

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 954**

(SENATE AUTHORS: EATON, Frenz, Marty and Bigham)

DATE  
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Introduction and first reading  
Referred to Capital Investment

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to capital investment; changing the source of funding for previously  
1.3 authorized capital projects; authorizing spending to acquire and better public land  
1.4 and buildings and other improvements of a capital nature with certain conditions;  
1.5 authorizing the sale and issuance of state bonds; appropriating money; amending  
1.6 Minnesota Statutes 2018, section 116P.08, subdivisions 1, 2; repealing Minnesota  
1.7 Statutes 2018, section 16A.969; Laws 2018, chapter 214, article 6, section 4.

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

1.9 **ARTICLE 1**  
1.10 **APPROPRIATIONS**

1.11 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

1.12 The sums shown in the column under "Appropriations" are appropriated from the bond  
1.13 proceeds fund, or another named fund, in fiscal year 2019 to the state agencies or officials  
1.14 indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent  
1.15 as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire  
1.16 and better public land and buildings and other public improvements of a capital nature, or  
1.17 as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or  
1.18 article XIV. Unless otherwise specified, money appropriated in this act:

1.19 (1) may be used to pay state agency staff costs that are attributed directly to the capital  
1.20 program or project in accordance with accounting policies adopted by the commissioner of  
1.21 management and budget;

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

2.1 (3) for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046,  
 2.2 should not be used for projects that can be financed within a reasonable time frame under  
 2.3 Minnesota Statutes, section 16B.322 or 16C.144; and

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

2.7 **APPROPRIATIONS**

2.8 **Sec. 2. NATURAL RESOURCES**

2.9 **Subdivision 1. Total Appropriation** **\$ 5,700,000**

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

2.12 (b) The appropriations in this section are  
 2.13 subject to the requirements of the natural  
 2.14 resources capital improvement program under  
 2.15 Minnesota Statutes, section 86A.12, unless  
 2.16 this section or the statutes referred to in this  
 2.17 section provide more specific standards,  
 2.18 criteria, or priorities for projects than  
 2.19 Minnesota Statutes, section 86A.12.

2.20 **Subd. 2. Natural Resources Asset Preservation** **3,419,000**

2.21 For the renovation of state-owned facilities  
 2.22 and recreational assets operated by the  
 2.23 commissioner of natural resources to be spent  
 2.24 in accordance with Minnesota Statutes, section  
 2.25 84.946. Notwithstanding Minnesota Statutes,  
 2.26 section 84.946, the commissioner may use this  
 2.27 appropriation to replace buildings if,  
 2.28 considering the embedded energy in the  
 2.29 building, that is the most energy-efficient and  
 2.30 carbon-reducing method of renovation.

2.31 **Subd. 3. Elk River - Lake Orono** **1,500,000**

2.32 For a grant to the city of Elk River to dredge  
 2.33 Lake Orono.

3.1 Subd. 4. South St. Paul - Seidl's Lake 781,000

3.2 For a grant to the city of South St. Paul for  
3.3 capital improvements to improve the water  
3.4 quality of Seidl's Lake. The capital  
3.5 improvements include design, engineering,  
3.6 construction, and equipping of a storm water  
3.7 lift station to discharge excess storm water  
3.8 into the city of South St. Paul's storm sewer  
3.9 system to minimize the fluctuating water  
3.10 levels of the lake. This project may be  
3.11 implemented jointly by the cities of South St.  
3.12 Paul, Inver Grove Heights, and West St. Paul.

3.13 **Sec. 3. POLLUTION CONTROL AGENCY**

3.14 Subdivision 1. Total Appropriation **\$ 13,300,000**

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

3.17 **Subd. 2. Anoka County - Waste Disposal**  
3.18 **Engineering Closed Landfill** 6,000,000

3.19 To design and construct remedial systems,  
3.20 including cleanup and removal of a leaking  
3.21 hazardous waste pit and protection of  
3.22 groundwater, at the Waste Disposal  
3.23 Engineering site in Anoka County in  
3.24 accordance with the closed landfill program  
3.25 under Minnesota Statutes, sections 115B.39  
3.26 to 115B.42.

