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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 892

02/06/2017 Authored by Urdahl, Lillie, Heintzeman and Pierson
The bill was read for the first time and referred to the Committee on Capital Investment
05/08/2017 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
05/17/2017 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

A bill for an act

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

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

ARTICLE 1

APPROPRIATIONS

Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management

2.1 and budget. Unless otherwise specified, the appropriations in this act are available until the
 2.2 project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless
 2.3 otherwise specified in this act, money appropriated in this act for activities under Minnesota
 2.4 Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can
 2.5 be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or
 2.6 16C.144.

2.7 **APPROPRIATIONS**

2.8 **Sec. 2. UNIVERSITY OF MINNESOTA**

2.9 **Subdivision 1. Total Appropriation** **\$ 58,267,000**

2.10 To the Board of Regents of the University of
 2.11 Minnesota for the purposes specified in this
 2.12 section.

2.13 **Subd. 2. Higher Education Asset Preservation**
 2.14 **and Replacement (HEAPR)** **30,000,000**

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

2.17 **Subd. 3. Duluth - Chemical Sciences and**
 2.18 **Advanced Materials Science Building** **28,267,000**

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

2.23 **Subd. 4. University Share**

2.24 Except for the appropriation for HEAPR, the
 2.25 appropriations in this section are intended to
 2.26 cover approximately two-thirds of the cost of
 2.27 each project. The remaining costs must be paid
 2.28 from university sources.

2.29 **Subd. 5. Unspent Appropriations**

2.30 Upon substantial completion of a project
 2.31 authorized in this section and after written
 2.32 notice to the commissioner of management
 2.33 and budget, the Board of Regents must use

3.1 any money remaining in the appropriation for
 3.2 that project for HEAPR under Minnesota
 3.3 Statutes, section 135A.046. The Board of
 3.4 Regents must report by February 1 of each
 3.5 even-numbered year to the chairs of the house
 3.6 of representatives and senate committees with
 3.7 jurisdiction over capital investment and higher
 3.8 education finance, and to the chairs of the
 3.9 house of representatives Ways and Means
 3.10 Committee and the senate Finance Committee,
 3.11 on how the remaining money has been
 3.12 allocated or spent.

3.13 **Sec. 3. MINNESOTA STATE COLLEGES AND**
 3.14 **UNIVERSITIES**

3.15 **Subdivision 1. Total Appropriation** **\$ 36,244,000**

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

3.19 **Subd. 2. Higher Education Asset Preservation**
 3.20 **and Replacement (HEAPR)** **25,000,000**

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

3.23 **Subd. 3. Minnesota State Community and**
 3.24 **Technical College**

3.25 **(a) Fergus Falls Campus** **978,000**

3.26 To design, renovate, furnish, and equip a new
 3.27 Center for Student and Workforce Success
 3.28 (CSWS) that integrates the Regional
 3.29 Workforce Center. The board must enter into
 3.30 a lease agreement with the commissioner of
 3.31 employment and economic development, or
 3.32 partners of the commissioner, for use of the
 3.33 workforce center subject to Minnesota
 3.34 Statutes, section 16A.695. The board must use

4.1 nonstate money for the remainder of the cost
 4.2 of the renovation.

4.3 **(b) Wadena Campus** 820,000

4.4 To design, renovate, furnish, and equip the
 4.5 relocation of the current library to
 4.6 underutilized space and convert the vacated
 4.7 space into a centralized student services center.

4.8 **Subd. 4. Northland Community and Technical**
 4.9 **College, East Grand Forks** 826,000

4.10 To design, renovate, furnish, and equip science
 4.11 and radiological lab space on the East Grand
 4.12 Forks campus.

4.13 **Subd. 5. South Central College, North Mankato** 8,600,000

4.14 To design, renovate, renew, furnish, and equip
 4.15 laboratory, classroom, and office spaces on
 4.16 the North Mankato campus.

4.17 **Subd. 6. Debt Service**

4.18 (a) Except as provided in paragraph (b), the
 4.19 Board of Trustees shall pay the debt service
 4.20 on one-third of the principal amount of state
 4.21 bonds sold to finance projects authorized by
 4.22 this section. After each sale of general
 4.23 obligation bonds, the commissioner of
 4.24 management and budget shall notify the board
 4.25 of the amounts assessed for each year for the
 4.26 life of the bonds.

4.27 (b) The board need not pay debt service on
 4.28 bonds sold to finance HEAPR. Where a
 4.29 nonstate match is required, the debt service is
 4.30 due on a principal amount equal to one-third
 4.31 of the total project cost, less the match
 4.32 committed before the bonds are sold.

4.33 (c) The commissioner of management and
 4.34 budget shall reduce the board's assessment

5.1 each year by one-third of the net income from
5.2 investment of general obligation bond
5.3 proceeds in proportion to the amount of
5.4 principal and interest otherwise required to be
5.5 paid by the board. The board shall pay its
5.6 resulting net assessment to the commissioner
5.7 of management and budget by December 1
5.8 each year. If the board fails to make a payment
5.9 when due, the commissioner of management
5.10 and budget shall reduce allotments for
5.11 appropriations from the general fund otherwise
5.12 available to the board and apply the amount
5.13 of the reduction to cover the missed debt
5.14 service payment. The commissioner of
5.15 management and budget shall credit the
5.16 payments received from the board to the bond
5.17 debt service account in the state bond fund
5.18 each December 1 before money is transferred
5.19 from the general fund under Minnesota
5.20 Statutes, section 16A.641, subdivision 10.

5.21 **Subd. 7. Unspent Appropriations**

5.22 (a) Upon substantial completion of a project
5.23 authorized in this section and after written
5.24 notice to the commissioner of management
5.25 and budget, the board must use any money
5.26 remaining in the appropriation for that project
5.27 for HEAPR under Minnesota Statutes, section
5.28 135A.046. The Board of Trustees must report
5.29 by February 1 of each even-numbered year to
5.30 the chairs of the house of representatives and
5.31 senate committees with jurisdiction over
5.32 capital investment and higher education
5.33 finance, and to the chairs of the house of
5.34 representatives Ways and Means Committee
5.35 and the senate Finance Committee, on how

6.1 the remaining money has been allocated or
6.2 spent.

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

6.13 **Sec. 4. EDUCATION**

6.14 **Subdivision 1. Total Appropriation** **\$ 3,500,000**

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

6.17 **Subd. 2. Library Construction Grants** **2,000,000**

6.18 For library construction grants under
6.19 Minnesota Statutes, section 134.45.

6.20 **Subd. 3. Olmsted County - Dyslexia Institute of**
6.21 **Minnesota** **1,500,000**

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

6.33 **Sec. 5. MINNESOTA STATE ACADEMIES**

7.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 2,050,000</u>
7.2	<u>To the commissioner of administration for the</u>	
7.3	<u>purposes specified in this section.</u>	
7.4	<u>Subd. 2. Asset Preservation</u>	<u>2,000,000</u>
7.5	<u>For capital asset preservation improvements</u>	
7.6	<u>and betterments on both campuses of the</u>	
7.7	<u>Minnesota State Academies, to be spent in</u>	
7.8	<u>accordance with Minnesota Statutes, section</u>	
7.9	<u>16B.307.</u>	
7.10	<u>Subd. 3. Security Corridor</u>	<u>50,000</u>
7.11	<u>For predesign for a safety corridor on the</u>	
7.12	<u>Minnesota State Academy for the Deaf</u>	
7.13	<u>campus.</u>	
7.14	<u>Sec. 6. NATURAL RESOURCES</u>	
7.15	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 48,985,000</u>
7.16	<u>(a) To the commissioner of natural resources</u>	
7.17	<u>for the purposes specified in this section.</u>	
7.18	<u>(b) The appropriations in this section are</u>	
7.19	<u>subject to the requirements of the natural</u>	
7.20	<u>resources capital improvement program under</u>	
7.21	<u>Minnesota Statutes, section 86A.12, unless</u>	
7.22	<u>this section or the statutes referred to in this</u>	
7.23	<u>section provide more specific standards,</u>	
7.24	<u>criteria, or priorities for projects than</u>	
7.25	<u>Minnesota Statutes, section 86A.12.</u>	
7.26	<u>Subd. 2. Natural Resources Asset Preservation</u>	<u>15,000,000</u>
7.27	<u>For the renovation of state-owned facilities</u>	
7.28	<u>and recreational assets operated by the</u>	
7.29	<u>commissioner of natural resources to be spent</u>	
7.30	<u>in accordance with Minnesota Statutes, section</u>	
7.31	<u>84.946. Notwithstanding Minnesota Statutes,</u>	
7.32	<u>section 84.946:</u>	

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

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

8.9 **Subd. 3. Flood Hazard Mitigation** 11,555,000

8.10 (a) For the state share of flood hazard
 8.11 mitigation grants for publicly owned capital
 8.12 improvements to prevent or alleviate flood
 8.13 damage under Minnesota Statutes, section
 8.14 103F.161.

8.15 (b) Levee projects, to the extent practical, shall
 8.16 meet the state standard of three feet above the
 8.17 100-year flood elevation.

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

8.21 (d) This appropriation includes \$1,700,000 for
 8.22 the Cedar River Watershed District, \$750,000
 8.23 for the city of Browns Valley project, and
 8.24 \$1,800,000 for the city of Ortonville project.

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

8.31 (f) To the extent that the cost of a project
 8.32 exceeds two percent of the median household
 8.33 income in a municipality or township
 8.34 multiplied by the number of households in the

9.1 municipality or township, this appropriation
 9.2 is also for the local share of the project.

