; LAND ACQUISITION.

Notwithstanding Minnesota Statutes, section 16B.31, subdivision 2, at the request of the commissioner of public safety, the commissioner of administration is authorized to acquire land adjacent to the Bureau of Criminal Apprehension facility in the city of Bemidji.

Sec. 12. **REPEALER.**

(a) Minnesota Statutes 2024, section 16A.662, is repealed.

(b) Minnesota Statutes 2024, section 116J.417, subdivision 9, is repealed effective retroactively from June 2, 2023.

Sec. 13. **EFFECTIVE DATE.**

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

ARTICLE 3**MODIFICATIONS**

Section 1. Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 34, is amended to read:

**Subd. 34. Chisago County; U.S. Highway 8
Reconstruction**

8,000,000

(a) For a grant to Chisago County to predesign, design, engineer, and construct a reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to Interstate 35 and pedestrian and bike trails along and crossings of this portion of U.S. Highway 8. This reconstruction may include expanding segments of U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S. Highway 8. This appropriation is for the portion of the project that is eligible for use of proceeds of general obligation bonds. ~~This appropriation is available until the project is completed or abandoned.~~ 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, 2029.

(b) Amounts planned by the Department of Transportation for the resurfacing of U.S. Highway 8, as reflected in MnDOT's Metro District Ten-Year Capital Highway Investment Study 2020-2029, shall instead be applied to the reconstruction of U.S. Highway 8 to supplement appropriations for that purpose from any fund in this section.

Sec. 2. Laws 2020, Fifth Special Session chapter 3, article 1, section 17, subdivision 13, as amended by Laws 2023, chapter 72, article 3, section 23, is amended to read:

Subd. 13. White Bear Lake Communities; Lake Links Trail

3,600,000

(a) 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, as follows:

(1) \$2,600,000 of this appropriation is for ~~a grant~~ one or more grants to the city of Dellwood in Washington County to design, engineer, construct, and equip trail improvements consistent with the completed preliminary engineering along or parallel with the shore of White Bear Lake between the Mahtomedi city limits and the western line of Washington County. This appropriation may also be used for the acquisition of permanent easements and right-of-way;

(2) \$500,000 of this appropriation is for a grant to White Bear Township in Ramsey County to design, engineer, construct, and equip trail improvements along and parallel with the shore of White Bear Lake between the Washington County line and the city limits of the city of White Bear Lake, Ramsey County; and

(3) \$500,000 of this appropriation is for a grant to the city of White Bear Lake in Ramsey County to design, engineer, construct, and equip trail improvements along or parallel with the shore of White Bear Lake between the eastern city limits of White Bear Lake and Pacific Avenue.

(b) The city of Dellwood may complete the trail improvements funded under paragraph (a), clause (1), in the following segments and in any order, and may enter into separate grant agreements for each trail segment or any combination of segments:

(1) Echo Street to Dwinnell Avenue, along the railway bed;

(2) Yellow Birch Road to Echo Street, along Dellwood Avenue;

(3) Meadow Lane to Yellow Birch Road, along Dellwood Avenue; and

(4) from the intersection of Dellwood Road and Dellwood Avenue to the intersection of Meadow Lane and Dellwood Avenue, along Dellwood Avenue.

Amounts remaining after substantial completion of a trail segment or combination of segments under this paragraph may be applied to any other trail segment or combination of segments described in this paragraph.

(c) Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project is available until December 31, ~~2026~~ 2028.

Sec. 3. Laws 2020, Fifth Special Session chapter 3, article 1, section 21, subdivision 7, as amended by Laws 2024, chapter 88, article 2, section 9, is amended to read:

Subd. 7. Alexandria; Runestone Community Center Expansion

5,600,000

For a grant to the city of Alexandria to design, construct, furnish, and equip an expansion and renovation of the Runestone Community Center in Alexandria. The grant under this subdivision is exempt from the requirements in Minnesota Statutes, sections 16B.32, 16B.325, 216C.19, and 216C.20. 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, 2028.