3.27 **Subd. 3. Lake Redwood Reclamation** 7,300,000

3.28 For a grant to the Redwood-Cottonwood  
3.29 Rivers Control Area, a joint powers entity, to  
3.30 predesign, design, construct, and equip the  
3.31 reservoir reclamation and enhancement of the  
3.32 66-acre Lake Redwood Reservoir, to remove  
3.33 approximately 650,000 cubic yards of  
3.34 sediment and increase its depth from

4.1 approximately 2.8 feet to 20 feet in order to  
 4.2 secure renewable energy capacity of the  
 4.3 hydroelectric dam, which is impeded by lack  
 4.4 of water capacity, reduce the flow of pollutants  
 4.5 to the Minnesota River, and increase fish  
 4.6 habitat and enhance recreational opportunities.

4.7 **Sec. 4. BOARD OF WATER AND SOIL**  
 4.8 **RESOURCES**

**\$ 10,000,000**

4.9 (a) To the Board of Water and Soil Resources  
 4.10 to acquire conservation easements from  
 4.11 landowners to preserve, restore, create, and  
 4.12 enhance wetlands and associated uplands of  
 4.13 prairie and grasslands, and restore and enhance  
 4.14 rivers and streams, riparian lands, and  
 4.15 associated uplands of prairie and grasslands  
 4.16 in order to protect soil and water quality,  
 4.17 support fish and wildlife habitat, reduce flood  
 4.18 damage, and provide other public benefits.  
 4.19 The provisions of Minnesota Statutes, section  
 4.20 103F.515, apply to this program.

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

4.26 (c) The board is authorized to enter into new  
 4.27 agreements and amend past agreements with  
 4.28 landowners as required by Minnesota Statutes,  
 4.29 section 103F.515, subdivision 5, to allow for  
 4.30 restoration.

4.31 (d) Of this appropriation, up to five percent  
 4.32 may be used for restoration, rehabilitation, and  
 4.33 enhancement; and no more than \$1,000,000  
 4.34 may be used to acquire working lands  
 4.35 easements.

5.1	<b>Sec. 5. <u>METROPOLITAN COUNCIL</u></b>	<b><u>\$</u></b>	<b><u>10,000,000</u></b>
5.2	<u>To the Metropolitan Council for the cost of</u>		
5.3	<u>improvements and betterments of a capital</u>		
5.4	<u>nature and acquisition by the council and local</u>		
5.5	<u>government units of regional recreational</u>		
5.6	<u>open-space lands in accordance with the</u>		
5.7	<u>council's policy plan as provided in Minnesota</u>		
5.8	<u>Statutes, section 473.147. This appropriation</u>		
5.9	<u>must not be used to purchase easements.</u>		
5.10	<b>Sec. 6. <u>PUBLIC FACILITIES AUTHORITY</u></b>		
5.11	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>59,000,000</u></b>
5.12	<u>To the Public Facilities Authority for the</u>		
5.13	<u>purposes specified in this section.</u>		
5.14	<b><u>Subd. 2. State Match for Federal Grants</u></b>		<b><u>6,000,000</u></b>
5.15	<u>To match federal grants for the clean water</u>		
5.16	<u>revolving fund for wastewater treatment under</u>		
5.17	<u>Minnesota Statutes, section 446A.07. This</u>		
5.18	<u>appropriation must be used for qualified</u>		
5.19	<u>capital projects.</u>		
5.20	<b><u>Subd. 3. Water Infrastructure Funding Program</u></b>		<b><u>14,652,000</u></b>
5.21	<u>For grants to eligible municipalities under the</u>		
5.22	<u>wastewater infrastructure funding program</u>		
5.23	<u>under Minnesota Statutes, section 446A.072,</u>		
5.24	<u>for wastewater projects listed on the Pollution</u>		
5.25	<u>Control Agency's project priority list in the</u>		
5.26	<u>fundable range under the clean water revolving</u>		
5.27	<u>fund program.</u>		
5.28	<b><u>Subd. 4. Point Source Implementation Grants</u></b>		
5.29	<b><u>Program</u></b>		<b><u>38,348,000</u></b>
5.30	<u>For grants to eligible municipalities under the</u>		
5.31	<u>point source implementation grants program</u>		
5.32	<u>under Minnesota Statutes, section 446A.073.</u>		