9.3 **Subd. 4. Dam Renovation, Repair, Removal** 15,000,000

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

9.11 (1) \$500,000 is for emergencies on
 9.12 state-owned dams;

9.13 (2) \$3,600,000 is for a grant to the city of
 9.14 Lanesboro for repair of the Lanesboro dam
 9.15 and notwithstanding the match requirements
 9.16 in Minnesota Statutes, section 103G.511, does
 9.17 not require a nonstate contribution. This
 9.18 includes funding for repairs of the hydropower
 9.19 system;

9.20 (3) \$2,500,000 is for repairs to the Lake
 9.21 Bronson dam;

9.22 (4) \$500,000 is for a grant to the city of
 9.23 Pelican Rapids for engineering work on the
 9.24 Pelican Rapids dam;

9.25 (5) \$200,000 is for a grant to the city of Pine
 9.26 River for engineering work on the Norway
 9.27 Lake dam;

9.28 (6) \$200,000 is for a grant to Yellow Medicine
 9.29 County for the Canby R-6 impoundment dam;

9.30 (7) \$100,000 is for a grant to St. Louis County
 9.31 for the Little Stone Lake dam;

9.32 (8) \$6,000,000 is for a grant to Dakota County
 9.33 to design and construct capital improvements

10.1 to the hydroelectric generating facility,
 10.2 including replacement of obsolete turbines, at
 10.3 the Byllesby Dam located on the Cannon
 10.4 River; and

10.5 (9) \$1,400,000 is for state dams at Brawner,
 10.6 West Leaf Lake, Collinwood, Grindstone
 10.7 River, and Sullivan.

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

10.12 **Subd. 5. Reforestation and Stand Improvement** 1,000,000

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

10.21 **Subd. 6. State Trail Acquisition and**
 10.22 **Development** 3,130,000

10.23 For acquisition and development of the
 10.24 Gitchi-Gami State Trail, from Grand Marais
 10.25 to Cascade State Park, and through the town
 10.26 of Tofte.

10.27 **Subd. 7. Champlin - Mill Pond** 3,300,000

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

10.33 **Subd. 8. Unspent Appropriations**

11.1 The unspent portion of an appropriation for a
 11.2 project in this section that is complete, upon
 11.3 written notice to the commissioner of
 11.4 management and budget, is available for asset
 11.5 preservation under Minnesota Statutes, section
 11.6 84.946. Minnesota Statutes, section 16A.642,
 11.7 applies from the date of the original
 11.8 appropriation to the unspent amount
 11.9 transferred.

11.10 **Sec. 7. POLLUTION CONTROL AGENCY**

11.11 **Subdivision 1. Total Appropriation** **\$ 46,000,000**

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

11.14 **Subd. 2. St. Louis River Cleanup** **25,400,000**

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

11.20 **Subd. 3. Closed Landfill Cleanup** **11,350,000**

11.21 To design and construct remedial systems and
 11.22 acquire land at closed landfills throughout the
 11.23 state in accordance with the closed landfill
 11.24 program under Minnesota Statutes, sections
 11.25 115B.39 to 115B.42. The agency must follow
 11.26 the agency priorities, which includes a
 11.27 construction project at the waste disposal
 11.28 engineering (WDE) site in Anoka County.

11.29 **Subd. 4. Capital Assistance Program** **9,250,000**

11.30 This appropriation is for a grant to Polk
 11.31 County under the solid waste capital assistance
 11.32 grant program under Minnesota Statutes,
 11.33 section 115A.54, in order to complete a

12.1 regional integrated solid waste management
 12.2 system.

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

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

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

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

12.10 (a) To acquire conservation easements from
 12.11 landowners to preserve, restore, create, and
 12.12 enhance wetlands and associated uplands of
 12.13 prairie and grasslands, and restore and enhance
 12.14 rivers and streams, riparian lands, and
 12.15 associated uplands of prairie and grasslands
 12.16 in order to protect soil and water quality,
 12.17 support fish and wildlife habitat, reduce flood
 12.18 damage, and provide other public benefits.

12.19 The provisions of Minnesota Statutes, section
 12.20 103F.515, apply to this program.

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

12.26 (c) The board is authorized to enter into new
 12.27 agreements and amend past agreements with
 12.28 landowners as required by Minnesota Statutes,
 12.29 section 103F.515, subdivision 5, to allow for
 12.30 restoration. Of this appropriation, up to five
 12.31 percent may be used for restoration and
 12.32 enhancement.

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

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

13.24 A new public road project to improve public
 13.25 safety in a greater than 80 percent area, as
 13.26 defined in Minnesota Statutes, section
 13.27 103G.005, subdivision 10b, is eligible for
 13.28 funding under this program.

13.29 **Sec. 9. MINNESOTA ZOOLOGICAL GARDEN**

13.30	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>4,000,000</u>
13.31	<u>To the Minnesota Zoological Garden Board</u>		
13.32	<u>for the purposes specified in this section.</u>		
13.33	<u>Subd. 2. Asset Preservation</u>		<u>4,000,000</u>

14.1 For capital asset preservation improvements
 14.2 and betterments to infrastructure and exhibits
 14.3 at the Minnesota Zoo, to be spent in
 14.4 accordance with Minnesota Statutes, section
 14.5 16B.307. Notwithstanding the specified uses
 14.6 of money under Minnesota Statutes, section
 14.7 16B.307, the board may use this appropriation
 14.8 to replace buildings that are in poor condition,
 14.9 outdated, and no longer support the work of
 14.10 the Minnesota Zoo and to construct and
 14.11 renovate trails and roads on the Minnesota
 14.12 Zoo site.

14.13 **Sec. 10. ADMINISTRATION**

14.14 **Subdivision 1. Total Appropriation** **\$ 12,500,000**

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

14.17 **Subd. 2. Capitol Complex - Physical Security**
 14.18 **Upgrades** **10,500,000**

14.19 For the design, construction, and equipping
 14.20 required to upgrade the physical security
 14.21 elements and systems for one or more of the
 14.22 buildings listed below, their attached tunnel
 14.23 systems and surrounding grounds, and parking
 14.24 facilities as identified in the 2014 Minnesota
 14.25 State Capitol Complex Physical Security Study
 14.26 conducted by Miller Dunwiddie Architecture.
 14.27 Work includes but is not limited to the
 14.28 installation of bollards, blast protection,
 14.29 infrastructure security screen walls, door
 14.30 access controls, emergency call stations,
 14.31 security kiosks, locking devices, and traffic
 14.32 control to the extent these funds allow. This
 14.33 appropriation is for work associated with one
 14.34 or more of the following buildings:
 14.35 Administration, Centennial, Judicial,

- 15.1 Ag/Health Lab, Minnesota History Center,
- 15.2 Minnesota History Center Loading Dock,
- 15.3 Capitol Complex Power Plant and Shops,
- 15.4 Stassen, State Office, and Veterans Service.
- 15.5 **Subd. 3. Capital Asset Preservation and**
- 15.6 **Replacement Account** 2,000,000
- 15.7 To be spent in accordance with Minnesota
- 15.8 Statutes, section 16A.632.

- 15.9 **Sec. 11. MN.IT** **\$ 1,432,000**
- 15.10 To the commissioner of administration to
- 15.11 predesign, design, construct, renovate, furnish,
- 15.12 and equip existing state data center facilities
- 15.13 at the Bureau of Criminal Apprehension's
- 15.14 Maryland Avenue office building, at the
- 15.15 Centennial Office Building, and at the
- 15.16 Department of Revenue's Stassen Office
- 15.17 Building for the purpose of decommissioning
- 15.18 and repurposing into usable office space.

- 15.19 **Sec. 12. MILITARY AFFAIRS**
- 15.20 **Subdivision 1. Total Appropriation** **\$ 2,500,000**
- 15.21 To the adjutant general for the purposes
- 15.22 specified in this section.
- 15.23 **Subd. 2. Asset Preservation** **2,500,000**
- 15.24 For asset preservation improvements and
- 15.25 betterments of a capital nature at military
- 15.26 affairs facilities statewide, to be spent in
- 15.27 accordance with Minnesota Statutes, section
- 15.28 16B.307.

- 15.29 **Sec. 13. PUBLIC SAFETY**
- 15.30 **Subdivision 1. Total Appropriation** **\$ 3,521,000**
- 15.31 To the named official for the purposes
- 15.32 specified in this section.

16.1 **Subd. 2. Camp Ripley Training Facility** 3,521,000
 16.2 To the adjutant general to predesign, design,
 16.3 construct, and equip a joint emergency railroad
 16.4 and pipeline emergency response training
 16.5 facility at Camp Ripley. The project includes
 16.6 construction of stations and capital
 16.7 infrastructure needed for mock disaster
 16.8 training, including infrastructure for training
 16.9 in hazardous materials abatement and site
 16.10 recovery work.

16.11 **Sec. 14. TRANSPORTATION**

16.12 **Subdivision 1. Total Appropriation** **\$ 248,717,000**
 16.13 To the commissioner of transportation for the
 16.14 purposes specified in this section.

16.15 **Subd. 2. Local Bridge Replacement and**
 16.16 **Rehabilitation** 59,000,000
 16.17 From the bond proceeds account in the state
 16.18 transportation fund to match federal money
 16.19 and to replace or rehabilitate local deficient
 16.20 bridges as provided in Minnesota Statutes,
 16.21 section 174.50.