EFFECTIVE DATE. This section is effective retroactively from October 21, 2020.

Sec. 4. Laws 2023, chapter 71, article 1, section 9, subdivision 12, is amended to read:

Subd. 12. Marshall; MERIT Training Center

2,250,000

For a grant to the city of Marshall to design, construct, furnish, and equip improvements a 50-yard and 300-yard firearms range and firearms support buildings at the Minnesota Emergency Response and Industrial Training Center outlined in Phase 3 of the Master Development Plan, ~~including: a 50-yard and 300-yard firearms range; firearms support buildings; and a live-burn buildout structure.~~

Sec. 5. Laws 2023, chapter 71, article 1, section 11, subdivision 7, is amended to read:

Subd. 7. **Dellwood; Lake Links Trail** 2,000,000

For ~~a grant~~ one or more grants to the city of Dellwood in Washington County to design, engineer, construct, and equip trail improvements consistent with the completed preliminary engineering along or parallel with the shore of White Bear Lake between the Mahtomedi city limits and the western border of Washington County. This appropriation may also be used for the acquisition of permanent easements and right-of-way. This appropriation is in addition to the appropriation in Laws 2020, Fifth Special Session chapter 3, article 1, section 17, subdivision 13, for the same purposes. Notwithstanding Minnesota Statutes, section 16A.642, the appropriation for this project is available until December 31, 2028.

Sec. 6. Laws 2023, chapter 71, article 1, section 14, subdivision 24, is amended to read:

Subd. 24. **Maple Grove; Community Center** 6,000,000

For a grant to the city of Maple Grove to predesign ~~and~~ design, and construct the expansion and renovation of the Maple Grove Community Center.

Sec. 7. Laws 2023, chapter 71, article 1, section 14, subdivision 49, is amended to read:

Subd. 49. **St. Cloud; CentraCare** 5,000,000

For a grant to CentraCare to design, construct, renovate, furnish, and equip a University of Minnesota Medical School Campus on the CentraCare Health System Campus in the city of St. Cloud.

Sec. 8. Laws 2023, chapter 71, article 1, section 14, subdivision 67, as amended by Laws 2024, chapter 88, article 1, section 23, is amended to read:

Subd. 67. **Isuroon** 3,000,000

(a) For a grant to Isuroon to predesign, design, construct, and renovate the property located at 1600 East Lake Street, in the city of Minneapolis, to carry out the mission of the organization to support immigrant women and provide mental health counseling. This appropriation may be used to

reimburse Isuroon for costs incurred for this project after June 1, 2023.

(b) Any money remaining after the project in paragraph (a) is completed may be used to acquire property for, and to predesign, design, furnish, equip, renovate, and construct a specialty care center for women's maternal health located in Ramsey County.

Sec. 9. Laws 2023, chapter 71, article 1, section 14, subdivision 81, as amended by Laws 2024, chapter 88, article 1, section 26, is amended to read:

Subd. 81. **Open Arms**

500,000

For a grant to Open Arms of Minnesota to acquire ~~items of capital equipment to be used for a new kitchen and nutrition counseling center in Ramsey County to expand access to medically tailored meals for Minnesotans with life-threatening illnesses~~ capital equipment to be used in the kitchen and for HVAC improvements for the nutrition counseling center building in the city of Minneapolis. This appropriation is available for expenditures made on or after July 1, 2023.

Sec. 10. Laws 2023, chapter 71, article 1, section 14, subdivision 93, as amended by Laws 2024, chapter 88, article 1, section 28, is amended to read:

Subd. 93. **Somali Museum**

3,900,000

For a grant to the Somali Museum to ~~acquire land, predesign,~~ acquire property for and to design, construct, furnish, and equip a facility in the city of Minneapolis to be used for a museum of Somali relics and artifacts, Somali cultural history, and education.

