

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 398**

(SENATE AUTHORS: JOHNSON)

DATE  
01/26/2017

D-PG  
400 Introduction and first reading  
Referred to Capital Investment

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to capital investment; appropriating money for flood hazard mitigation  
1.3 grants; authorizing the sale and issuance of state bonds.

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

1.5 Section 1. **FLOOD HAZARD MITIGATION GRANTS; APPROPRIATION.**

1.6 Subdivision 1. Appropriation. (a) \$2,500,000 is appropriated from the bond proceeds  
1.7 fund to the commissioner of natural resources for the state share of flood hazard mitigation  
1.8 grants to the Two Rivers Watershed District for Klondike; to the Roseau River Watershed  
1.9 District for Roseau Lake and Whitney Lake; to the Red Lake Watershed District for Pine  
1.10 and 4 Legged Lakes; and to the Middle Snake Tamarac Watershed District for the community  
1.11 of Newfolden for publicly owned capital improvements to prevent or alleviate flood damages  
1.12 under Minnesota Statutes, section 103F.161.

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

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

1.18 (d) Local project grant match may include all costs associated with planning, engineering,  
1.19 acquisition, and construction. The project grants are based on a reimbursable payment  
1.20 process, and reconciliation of the project's shared state or local costs will be finalized upon  
1.21 project completion certification.

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

2.4 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond  
2.5 proceeds fund, the commissioner of management and budget shall sell and issue bonds of  
2.6 the state in an amount up to \$2,500,000 in the manner, upon the terms, and with the effect  
2.7 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota  
2.8 Constitution, article XI, sections 4 to 7.

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