16.22 **Subd. 3. Local Road Improvement Fund Grants** 104,691,000
 16.23 (a) From the bond proceeds account in the
 16.24 state transportation fund as provided in
 16.25 Minnesota Statutes, section 174.50, for trunk
 16.26 highway corridor projects under Minnesota
 16.27 Statutes, section 174.52, subdivision 2, for
 16.28 construction and reconstruction of local roads
 16.29 with statewide or regional significance under
 16.30 Minnesota Statutes, section 174.52,
 16.31 subdivision 4, or for grants to counties to assist
 16.32 in paying the costs of rural road safety capital
 16.33 improvement projects on county state-aid

- 17.1 highways under Minnesota Statutes, section
17.2 174.52, subdivision 4a.
- 17.3 (b) Of this amount, \$9,000,000 is for a grant
17.4 to Anoka County to realign and make
17.5 associated improvements to County State-Aid
17.6 Highway 23 (Lake Drive), County State-Aid
17.7 Highway 54 (West Freeway Drive), and to
17.8 Hornsby Street in the city of Columbus.
- 17.9 (c) Of this amount, \$3,246,000 is for a grant
17.10 to the city of Blaine to predesign, design, and
17.11 reconstruct 105th Avenue in the vicinity of
17.12 the National Sports Center in Blaine. The
17.13 reconstruction will include changing the street
17.14 from five lanes to four lanes with median, turn
17.15 lanes, sidewalk, trail, landscaping, lighting,
17.16 and consolidation of access driveways. This
17.17 appropriation is not available until the
17.18 commissioner of management and budget
17.19 determines that at least \$3,000,000 is
17.20 committed to the project from sources
17.21 available to the city, including municipal state
17.22 aid and county turnback funds.
- 17.23 (d) Of this amount, \$25,000,000 is for a grant
17.24 to Hennepin County, the city of Minneapolis,
17.25 or both, for design, right-of-way acquisition,
17.26 engineering, and construction of public
17.27 improvements related to the Interstate
17.28 Highway 35W and Lake Street access project
17.29 and related improvements within the Interstate
17.30 Highway 35W corridor. This appropriation is
17.31 not available until the commissioner of
17.32 management and budget determines that an
17.33 amount sufficient to complete this portion of
17.34 the Interstate Highway 35W and Lake Street

18.1 access project has been committed to the
 18.2 project.

18.3 (e) Of this amount \$10,500,000 is for a grant
 18.4 to Carver County for environmental analysis
 18.5 and to acquire right-of-way access, predesign,
 18.6 design, engineer, and construct an interchange
 18.7 at marked Trunk Highway 212 and Carver
 18.8 County Road 44 in the city of Chaska,
 18.9 including a new bridge and ramps, to support
 18.10 the development of approximately 400 acres
 18.11 of property in the city of Chaska's
 18.12 comprehensive plan.

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

18.17 **Subd. 4. Rail Grade Separation on Crude Oil**
 18.18 **Rail Corridors**

69,624,000

18.19 (a) Of this amount, \$42,262,000 is for a grant
 18.20 to the city of Moorhead for environmental
 18.21 analysis, design, engineering, removal of an
 18.22 existing structure, and construction of a rail
 18.23 grade crossing separation in the vicinity of
 18.24 21st Street South.

18.25 (b) \$12,600,000 is for a grant to Anoka County
 18.26 for environmental analysis, design,
 18.27 engineering, removal of an existing structure,
 18.28 and construction of a rail grade crossing
 18.29 separation at Anoka County State-Aid
 18.30 Highway 78, known as Hanson Boulevard, in
 18.31 Coon Rapids.

18.32 (c) Of this amount, \$14,762,000 is for a grant
 18.33 to the city of Red Wing for environmental
 18.34 analysis, design, engineering, removal of an
 18.35 existing structure, and construction of a rail

- 19.1 grade crossing separation at Sturgeon Lake
- 19.2 Road.
- 19.3 (d) Any unspent portion of this appropriation
- 19.4 after completion of a project in this
- 19.5 subdivision may be used for grants in
- 19.6 accordance with Minnesota Statutes, section
- 19.7 219.016.
- 19.8 **Subd. 5. Railroad Warning Devices** 1,000,000
- 19.9 To design, construct, and equip replacement
- 19.10 of active highway-rail grade warning devices
- 19.11 that have reached the end of their useful life.
- 19.12 **Subd. 6. Minnesota Valley Regional Railroad**
- 19.13 **Authority** 4,000,000
- 19.14 For a grant to the Minnesota Valley Regional
- 19.15 Rail Authority for the rehabilitation of a
- 19.16 portion of the railroad track between Winthrop
- 19.17 and Hanley Falls. The grant under this
- 19.18 subdivision may also be used for any required
- 19.19 environmental documentation and
- 19.20 remediation, predesign, design, and
- 19.21 rehabilitation or replacement of bridges with
- 19.22 new bridges or culverts between Winthrop and
- 19.23 Hanley Falls. A grant under this section is in
- 19.24 addition to any grant, loan, or loan guarantee
- 19.25 for this project made by the commissioner
- 19.26 under Minnesota Statutes, sections 222.46 to
- 19.27 222.62. This appropriation is in addition to
- 19.28 the appropriations in Laws 2006, chapter 258,
- 19.29 section 16, subdivision 6; Laws 2008, chapter
- 19.30 179, section 16, subdivision 5; Laws 2009,
- 19.31 chapter 93, article 1, section 11, subdivision
- 19.32 4; Laws 2010, chapter 189, section 15,
- 19.33 subdivision 5; and Laws 2015, First Special
- 19.34 Session chapter 5, article 1, section 10,
- 19.35 subdivision 4.

20.1	<u>Subd. 7. Port Development Assistance</u>	<u>5,000,000</u>
20.2	<u>For grants under Minnesota Statutes, chapter</u>	
20.3	<u>457A. Any improvements made with the</u>	
20.4	<u>proceeds of these grants must be publicly</u>	
20.5	<u>owned.</u>	
20.6	<u>Subd. 8. International Falls-Koochiching County</u>	
20.7	<u>Airport Commission</u>	<u>3,000,000</u>
20.8	<u>(a) For a grant to the International</u>	
20.9	<u>Falls-Koochiching County Airport</u>	
20.10	<u>Commission for the following improvements</u>	
20.11	<u>to the Falls International Airport:</u>	
20.12	<u>(1) demolition of the existing terminal</u>	
20.13	<u>building;</u>	
20.14	<u>(2) rehabilitation;</u>	
20.15	<u>(3) site preparation, including utilities and civil</u>	
20.16	<u>work;</u>	
20.17	<u>(4) design, construction, furnishing, and</u>	
20.18	<u>equipping Phase II of the new terminal</u>	
20.19	<u>building, including a Transportation Safety</u>	
20.20	<u>Administration office, weather office,</u>	
20.21	<u>conference room, circulation corridor, airport</u>	
20.22	<u>administration offices, United States Customs</u>	
20.23	<u>and Border Protection storage rooms, offices,</u>	
20.24	<u>restrooms, passenger-processing area,</u>	
20.25	<u>wet-hold room, interview room, search room,</u>	
20.26	<u>precustoms and postcustoms passenger waiting</u>	
20.27	<u>areas, and vestibule; and</u>	
20.28	<u>(5) associated appurtenances of a capital</u>	
20.29	<u>nature.</u>	
20.30	<u>(b) After completion of the improvements</u>	
20.31	<u>under paragraph (a), any unspent money from</u>	
20.32	<u>this appropriation may be used by the</u>	
20.33	<u>International Falls-Koochiching County</u>	
20.34	<u>Airport Commission for a commercial airline</u>	

- 21.1 apron expansion project at the Falls
- 21.2 International Airport.
- 21.3 (c) This appropriation does not require a
- 21.4 nonstate contribution or match.
- 21.5 **Subd. 9. Grand Rapids - Pedestrian Bridge** 750,000
- 21.6 For a grant to the city of Grand Rapids to
- 21.7 design the construction of a bridge over the
- 21.8 Mississippi River for pedestrian and bicycle
- 21.9 use to provide a safe alternative route to the
- 21.10 existing marked Trunk Highway 169 vehicle
- 21.11 bridge, and to serve as a connection to existing
- 21.12 trail systems on each side of the river. This
- 21.13 appropriation is not available until the
- 21.14 commissioner determines that at least an equal
- 21.15 amount has been committed to the project
- 21.16 from nonstate sources.
- 21.17 **Subd. 10. Safe Routes to School** 1,650,000
- 21.18 For grants under Minnesota Statutes, section
- 21.19 174.40.
- 21.20 **Sec. 15. METROPOLITAN COUNCIL**
- 21.21 **Subdivision 1. Total Appropriation** **\$ 20,839,000**
- 21.22 To the Metropolitan Council for the purposes
- 21.23 specified in this section.
- 21.24 **Subd. 2. Metropolitan Regional Parks and Trails**
- 21.25 **Capital Improvements** 5,000,000
- 21.26 For the cost of improvements and betterments
- 21.27 of a capital nature and acquisition by the
- 21.28 council and local government units of regional
- 21.29 recreational open-space lands in accordance
- 21.30 with the council's policy plan as provided in
- 21.31 Minnesota Statutes, section 473.147. This
- 21.32 appropriation must not be used to purchase
- 21.33 easements.