Sec. 11. Laws 2023, chapter 71, article 1, section 14, subdivision 97, is amended to read:

Subd. 97. **The Link**

5,000,000

For a grant to The Link for land acquisition and to ~~predesign, and design, construct, furnish, and equip~~ a new multiuse facility in North Minneapolis. The new building would include a youth program and recreational space, administrative and program office space, and between 40 to 45 new units of housing for unaccompanied homeless youth, sex-trafficked youth, and young families experiencing homelessness.

Sec. 12. Laws 2023, chapter 71, article 1, section 15, subdivision 7, is amended to read:

Subd. 7. First District Association; Wastewater Industrial Pretreatment Facility

5,000,000

For a grant to the First District Association, a dairy cooperative located in the city of Litchfield, to acquire land for, and to design, engineer, construct, equip, and furnish, a new wastewater industrial pretreatment facility in the city of Litchfield with a processing capacity of up to 1,750,000 gallons per day of high strength wastewater, a biosolids handling process, and renewable gas production.

Sec. 13. Laws 2023, chapter 71, article 1, section 15, subdivision 16, is amended to read:

Subd. 16. Western Lake Superior Sanitary District; Clarifiers

17,500,000

For a grant to the Western Lake Superior Sanitary District to design, construct, and rehabilitate four secondary clarifiers in the district's wastewater treatment system. Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until December 31, 2029.

Sec. 14. Laws 2023, chapter 72, article 1, section 4, is amended to read:

Sec. 4. EDUCATION

\$ 4,000,000

To the commissioner of education for library construction grants under Minnesota Statutes, section 134.45. A grant to the city of Redwood Falls from this appropriation is exempt from the requirements in Minnesota Statutes, sections 16B.32, 16B.325, 216C.19, and 216C.20.

EFFECTIVE DATE. This section is effective retroactively from June 1, 2023.

Sec. 15. Laws 2023, chapter 72, article 1, section 7, subdivision 18, is amended to read:

Subd. 18. Heartland State Trail

2,950,000

(a) For capital improvements to the Heartland State Trail. Of this amount, (1) \$550,000 is for construction of a trail segment of the Heartland State Trail between Detroit Lakes and Frazee; and (2) \$2,400,000 is for the environmental review, predesign, design, and

construction of a paved multiple-use trail to connect Itasca State Park to the Heartland State Trail beginning from the park contact station to the park's southeast boundary and through a Phase 1 tunnel to be constructed under marked U.S. Highway 71, and continuing from there for about two miles.

(b) This appropriation is in addition to the appropriations in Laws 2017, First Special Session chapter 8, article 1, section 6, subdivision 6, and Laws 2020, Fifth Special Session chapter 3, article 1, section 7, subdivision 12.

(c) Any unspent portion of the appropriation remaining after completion of the project listed in paragraph (a), clause (1), after written notice to the commissioner of management and budget, is available for the purposes of environmental review, engineering, and design of the following segments of the Heartland State Trail: from the west Becker County line to Detroit Lakes, from Park Rapids to Osage, and from Osage to Frazee.

Sec. 16. Laws 2023, chapter 72, article 1, section 16, subdivision 15, is amended to read:

Subd. 15. Savage; Road and Bridge Improvements

800,000

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 Savage to predesign and design the expansion of Quentin Avenue and reconstruction of two railroad bridges that pass over Quentin Avenue. ~~The project area for this project is from approximately 600 feet to the south to approximately 600 feet to the north of the two railroad bridges that pass over Quentin Avenue.~~ 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, 2029.

Sec. 17. Laws 2023, chapter 72, article 2, section 2, is amended to read:

Sec. 2. MINNESOTA STATE COLLEGES AND UNIVERSITIES

\$

1,347,000

To the board of trustees of the Minnesota State Colleges and Universities to design the renovation of space for Career and Technical Education programs and to construct the first phase of the roof replacement

at the Heintz Center at Rochester Community and
Technical College.

Sec. 18. **EFFECTIVE DATE.**

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

Presented to the governor June 12, 2025

Signed by the governor June 14, 2025, 10:31 a.m.