6.1 This appropriation must be used for qualified  
 6.2 capital projects.

6.3 Sec. 7. **BOND SALE EXPENSES** **\$** **98,000**

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

6.8 Sec. 8. **BOND SALE AUTHORIZATION.**

6.9 To provide the money appropriated in this act from the bond proceeds fund, the  
 6.10 commissioner of management and budget shall sell and issue bonds of the state in an amount  
 6.11 up to \$98,098,000 in the manner, upon the terms, and with the effect prescribed by Minnesota  
 6.12 Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI,  
 6.13 sections 4 to 7.

6.14 Sec. 9. **BOND SALE SCHEDULE.**

6.15 The commissioner of management and budget shall schedule the sale of state general  
 6.16 obligation bonds so that, during the biennium ending June 30, 2021, no more than \$.....  
 6.17 will need to be transferred from the general fund to the state bond fund to pay principal and  
 6.18 interest due and to become due on outstanding state general obligation bonds. During the  
 6.19 biennium, before each sale of state general obligation bonds, the commissioner of  
 6.20 management and budget shall calculate the amount of debt service payments needed on  
 6.21 bonds previously issued and shall estimate the amount of debt service payments that will  
 6.22 be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of  
 6.23 bonds scheduled to be sold so as to remain within the limit set by this section. The amount  
 6.24 needed to make the debt service payments is appropriated from the general fund as provided  
 6.25 in Minnesota Statutes, section 16A.641.

6.26 Sec. 10. **REPEALER.**

6.27 Minnesota Statutes 2018, section 16A.969, and Laws 2018, chapter 214, article 6, section  
 6.28 4, are repealed.

6.29 Sec. 11. **EFFECTIVE DATE.**

6.30 This article is effective the day following final enactment.

7.1

**ARTICLE 2**

7.2

**MISCELLANEOUS**

7.3 Section 1. Minnesota Statutes 2018, section 116P.08, subdivision 1, is amended to read:

7.4 Subdivision 1. **Expenditures.** (a) Money in the trust fund may be spent only for:

7.5 (1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

7.6 (2) research that contributes to increasing the effectiveness of protecting or managing  
7.7 the state's environment or natural resources;

7.8 (3) collection and analysis of information that assists in developing the state's  
7.9 environmental and natural resources policies;

7.10 (4) enhancement of public education, awareness, and understanding necessary for the  
7.11 protection, conservation, restoration, and enhancement of air, land, water, forests, fish,  
7.12 wildlife, and other natural resources;

7.13 (5) capital projects for the preservation and protection of unique natural resources;

7.14 (6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural  
7.15 resources that otherwise may be substantially impaired or destroyed in any area of the state;

7.16 (7) administrative and investment expenses incurred by the State Board of Investment  
7.17 in investing deposits to the trust fund; and

7.18 (8) administrative expenses subject to the limits in section 116P.09; ~~and~~

7.19 ~~(9) to pay principal and interest on special appropriation trust fund bonds issued pursuant~~  
7.20 ~~to section 16A.969 and other law.~~

7.21 (b) In making recommendations for expenditures from the trust fund, the commission  
7.22 shall give priority to funding programs and projects under paragraph (a), clauses (1) and  
7.23 (6). Any requests for proposals issued by the commission shall clearly indicate these  
7.24 priorities.

7.25 Sec. 2. Minnesota Statutes 2018, section 116P.08, subdivision 2, is amended to read:

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

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

7.29 (2) purposes of municipal water pollution control in municipalities with a population of  
7.30 5,000 or more under the authority of chapters 115 and 116;

- 8.1 (3) costs associated with the decommissioning of nuclear power plants;
- 8.2 (4) hazardous waste disposal facilities;
- 8.3 (5) solid waste disposal facilities; ~~or~~
- 8.4 (6) projects or purposes inconsistent with the strategic plan; or
- 8.5 (7) principal and interest payments on bonds or other debt instruments.

8.6 Sec. 3. **EFFECTIVE DATE.**

8.7 This article is effective the day following final enactment.