<p>22.1 <u>Subd. 3. Metropolitan Cities Inflow and</u> 22.2 <u>Infiltration Grants</u></p>	<p><u>3,739,000</u></p>
<p>22.3 <u>For grants to cities within the metropolitan</u> 22.4 <u>area, as defined in Minnesota Statutes, section</u> 22.5 <u>473.121, subdivision 2, for capital</u> 22.6 <u>improvements in municipal wastewater</u> 22.7 <u>collection systems to reduce the amount of</u> 22.8 <u>inflow and infiltration to the Metropolitan</u> 22.9 <u>Council's metropolitan sanitary sewer disposal</u> 22.10 <u>system. Grants from this appropriation are for</u> 22.11 <u>up to 50 percent of the cost to mitigate inflow</u> 22.12 <u>and infiltration in the publicly owned</u> 22.13 <u>municipal wastewater collection systems. To</u> 22.14 <u>be eligible for a grant, a city must be identified</u> 22.15 <u>by the council as a contributor of excessive</u> 22.16 <u>inflow and infiltration in the metropolitan</u> 22.17 <u>disposal system or have a measured flow rate</u> 22.18 <u>within 20 percent of its allowable</u> 22.19 <u>council-determined inflow and infiltration</u> 22.20 <u>limits. The council must award grants based</u> 22.21 <u>on applications from cities that identify</u> 22.22 <u>eligible capital costs and include a timeline</u> 22.23 <u>for inflow and infiltration mitigation</u> 22.24 <u>construction, pursuant to guidelines</u> 22.25 <u>established by the council.</u></p>	
<p>22.26 <u>Subd. 4. Metro Orange Line BRT</u></p>	<p><u>12,100,000</u></p>
<p>22.27 <u>Up to \$12,100,000, but an amount that is no</u> 22.28 <u>more than ten percent of the total project cost,</u> 22.29 <u>is for the Metropolitan Council, or for the</u> 22.30 <u>Metropolitan Council to make grants to</u> 22.31 <u>political subdivisions, for design, acquisition</u> 22.32 <u>of right-of-way, engineering, and construction</u> 22.33 <u>of capital improvements along the I-35W</u> 22.34 <u>corridor for completion of the Metro Orange</u> 22.35 <u>Bus Rapid Transit (BRT) Line.</u></p>	

23.1	Sec. 16. <u>HUMAN SERVICES</u>		
23.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>92,035,000</u>
23.3	<u>To the commissioner of administration, or</u>		
23.4	<u>another named agency, for the purposes</u>		
23.5	<u>specified in this section.</u>		
23.6	<u>Subd. 2. Minnesota Security Hospital - St. Peter</u>		<u>70,255,000</u>
23.7	<u>To complete design, remodel, construct,</u>		
23.8	<u>furnish, and equip the second phase of the</u>		
23.9	<u>two-phase project to remodel existing, and to</u>		
23.10	<u>develop new, residential, program, activity,</u>		
23.11	<u>and ancillary facilities for the Minnesota</u>		
23.12	<u>Security Hospital on the upper campus of the</u>		
23.13	<u>St. Peter Regional Treatment Center. This</u>		
23.14	<u>appropriation includes money to: demolish,</u>		
23.15	<u>renovate, and remodel existing space;</u>		
23.16	<u>construct new space; address fire and life</u>		
23.17	<u>safety, and other building code deficiencies;</u>		
23.18	<u>replace or renovate interior finishes; purchase</u>		
23.19	<u>furnishings, fixtures, and equipment; replace</u>		
23.20	<u>or renovate the Minnesota Security Hospital</u>		
23.21	<u>building's HVAC, plumbing, electrical,</u>		
23.22	<u>security, and life safety systems; tuck-point;</u>		
23.23	<u>replace windows and doors; design and abate</u>		
23.24	<u>asbestos and hazardous materials; and</u>		
23.25	<u>complete site work necessary to support the</u>		
23.26	<u>programmed use of the facilities on the St.</u>		
23.27	<u>Peter Regional Treatment Center upper</u>		
23.28	<u>campus.</u>		
23.29	<u>Subd. 3. Child and Adolescent Behavioral Health</u>		
23.30	<u>Services</u>		<u>7,530,000</u>
23.31	<u>(a) To predesign, design, construct, furnish,</u>		
23.32	<u>and equip a new community-based 16-bed</u>		
23.33	<u>psychiatric hospital facility to house the Child</u>		
23.34	<u>and Adolescent Behavioral Health Services</u>		
23.35	<u>(CABHS) program to be located in or near the</u>		

24.1 city of Willmar. This appropriation includes
 24.2 funds for land purchase, surveying, predesign
 24.3 and design fees, construction administration,
 24.4 project management, site work, site and
 24.5 building infrastructure, construction, and
 24.6 furniture, fixtures, and equipment.

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

24.14 **Subd. 4. Anoka Metro Regional Treatment**
 24.15 **Center - Safety and Security Renovations**

2,250,000

24.16 To provide security upgrades of a capital
 24.17 nature at the Anoka Metro Regional Treatment
 24.18 Center campus, including but not limited to
 24.19 control centers, electronic monitoring and
 24.20 perimeter security equipment, new or updated
 24.21 security fencing, and other building security
 24.22 renovations. This appropriation includes
 24.23 money for: predesign, design, furnishing,
 24.24 fixtures, and equipment; construction of safety
 24.25 and security improvements to courtyards on
 24.26 residential treatment units; securely enclosing
 24.27 the nursing station on Unit G; and installing
 24.28 a campus-wide closed-circuit television video
 24.29 security system, a facility-wide personal
 24.30 duress alarm system, a key control system,
 24.31 and an electronic access control system.

24.32 **Subd. 5. St. Paul - Dorothy Day Opportunity**
 24.33 **Center**

12,000,000

24.34 To the commissioner of human services for a
 24.35 grant to the city of St. Paul to predesign,
 24.36 design, construct, furnish, and equip an

25.1 opportunity center to serve as an integrated
 25.2 one-stop delivery system connecting persons
 25.3 at risk of becoming homeless, and persons
 25.4 working to move up and out of homelessness,
 25.5 and to provide services that improve their
 25.6 health, income, housing stability, or
 25.7 well-being, subject to Minnesota Statutes,
 25.8 section 16A.695. This appropriation may be
 25.9 used to acquire property for these purposes.
 25.10 This appropriation is not available until the
 25.11 commissioner of management and budget has
 25.12 determined that at least an equal amount has
 25.13 been committed to the project from nonstate
 25.14 sources.

25.15 **Sec. 17. VETERANS AFFAIRS**

25.16 **Subdivision 1. Total Appropriation** **\$ 12,851,000**

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

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

25.20 For asset preservation improvements and
 25.21 betterments of a capital nature at the veterans
 25.22 homes in Minneapolis, Hastings, Fergus Falls,
 25.23 Silver Bay, and Luverne, to be spent in
 25.24 accordance with Minnesota Statutes, section
 25.25 16B.307.

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

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

25.33 **Sec. 18. CORRECTIONS**

26.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 39,000,000</u>
26.2	<u>To the commissioner of administration for the</u>	
26.3	<u>purposes specified in this section.</u>	
26.4	<u>Subd. 2. Asset Preservation</u>	<u>20,000,000</u>
26.5	<u>For asset preservation improvements and</u>	
26.6	<u>betterments of a capital nature at Minnesota</u>	
26.7	<u>correctional facilities statewide, to be spent in</u>	
26.8	<u>accordance with Minnesota Statutes, section</u>	
26.9	<u>16B.307.</u>	
26.10	<u>Subd. 3. Minnesota Correctional Facility - St.</u>	
26.11	<u>Cloud</u>	<u>19,000,000</u>
26.12	<u>To construct and equip a new intake unit and</u>	
26.13	<u>a loading dock with a secure connection to a</u>	
26.14	<u>new central warehouse at the St. Cloud</u>	
26.15	<u>correctional facility.</u>	
26.16	<u>Sec. 19. EMPLOYMENT AND ECONOMIC</u>	
26.17	<u>DEVELOPMENT</u>	
26.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 45,272,000</u>
26.19	<u>To the commissioner of employment and</u>	
26.20	<u>economic development for the purposes</u>	
26.21	<u>specified in this section.</u>	
26.22	<u>Subd. 2. Transportation Economic Development</u>	<u>7,000,000</u>
26.23	<u>For grants under Minnesota Statutes, section</u>	
26.24	<u>116J.436.</u>	
26.25	<u>Subd. 3. Greater Minnesota Business</u>	
26.26	<u>Development Public Infrastructure Grants</u>	<u>12,000,000</u>
26.27	<u>For grants under Minnesota Statutes, section</u>	
26.28	<u>116J.431.</u>	
26.29	<u>Of this amount, \$1,600,000 is for a grant to</u>	
26.30	<u>the city of Thief River Falls to support utility</u>	
26.31	<u>extensions, roads, and other public</u>	
26.32	<u>improvements related to the construction of a</u>	
26.33	<u>wholesale electronic component distribution</u>	

- 27.1 center at least 700,000 square feet in size and
- 27.2 investing a minimum of \$200,000,000.
- 27.3 Notwithstanding Minnesota Statutes, section
- 27.4 116J.431, a local match is not required.
- 27.5 **Subd. 4. Innovative Business Development Public**
- 27.6 **Infrastructure Grants** 2,500,000
- 27.7 For grants under Minnesota Statutes, section
- 27.8 116J.435.
- 27.9 **Subd. 5. Eagle's Healing Nest** 300,000
- 27.10 From the general fund for a grant to Eagle's
- 27.11 Healing Nest in Sauk Centre.
- 27.12 **Subd. 6. Chisago County Law Enforcement and**
- 27.13 **Emergency Operations Center** 3,000,000
- 27.14 For a grant to Chisago County to predesign,
- 27.15 design, construct, furnish, and equip a
- 27.16 municipal complex that includes a law
- 27.17 enforcement and emergency operations center,
- 27.18 and related facilities and infrastructure, for
- 27.19 interconnection to the county emergency
- 27.20 communications center. This appropriation is
- 27.21 not available until the commissioner has
- 27.22 determined that at least an equal amount has
- 27.23 been committed to the project from nonstate
- 27.24 sources. Amounts expended by Chisago
- 27.25 County for project costs since July 1, 2015,
- 27.26 shall count toward the matching requirement.
- 27.27 **Subd. 7. Litchfield - Phase 2 Power Generation**
- 27.28 **Improvements** 3,000,000
- 27.29 For a grant to the city of Litchfield to design
- 27.30 and construct electrical generation
- 27.31 improvements in the city of Litchfield to
- 27.32 expand the current standby capacity. This
- 27.33 appropriation is not available until the
- 27.34 commissioner of management and budget
- 27.35 determines that at least an equal amount is

28.1 committed to the project from nonstate
 28.2 sources.

28.3 **Subd. 8. Minneapolis - Pioneers and Soldiers**
 28.4 **Cemetery Restoration**

1,029,000

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

28.14 **Subd. 9. St. James - Public Infrastructure**

3,443,000

28.15 For a grant to the city of St. James. Of this
 28.16 amount, \$2,193,000 is for engineering,
 28.17 right-of-way acquisition, and reconstruction
 28.18 of streets, sidewalks, storm water and sanitary
 28.19 sewer, water mains, lighting, utilities, and
 28.20 other capital improvements of publicly owned
 28.21 infrastructure required for the reconstruction
 28.22 of marked Trunk Highway 4 in the city of St.
 28.23 James, and \$1,250,000 is for replacement of
 28.24 the storm sewer drain that serves St. James
 28.25 Lake and the entire southern section of the
 28.26 city of St. James.

28.27 **Subd. 10. St. Paul - Science Museum of**
 28.28 **Minnesota Building Preservation**

13,000,000

28.29 For a grant to the city of St. Paul for predesign,
 28.30 design, and construction work to replace
 28.31 water-damaged elements of the Science
 28.32 Museum of Minnesota's exterior envelope and
 28.33 some resultant interior damage caused by
 28.34 latent design and construction defects, subject
 28.35 to Minnesota Statutes, section 16A.695. This

29.1 appropriation is not available until the
 29.2 commissioner of management and budget
 29.3 determines that an equal amount has been
 29.4 committed to the project from nonstate
 29.5 sources. Capital costs paid by the Science
 29.6 Museum of Minnesota since January 1, 2014,
 29.7 relating to the water intrusion damage, shall
 29.8 count towards the match requirement.

29.9 **Sec. 20. PUBLIC FACILITIES AUTHORITY**

29.10 **Subdivision 1. Total Appropriation** **\$ 114,963,000**

29.11 To the Public Facilities Authority for the
 29.12 purposes specified in this section. The Public
 29.13 Facilities Authority may use the funds in this
 29.14 section or other available funds to amend
 29.15 project financing agreements awarded after
 29.16 July 1, 2016, based on program changes to
 29.17 Minnesota Statutes, sections 446A.072 and
 29.18 446A.073, in article 2 of this act.

29.19 **Subd. 2. State Match for Federal Grants** **17,000,000**

29.20 To match federal grants for the clean water
 29.21 revolving fund under Minnesota Statutes,
 29.22 section 446A.07, and the drinking water
 29.23 revolving fund under Minnesota Statutes,
 29.24 section 446A.081. This appropriation must be
 29.25 used for qualified capital projects.

29.26 **Subd. 3. Water Infrastructure Funding Program** **55,000,000**

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

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

30.1 (c) \$15,000,000 is for drinking water projects
 30.2 listed on the Department of Health's project
 30.3 priority list in the fundable range under the
 30.4 drinking water revolving fund program.

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

30.12 **Subd. 4. Point Source Implementation Grants**
 30.13 **Program**

33,737,000

30.14 For grants to eligible municipalities under the
 30.15 point source implementation grants program
 30.16 under Minnesota Statutes, section 446A.073.

30.17 This appropriation must be used for qualified
 30.18 capital projects.

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

1,200,000

30.21 For a grant to the Big Lake Area Sanitary
 30.22 District to construct a pressure sewer system
 30.23 and force main to convey sewage to the
 30.24 Western Lake Superior Sanitary District
 30.25 connection in the city of Cloquet. This
 30.26 appropriation is not available until the
 30.27 commissioner of management and budget
 30.28 determines that an equal amount is committed
 30.29 from nonstate sources. This appropriation is
 30.30 in addition to the appropriation in Laws 2014,
 30.31 chapter 294, article 1, section 22, subdivision
 30.32 4.

30.33 **Subd. 6. Dennison - Sewage Treatment System**
 30.34 **Improvements**

726,000

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

31.6 **Subd. 7. East Grand Forks - Wastewater**
 31.7 **Interconnection Infrastructure** 5,300,000

31.8 For a grant to the city of East Grand Forks to
 31.9 design and construct Phase I of the wastewater
 31.10 infrastructure improvements interconnecting
 31.11 the wastewater system of East Grand Forks to
 31.12 the wastewater treatment system in Grand
 31.13 Forks, North Dakota, and to design and
 31.14 construct Phase II, decommissioning of the
 31.15 wastewater stabilization ponds in East Grand
 31.16 Forks, Minnesota. This appropriation may not
 31.17 be used for improvements outside the state.
 31.18 This appropriation is in addition to grants
 31.19 under Minnesota Statutes, section 446A.072.
 31.20 A nonstate match is not required.

31.21 **Subd. 8. Koochiching County - Voyageurs**
 31.22 **National Park Clean Water Project** 2,000,000

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

31.33 (b) This appropriation is in addition to the
 31.34 appropriation in Laws 2014, chapter 294,
 31.35 article 1, section 22, subdivision 7.
 31.36 Notwithstanding the match requirement in

32.1 Laws 2014, chapter 294, article 1, section 22,
 32.2 subdivision 7, the nonstate match required for
 32.3 this appropriation and the 2014 appropriation
 32.4 for a grant to Koochiching County is 25
 32.5 percent of the state grant amounts. Any money
 32.6 remaining from this appropriation after
 32.7 completion of the projects in paragraph (a) is
 32.8 available for grants to Koochiching County
 32.9 or St. Louis County to be used for other capital
 32.10 projects described in the comprehensive plan
 32.11 and as determined by the Voyageurs National
 32.12 Park Clean Water Joint Powers Board.

32.13 **Sec. 21. MINNESOTA HOUSING FINANCE**
 32.14 **AGENCY**

\$ 10,000,000

32.15 For transfer to the housing development fund
 32.16 to finance the costs of rehabilitation to
 32.17 preserve public housing under Minnesota
 32.18 Statutes, section 462A.202, subdivision 3a.
 32.19 For purposes of this section, "public housing"
 32.20 means housing for low-income persons and
 32.21 households financed by the federal
 32.22 government and owned and operated by the
 32.23 public housing authorities and agencies formed
 32.24 by cities and counties. Public housing
 32.25 authorities receiving a public housing
 32.26 assessment composite score of 80 or above or
 32.27 an equivalent designation are eligible to
 32.28 receive funding. Priority must be given to
 32.29 proposals that maximize federal or local
 32.30 resources to finance the capital costs. The
 32.31 priority in Minnesota Statutes, section
 32.32 462A.202, subdivision 3a, for projects to
 32.33 increase the supply of affordable housing and
 32.34 the restrictions of Minnesota Statutes, section

33.1 462A.202, subdivision 7, do not apply to this
 33.2 appropriation.

33.3 **Sec. 22. MINNESOTA HISTORICAL**
 33.4 **SOCIETY**

33.5 **Subdivision 1. Total Appropriation** **\$** **2,500,000**

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

33.8 **Subd. 2. Historic Sites Asset Preservation** **2,500,000**

33.9 For capital improvements and betterments at
 33.10 state historic sites, buildings, landscaping at
 33.11 historic buildings, exhibits, markers, and
 33.12 monuments, to be spent in accordance with
 33.13 Minnesota Statutes, section 16B.307. The
 33.14 society shall determine project priorities as
 33.15 appropriate based on need.

33.16 **Sec. 23. BOND SALE EXPENSES** **\$** **821,000**

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

33.21 **Sec. 24. BOND SALE AUTHORIZATION.**

33.22 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from
 33.23 the bond proceeds fund, the commissioner of management and budget shall sell and issue
 33.24 bonds of the state in an amount up to \$656,986,000 in the manner, upon the terms, and with
 33.25 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
 33.26 Minnesota Constitution, article XI, sections 4 to 7.

33.27 Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the
 33.28 state transportation fund, the commissioner of management and budget shall sell and issue
 33.29 bonds of the state in an amount up to \$163,691,000 in the manner, upon the terms, and with
 33.30 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
 33.31 Minnesota Constitution, article XI, sections 4 to 7.

34.1 **Sec. 25. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

34.2 (a) The remaining uncommitted appropriations from the bond proceeds fund in Laws
34.3 1990, chapter 610, are canceled and the bond sale authorization in Laws 1990, chapter 610,
34.4 article 1, section 30, subdivision 1, as amended, is reduced by \$3,129.

34.5 (b) The remaining uncommitted appropriations from the bond proceeds fund in Laws
34.6 1994, chapter 643, are canceled and the bond sale authorization in Laws 1994, chapter 643,
34.7 section 31, subdivision 1, as amended, is reduced by \$24,480.

34.8 (c) The remaining uncommitted appropriations from the bond proceeds fund in Laws
34.9 1997, Second Special Session chapter 2, are canceled and the bond sale authorization in
34.10 Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by \$96,992.

34.11 (d) The remaining uncommitted appropriations from the bond proceeds fund in Laws
34.12 1999, chapter 240, are canceled and the bond sale authorization in Laws 1999, chapter 240,
34.13 article 1, section 13, subdivision 1, as amended, is reduced by \$212,472.

34.14 (e) The remaining uncommitted appropriations from the bond proceeds fund in Laws
34.15 2000, chapter 492, are canceled and the bond sale authorization in Laws 2000, chapter 492,
34.16 article 1, section 26, subdivision 1, as amended, is reduced by \$7,933,538.

34.17 (f) The remaining uncommitted appropriations from the bond proceeds fund in Laws
34.18 2002, chapter 393, are canceled and the bond sale authorization in Laws 2002, chapter 393,
34.19 section 30, subdivision 1, as amended, is reduced by \$188,471.

34.20 (g) The remaining uncommitted appropriations from the bond proceeds fund in Laws
34.21 2002, First Special Session chapter 1, are canceled and the bond sale authorization in Laws
34.22 2002, First Special Session chapter 1, section 9, subdivision 1, is reduced by \$217,959.

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

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

34.31 (j) The remaining uncommitted appropriations from the bond proceeds fund in Laws
34.32 2005, chapter 20, are canceled and the bond sale authorization in Laws 2005, chapter 20,
34.33 article 1, section 28, subdivision 1, as amended, is reduced by \$3,366,628.

35.1 (k) The \$700,000 appropriation from the bond proceeds fund in Laws 2011, First Special
35.2 Session chapter 12, section 13, subdivision 8, for St. Louis Park noise barriers, is canceled
35.3 and the bond sale authorization in Laws 2011, First Special Session chapter 12, section 23,
35.4 subdivision 1, is reduced by the same amount.

35.5 (l) The \$2,285,000 appropriation from the bond proceeds fund in Laws 2012, First
35.6 Special Session chapter 1, article 1, section 3, subdivision 2, to the commissioner of public
35.7 safety for disaster relief, is canceled and the bond sale authorization in Laws 2012, First
35.8 Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

35.9 (m) \$1,380,000 of the appropriation from the bond proceeds fund in Laws 2012, First
35.10 Special Session chapter 1, article 1, section 6, to the Public Facilities Authority for disaster
35.11 relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter
35.12 1, article 1, section 16, subdivision 1, is reduced by the same amount.

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

35.15 **Sec. 26. BOND SALE SCHEDULE.**

35.16 The commissioner of management and budget shall schedule the sale of state general
35.17 obligation bonds so that, during the biennium ending June 30, 2019, no more than
35.18 \$1,142,817,000 will need to be transferred from the general fund to the state bond fund to
35.19 pay principal and interest due and to become due on outstanding state general obligation
35.20 bonds. During the biennium, before each sale of state general obligation bonds, the
35.21 commissioner of management and budget shall calculate the amount of debt service payments
35.22 needed on bonds previously issued and shall estimate the amount of debt service payments
35.23 that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the
35.24 amount of bonds scheduled to be sold so as to remain within the limit set by this section.
35.25 The amount needed to make the debt service payments is appropriated from the general
35.26 fund as provided in Minnesota Statutes, section 16A.641.

35.27 **Sec. 27. EFFECTIVE DATE.**

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

35.29 **ARTICLE 2**

35.30 **MISCELLANEOUS**

35.31 **Section 1. Minnesota Statutes 2016, section 16A.967, is amended to read:**

36.1 **16A.967 LEWIS AND CLARK APPROPRIATION BONDS.**

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

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

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

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

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

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

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

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

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

37.1 estimated by the commissioner, is appropriated to the commissioner for the payment of
 37.2 principal and interest on the appropriation bonds.

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

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

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

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

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

37.33 Subd. 2a. Project authorization. Appropriation bonds may be sold and issued in amounts
 37.34 that, in the opinion of the commissioner, are necessary to provide sufficient money to the

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

38.17 Subd. 2b. **Additional project authorization.** Appropriation bonds may be sold and
38.18 issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient
38.19 money to the Public Facilities Authority under subdivision 7, paragraph (b), not to exceed
38.20 \$3,500,000 net of costs of issuance, for the purposes as provided under this subdivision,
38.21 and pay debt service including capitalized interest, costs of issuance, costs of credit
38.22 enhancement, or make payments under other agreements entered into under subdivision 2,
38.23 paragraph (d). The bonds authorized by this subdivision are for the purposes of financing
38.24 the land acquisition, design, engineering, and construction of facilities and infrastructure
38.25 necessary to complete Phase 3 of the Lewis and Clark Regional Water System project,
38.26 including extension of the project from the Lincoln-Pipestone Rural Water System connection
38.27 near Adrian to Worthington, construction of a reservoir in Nobles County and a meter
38.28 building in Worthington, and acquisition and installation of a supervisory control and data
38.29 acquisition (SCADA) system. No bonds shall be sold under this subdivision until the
38.30 commissioner determines that a nonstate match of at least \$9,000,000 is committed to the
38.31 final phase of the project.

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

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

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

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

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

39.9 Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds for the
39.10 purpose of refunding any appropriation bonds then outstanding, including the payment of
39.11 any redemption premiums on the bonds, any interest accrued or to accrue to the redemption
39.12 date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any
39.13 refunding bonds may, in the discretion of the commissioner, be applied to the purchase or
39.14 payment at maturity of the appropriation bonds to be refunded, to the redemption of the
39.15 outstanding appropriation bonds on any redemption date, or to pay interest on the refunding
39.16 bonds and may, pending application, be placed in escrow to be applied to the purchase,
39.17 payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be
39.18 invested and reinvested in obligations that are authorized investments under section 11A.24.
39.19 The income earned or realized on the investment may also be applied to the payment of the
39.20 appropriation bonds to be refunded or interest or premiums on the refunded appropriation
39.21 bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been
39.22 fully satisfied, any balance of the proceeds and any investment income may be returned to
39.23 the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds
39.24 fund for use in any lawful manner. All refunding bonds issued under this subdivision must
39.25 be prepared, executed, delivered, and secured by appropriations in the same manner as the
39.26 appropriation bonds to be refunded.

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

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

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

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

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

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

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

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

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

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

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

41.1 Subd. 8. **Appropriation for debt service and other purposes.** (a) An amount, up to
41.2 \$1,351,000 needed to pay principal and interest on appropriation bonds issued under ~~this~~
41.3 ~~section~~ subdivision 2a is appropriated each fiscal year from the general fund to the
41.4 commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
41.5 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
41.6 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
41.7 appropriation is available beginning in fiscal year 2017 and through fiscal year 2038.

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

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

41.17 Sec. 2. **[16C.054] ACCOMMODATION FOR HARD-OF-HEARING IN**
41.18 **STATE-FUNDED CAPITAL PROJECTS.**

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

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

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

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

41.32 Subd. 3. **Exemption.** A commissioner or agency head may approve a contract or grant
41.33 state funds for a capital improvement project to construct or renovate a building that does

42.1 not meet a requirement of subdivision 2, when the commissioner or agency head determines
42.2 that meeting that requirement is not feasible, is in conflict with other requirements in law,
42.3 is in conflict with other project requirements, or that costs outweigh the benefits. The
42.4 commissioner must consult with the Commission of Deaf, Deafblind, and Hard-of-Hearing
42.5 Minnesotans before making the determination.

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

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

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

42.20 Sec. 3. Minnesota Statutes 2016, section 84.946, subdivision 2, is amended to read:

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

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

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

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

43.13 Sec. 4. Minnesota Statutes 2016, section 85.34, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

44.23 (e) (b) Grants may be used for:

44.24 (1) 100 percent of the design and engineering costs that are in excess of \$10,000;

44.25 (2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and

44.26 (3) 100 percent of the bridge construction work costs.

44.27 Sec. 7. Minnesota Statutes 2016, section 174.50, subdivision 6c, is amended to read:

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

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

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

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

45.5 Sec. 8. Minnesota Statutes 2016, section 174.50, subdivision 7, is amended to read:

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

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

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

45.22 (d) Political subdivisions may use grants made under this section to construct or
45.23 reconstruct bridges, including but not limited to:

45.24 (1) matching federal aid grants to construct or reconstruct key bridges;

45.25 (2) paying the costs to abandon an existing bridge that is deficient and in need of
45.26 replacement but where no replacement will be made; and

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

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

46.1 (f) The commissioner is prohibited from awarding a grant under this section for a local
46.2 bridge replacement or rehabilitation project with a total project cost estimate of \$7,000,000
46.3 or more.

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

46.9 **Sec. 9. [219.016] HAZARDOUS MATERIALS RAIL SAFETY.**

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

46.13 Subd. 2. **Accounts established.** Two hazardous materials rail safety program accounts
46.14 are created, one in the special revenue fund and one in the bond proceeds fund. The account
46.15 in the special revenue fund consists of money as provided by law, and any other money
46.16 donated, allotted, transferred, or otherwise provided to the account. Money in each account
46.17 is appropriated to the commissioner of transportation to make grants as provided in this
46.18 section. Money in the accounts is available until spent, notwithstanding section 16A.28 or
46.19 16A.642.

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

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

46.32 (b) A project is eligible for a grant from the account in the special revenue fund if it is
46.33 for purposes described in paragraph (a) or other capital facility improvement purposes that

47.1 support the purposes for which this grant program is established, including capital costs
47.2 associated with planning, engineering, administration, and construction of public highway-rail
47.3 grade crossing improvements on rail corridors transporting crude oil and other hazardous
47.4 materials. Improvements may include upgrades to existing protection systems, the closing
47.5 of crossings and necessary roadwork, and reconstruction of at-grade crossings to full grade
47.6 separations.

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

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

47.12 (2) roadway traffic volumes and speeds;

47.13 (3) train volumes and speeds;

47.14 (4) adjacent land use;

47.15 (5) crash history;

47.16 (6) use of the crossing by emergency vehicles;

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

47.18 (8) local financial contributions to the project.

47.19 Subd. 6. **Process.** The commissioner must develop forms and procedures for soliciting
47.20 and reviewing applications for grants under this section. An applicant must apply for a grant
47.21 in the manner and at the times determined by the commissioner. The grant agreement must
47.22 be approved by the commissioner of management and budget and is subject to cancellation
47.23 under subdivision 7.

47.24 Subd. 7. **Grant cancellation.** If the commissioner determines that a grantee is unable
47.25 to proceed with an approved project or has not expended or obligated the grant money within
47.26 four years of entering into the grant agreement with the commissioner, the commissioner
47.27 must cancel the grant. Money canceled under this subdivision is available for the
47.28 commissioner to make other grants under this section.

47.29 Sec. 10. Minnesota Statutes 2016, section 446A.072, is amended to read:

47.30 **446A.072 ~~WASTEWATER~~ WATER INFRASTRUCTURE FUNDING PROGRAM.**

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

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

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

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

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

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

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

48.31 (1) calculate the essential project component percentage based on the portion of project
48.32 costs necessary to convey or treat the existing wastewater flows and loadings or, for drinking
48.33 water projects, to provide safe drinking water to meet existing needs, which must be

49.1 multiplied by the total project cost to determine the eligible project cost for the program
49.2 under this section; and

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

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

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

49.19 (b) For a governmental unit receiving a loan from the clean water revolving fund under
49.20 section 446A.07, the authority may provide assistance under this section in the form of a
49.21 grant if the average annual residential wastewater system cost after completion of the project
49.22 would otherwise exceed 1.4 percent of the median household income of the project service
49.23 area. In determining whether the average annual residential wastewater system cost would
49.24 exceed 1.4 percent, the authority must consider the total costs associated with building,
49.25 operating, and maintaining the wastewater system, including existing wastewater debt
49.26 service, debt service on the eligible project cost, and operation and maintenance costs. Debt
49.27 service costs for the proposed project are calculated based on the maximum loan term
49.28 permitted for the clean water revolving fund loan under section 446A.07, subdivision 7.
49.29 The amount of the grant is equal to 80 percent of the amount needed to reduce the average
49.30 annual residential wastewater system cost to 1.4 percent of median household income in
49.31 the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~
49.32 \$20,000 per existing connection, whichever is less, unless specifically approved by law.
49.33 The eligible project cost is determined by multiplying the total project costs minus any other
49.34 grants by the essential project component percentage calculated under subdivision 3,

50.1 paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the
50.2 eligible project cost.

50.3 (c) For a governmental unit receiving a loan from the drinking water revolving fund
50.4 under section 446A.081, the authority may provide assistance under this section in the form
50.5 of a grant if the average annual residential drinking water system cost after completion of
50.6 the project would otherwise exceed 1.2 percent of the median household income of the
50.7 project service area. In determining whether the average annual residential drinking water
50.8 system cost would exceed 1.2 percent, the authority must consider the total costs associated
50.9 with building, operating, and maintaining the drinking water system, including existing
50.10 drinking water debt service, debt service on the eligible project cost, and operation and
50.11 maintenance costs. Debt service costs for the proposed project are calculated based on the
50.12 maximum loan term permitted for the drinking water revolving fund loan under section
50.13 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of
50.14 the amount needed to reduce the average annual residential drinking water system cost to
50.15 1.2 percent of median household income in the project service area, to a maximum of
50.16 \$5,000,000 per project or \$20,000 per existing connection, whichever is less, unless
50.17 specifically approved by law. The eligible project cost is determined by multiplying the
50.18 total project costs minus any other grants by the essential project component percentage
50.19 calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the
50.20 grant exceed 80 percent of the eligible project cost.

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

50.27 ~~Subd. 5b. Special assessment deferral. A governmental unit receiving a loan under~~
50.28 ~~subdivision 5a that levies special assessments to repay the loan under subdivision 5a or~~
50.29 ~~section 446A.07 may defer payment of such assessments under the provisions of sections~~
50.30 ~~435.193 to 435.195.~~

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

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

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

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

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

51.26 Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or grant~~
51.27 under this section shall establish a system replacement fund and shall annually deposit a
51.28 minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or~~ expansion, or
51.29 replacement of the treatment wastewater or drinking water system, or replacement of the
51.30 ~~treatment system at the end of its useful life.~~ Money must remain in the account for the life
51.31 of the corresponding project loan from the authority or USDA/RECD, unless use of the
51.32 fund is approved in writing by the authority for major rehabilitation, expansion, or
51.33 replacement of the ~~treatment~~ wastewater or drinking water system. By March 1 each year
51.34 during the life of the loan, each recipient shall submit a report to the authority regarding the
51.35 amount deposited and the fund balance for the prior calendar year. A recipient is not required

52.1 to maintain a fund balance greater than the amount of the grant received. Failure to comply
 52.2 with the requirements of this subdivision shall result in the authority assessing a penalty
 52.3 fee to the recipient equal to one percent of the supplemental assistance amount for each
 52.4 year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as~~
 52.5 ~~required constitutes a default on the loan.~~

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

52.9 (1) the project is consistent with the county comprehensive land use plan, if the county
 52.10 has adopted one;

52.11 (2) the project is consistent with the county water plan, if the county has adopted one;
 52.12 and

52.13 (3) the county has adopted specific land use ordinances or controls so as to meet or
 52.14 exceed the requirements of Minnesota Rules, part 7082.0050.

52.15 Sec. 11. Minnesota Statutes 2016, section 446A.073, is amended to read:

52.16 **446A.073 POINT SOURCE IMPLEMENTATION GRANTS.**

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

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

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

52.26 (3) any other water quality-based effluent limit established under section 115.03,
 52.27 subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution
 52.28 Control Agency that exceeds secondary treatment limits; or

52.29 (4) a total nitrogen concentration or mass limit of that requires discharging ten milligrams
 52.30 per liter or less ~~for a land-based treatment system~~ at permitted design flow.

52.31 Subd. 2. **Grant application.** Application for a grant must be made to the authority on
 52.32 forms prescribed by the authority ~~for the total maximum daily load grant program, with~~

53.1 ~~additional information as required by the authority~~, including a project schedule and cost
 53.2 estimate for the work necessary to comply with the ~~point source wasteload allocation~~
 53.3 requirements listed in subdivision 1. The Pollution Control Agency shall:

53.4 ~~(1) in accordance with section 116.182, calculate the essential project component~~
 53.5 ~~percentage, which must be multiplied by the total project cost to determine the eligible~~
 53.6 ~~project cost; and~~

53.7 ~~(2)~~ review and certify to the authority those projects that have plans and specifications
 53.8 approved under section 115.03, subdivision 1, paragraph (f).

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

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

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

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

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

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

53.29 Sec. 12. Minnesota Statutes 2016, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

54.12 (5) to earn interest on fund accounts;

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

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

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

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

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

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

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

55.8 ~~(e)~~ (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not
55.9 exceed 25 percent of the eligible project costs as determined by the Department of Health
55.10 for project components directly related to green infrastructure, water or energy efficiency
55.11 improvements, or other environmentally innovative activities, up to a maximum of
55.12 \$1,000,000.

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

55.19 Sec. 13. Minnesota Statutes 2016, section 446A.12, subdivision 1, is amended to read:

55.20 Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a
55.21 principal amount that the authority determines necessary to provide sufficient funds for
55.22 achieving its purposes, including the making of loans and purchase of securities, the payment
55.23 of interest on bonds of the authority, the establishment of reserves to secure its bonds, the
55.24 payment of fees to a third party providing credit enhancement, and the payment of all other
55.25 expenditures of the authority incident to and necessary or convenient to carry out its corporate
55.26 purposes and powers, but not including the making of grants. Bonds of the authority may
55.27 be issued as bonds or notes or in any other form authorized by law. The principal amount
55.28 of bonds issued and outstanding under this section at any time may not exceed
55.29 ~~\$1,500,000,000~~ \$2,000,000,000, excluding bonds for which refunding bonds or crossover
55.30 refunding bonds have been issued, and excluding any bonds issued for the credit enhanced
55.31 bond program or refunding or crossover refunding bonds issued under the program. The
55.32 principal amount of bonds issued and outstanding under section 446A.087, may not exceed
55.33 \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds
55.34 have been issued.

56.1 Sec. 14. Minnesota Statutes 2016, section 462A.37, subdivision 2a, is amended to read:

56.2 Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision
56.3 2, the agency may issue up to ~~\$80,000,000~~ \$95,000,000 of housing infrastructure bonds in
56.4 one or more series to which the payments made under this section may be pledged.

56.5 Sec. 15. Minnesota Statutes 2016, section 462A.37, subdivision 2b, is amended to read:

56.6 Subd. 2b. **Additional authorization.** In addition to the amount authorized in subdivisions
56.7 2 and 2a, the agency may issue up to ~~\$10,000,000~~ \$15,000,000 of housing infrastructure
56.8 bonds in one or more series to which the payments made under this section may be pledged.

56.9 Sec. 16. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision
56.10 to read:

56.11 Subd. 2c. **Additional authorization.** In addition to the amount authorized in subdivisions
56.12 2, 2a, and 2b, the agency may issue up to \$35,000,000 in housing infrastructure bonds in
56.13 one or more series to which the payments under this section may be pledged.

56.14 Sec. 17. Minnesota Statutes 2016, section 462A.37, subdivision 5, is amended to read:

56.15 Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the
56.16 commissioner of management and budget the actual amount of annual debt service on each
56.17 series of bonds issued under subdivisions 2a ~~and~~ 2b, and 2c.

56.18 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
56.19 bonds issued under subdivision 2a remain outstanding, the commissioner of management
56.20 and budget must transfer to the housing infrastructure bond account established under section
56.21 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000
56.22 annually. The amounts necessary to make the transfers are appropriated from the general
56.23 fund to the commissioner of management and budget.

56.24 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
56.25 bonds issued under subdivision 2b remain outstanding, the commissioner of management
56.26 and budget must transfer to the housing infrastructure bond account established under section
56.27 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000
56.28 annually. The amounts necessary to make the transfers are appropriated from the general
56.29 fund to the commissioner of management and budget.

56.30 (d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure
56.31 bonds issued under subdivision 2c remain outstanding, the commissioner of management

57.1 and budget must transfer to the housing infrastructure bond account established under section
 57.2 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$1,250,000
 57.3 in fiscal year 2018 and \$2,800,000 annually thereafter. The amounts necessary to make the
 57.4 transfers are appropriated from the general fund to the commissioner of management and
 57.5 budget.

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

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

57.10 **Subd. 6. Systemwide Redevelopment, Reuse, or**
 57.11 **Demolition** 5,000,000

57.12 To abate hazardous materials, design,
 57.13 construct, or improve basic infrastructure,
 57.14 including sanitary and storm sewer and water
 57.15 lines, public streets, curb, gutter, street lights,
 57.16 or sidewalks, to make improvements for
 57.17 building envelope and structural integrity for
 57.18 the purposes of stabilizing the buildings for
 57.19 sale, demolish all or portions of surplus,
 57.20 nonfunctional, or deteriorated facilities and
 57.21 infrastructure or to renovate surplus,
 57.22 nonfunctional, or deteriorated facilities and
 57.23 infrastructure to facilitate redevelopment of
 57.24 Department of Human Services campuses that
 57.25 the commissioner of administration is
 57.26 authorized to convey to a local unit of
 57.27 government under Laws 2005, chapter 20,
 57.28 article 1, section 46, or other law. These
 57.29 projects must facilitate the redevelopment or
 57.30 reuse of these campuses and must be
 57.31 implemented consistent with the
 57.32 comprehensive redevelopment plans
 57.33 developed and approved under Laws 2003,
 57.34 First Special Session chapter 14, article 6,
 57.35 section 64, subdivision 2, unless expressly

58.1 provided otherwise. If a surplus campus is sold
 58.2 or transferred to a local unit of government,
 58.3 unspent portions of this appropriation may be
 58.4 granted to that local unit of government for
 58.5 the purposes stated in this subdivision.
 58.6 Notwithstanding the inclusion of the
 58.7 unencumbered and unobligated balance of the
 58.8 bond sale authorization and appropriation of
 58.9 bond proceeds in this subdivision in the report
 58.10 submitted to the legislature in January 2017
 58.11 pursuant to Minnesota Statutes, section
 58.12 16A.642, the unencumbered and obligated
 58.13 balance of the bond sale authorization and
 58.14 appropriation of bond proceeds in this
 58.15 subdivision are, estimated to be \$1,991,456.32,
 58.16 is reauthorized and available until December
 58.17 31, 2016 2020.

58.18 Sec. 19. Laws 2012, chapter 293, section 7, subdivision 3, is amended to read:

58.19 **Subd. 3. Dam Repair, Reconstruction, and**
 58.20 **Removal** 3,000,000

58.21 To renovate or remove publicly owned dams.
 58.22 The commissioner shall determine project
 58.23 priorities as appropriate under Minnesota
 58.24 Statutes, sections 103G.511 and 103G.515.
 58.25 Notwithstanding the match requirements in
 58.26 Minnesota Statutes, section 103G.511, a grant
 58.27 to the city of Lanesboro does not require any
 58.28 nonstate match.

58.29 Sec. 20. Laws 2012, chapter 293, section 17, subdivision 4, is amended to read:

58.30 **Subd. 4. Phillips Community Center** 1,750,000

58.31 For a grant to the Minneapolis Park and
 58.32 Recreation Board to predesign, design,
 58.33 engineer, reconstruct, renovate, furnish, and
 58.34 equip the Phillips Community Center indoor

59.1 competitive swimming pool and to predesign,
 59.2 design, engineer, and construct an additional
 59.3 indoor multipurpose family pool and facilities
 59.4 associated with an aquatic center in the
 59.5 community center, subject to Minnesota
 59.6 Statutes, section 16A.695.

59.7 This appropriation is not available until the
 59.8 commissioner determines that at least
 59.9 \$350,000 is committed from nonstate sources.

59.10 Notwithstanding Minnesota Statutes, section
 59.11 16A.642, the bond sale authorization and
 59.12 appropriation of bond proceeds for this project
 59.13 are available until December 31, 2022.

59.14 Sec. 21. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

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

59.17 For a grant to the city of West St. Paul to
 59.18 predesign, design, and construct a ~~pedestrian~~
 59.19 ~~bridge for the North Urban Regional Trail as~~
 59.20 ~~an overpass~~ grade separated crossing of Robert
 59.21 Street in the area near Wentworth Avenue in
 59.22 West St. Paul for the River to River Regional
 59.23 Greenway. This appropriation may also be
 59.24 used to acquire property or purchase
 59.25 rights-of-way needed for ~~bridge~~ construction.
 59.26 A nonstate match is not required.

59.27 Sec. 22. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3,
 59.28 is amended to read:

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

59.30 (a) From the bond proceeds account in the
 59.31 state transportation fund as provided in
 59.32 Minnesota Statutes, section 174.50, for
 59.33 construction and reconstruction of local roads

60.1 with statewide or regional significance under
 60.2 Minnesota Statutes, section 174.52,
 60.3 subdivision 4, or for grants to counties to assist
 60.4 in paying the costs of rural road safety capital
 60.5 improvement projects on county state-aid
 60.6 highways under Minnesota Statutes, section
 60.7 174.52, subdivision 4a.

60.8 (b) This appropriation includes \$850,000 for
 60.9 a grant to the city of Sandstone for predesign,
 60.10 design, engineering, and construction of a road
 60.11 extending south off of marked Trunk Highway
 60.12 23 across from Lundorff Drive to the airport
 60.13 area, and including a bridge over Skunk Creek
 60.14 in Sandstone, in order to facilitate repurposing
 60.15 of an area of the airport into a business park.
 60.16 This appropriation is not available until the
 60.17 commissioner of management and budget
 60.18 determines that sufficient resources to
 60.19 complete the project are committed to it from
 60.20 other sources, including any funds made
 60.21 available from the commissioner of
 60.22 transportation.

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

60.32 Sec. 23. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 7,
 60.33 is amended to read:

60.34 **Subd. 7. Richfield - 77th Street Underpass** 10,000,000

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

61.17 **Sec. 24. NATIONAL SPORTS CENTER; LEASE.**

61.18 Notwithstanding Minnesota Statutes, sections 16A.695, 16B.24, and 240A.03, subdivision
61.19 6, the Minnesota Amateur Sports Commission may lease for educational purposes that
61.20 portion of property described as a portion of the property acquired by the commission
61.21 pursuant to Laws 1987, chapter 400, section 8, subdivision 3, not currently needed for
61.22 amateur sports purposes to Independent School District No. 16, Spring Lake Park. The lease
61.23 shall be in a form approved by the attorney general and for a term not to exceed 99 years.
61.24 The lease may provide for the provision of capital improvements or other performance by
61.25 the tenant in lieu of all or some of the payments of rent that would otherwise be required.
61.26 Any lease revenues paid to the commission are appropriated to the commission.

61.27 **Sec. 25. REVISOR'S INSTRUCTION.**

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

61.30 **Sec. 26. REPEALER.**

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

62.1 Sec. 27. **EFFECTIVE DATE.**

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

APPENDIX
Article locations in H0892-2

ARTICLE 1	APPROPRIATIONS	Page.Ln 1.16
ARTICLE 2	MISCELLANEOUS	Page.Ln 35.29

APPENDIX
Repealed Minnesota Statutes: H0892-2

123A.446 STATE BOND AUTHORIZATION.

To provide money for the cooperative secondary facilities grant program, the commissioner of management and budget, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$14,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7.