

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

S.F. No. 2892

(SENATE AUTHORS: PAPPAS)

DATE
03/14/2023

D-PG

Introduction and first reading
Referred to Capital Investment

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to capital investment; authorizing spending to acquire and better public
1.3 land and buildings and for other improvements of a capital nature with certain
1.4 conditions; establishing new programs and modifying existing programs; modifying
1.5 prior appropriations; authorizing the sale and issuance of state bonds; appropriating
1.6 money; amending Minnesota Statutes 2022, sections 16A.632, subdivisions 2, 4;
1.7 16A.966, subdivision 2; 16B.307; 174.38, subdivisions 1, 3; 256E.36, subdivision
1.8 1; 256E.37, subdivision 1; 446A.081, subdivisions 8, 9; 462A.37, subdivisions 2,
1.9 5, by adding a subdivision; Laws 2018, chapter 214, article 1, section 19,
1.10 subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 16B;
1.11 116; 174; repealing Minnesota Statutes 2022, sections 16A.93; 16A.94; 16A.96.

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

1.13 **ARTICLE 1**
1.14 **APPROPRIATIONS**

1.15 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

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

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

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

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

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

2.9 (b) Unless otherwise specified, appropriations in this article from the general fund are
2.10 made in fiscal year 2024 and are onetime appropriations.

2.11 **APPROPRIATIONS**

2.12 **Sec. 2. UNIVERSITY OF MINNESOTA**

2.13 **Subdivision 1. Total Appropriation** **\$ 262,760,000**

2.14 To the Board of Regents of the University of
2.15 Minnesota for the purposes specified in this
2.16 section.

2.17 **Subd. 2. Higher Education Asset Preservation**
2.18 **and Replacement (HEAPR)** **170,160,000**

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

2.21 \$129,780,000 of this appropriation is from the
2.22 general fund. The Board of Regents may use
2.23 the general fund appropriation for capital
2.24 expenditures allowed under Minnesota
2.25 Statutes, section 135A.046, that do not
2.26 constitute betterments and capital
2.27 improvements within the meaning of article
2.28 XI, section 5, clause (a), of the constitution.

2.29 The report required under Minnesota Statutes,
2.30 section 135A.046, subdivision 3, shall also
2.31 include a list of projects that have been paid
2.32 for with this appropriation from the general
2.33 fund.

3.1 **Subd. 3. Twin Cities - Chemistry Undergraduate**
 3.2 **Teaching Laboratory**

92,600,000

3.3 To construct, furnish, and equip the renovation
 3.4 of and an addition to Fraser Hall for an
 3.5 undergraduate chemistry teaching laboratory
 3.6 facility on the Twin Cities campus. This
 3.7 project includes the demolition of obsolete
 3.8 portions of Fraser Hall.

3.9 **Subd. 4. University Share**

3.10 Except for the appropriations for HEAPR, the
 3.11 appropriations in this section are intended to
 3.12 cover approximately two-thirds of the cost of
 3.13 each project. The remaining costs must be paid
 3.14 from university sources.

3.15 **Subd. 5. Unspent Appropriations**

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

3.32 **Sec. 3. MINNESOTA STATE COLLEGES AND**
 3.33 **UNIVERSITIES**

3.34 **Subdivision 1. Total Appropriation**

\$ 321,125,000

- 4.1 To the Board of Trustees of the Minnesota
 4.2 State Colleges and Universities for the
 4.3 purposes specified in this section.
- 4.4 **Subd. 2. Higher Education Asset Preservation**
 4.5 **and Replacement (HEAPR)** 146,079,000
- 4.6 To be spent in accordance with Minnesota
 4.7 Statutes, section 135A.046.
- 4.8 \$111,414,000 of this appropriation is from the
 4.9 general fund. The Board of Trustees may use
 4.10 the general fund appropriation for capital
 4.11 expenditures allowed under Minnesota
 4.12 Statutes, section 135A.046, that do not
 4.13 constitute betterments and capital
 4.14 improvements within the meaning of article
 4.15 XI, section 5, clause (a), of the constitution.
 4.16 The report required under Minnesota Statutes,
 4.17 section 135A.046, subdivision 3, shall also
 4.18 include a list of projects that have been paid
 4.19 for with this appropriation from the general
 4.20 fund.
- 4.21 **Subd. 3. Minnesota State University, Moorhead** 23,099,000
- 4.22 To design, renovate, expand, and equip Weld
 4.23 Hall, including the construction of additions
 4.24 to improve building accessibility at Minnesota
 4.25 State University, Moorhead.
- 4.26 **Subd. 4. Inver Hills Community College** 22,025,000
- 4.27 To design, renovate, and equip the Technology
 4.28 and Business Center building, including the
 4.29 construction of a link to Heritage Hall at Inver
 4.30 Hills Community College.
- 4.31 **Subd. 5. Minneapolis Community and Technical**
 4.32 **College** 20,457,000
- 4.33 To design, renovate, and equip phases 1 and
 4.34 2 of the Management Education Center shared

- 5.1 with Metropolitan State University on the
 5.2 Minneapolis Community and Technical
 5.3 College campus to support baccalaureate
 5.4 programming expansion.
- 5.5 **Subd. 6. Pine Technical and Community College** 21,468,000
- 5.6 To design, renovate, construct, and equip the
 5.7 renovation of the main building allied health
 5.8 space and an addition of the technical trade
 5.9 and applied learning labs at Pine Technical
 5.10 and Community College.
- 5.11 **Subd. 7. Saint Paul College** 1,671,000
- 5.12 To design the renovation of classroom, lab,
 5.13 and student services space and design the
 5.14 demolition of the College Learning Center
 5.15 Building which will be replaced by the
 5.16 renovations at the Saint Paul College campus.
- 5.17 **Subd. 8. Northeast Higher Education District -**
 5.18 **Vermilion Community College** 3,633,000
- 5.19 To design, renovate, and equip the classroom
 5.20 building and common space at Northeast
 5.21 Higher Education District - Vermilion
 5.22 Community College.
- 5.23 **Subd. 9. Central Lakes College** 11,591,000
- 5.24 To design, renovate, and equip the student
 5.25 services, academic support areas, and athletics
 5.26 space of the Central Lakes College, Brainerd
 5.27 campus.
- 5.28 **Subd. 10. Northland Community and Technical**
 5.29 **College** 3,282,000
- 5.30 To design, renovate, and equip teaching and
 5.31 learning lab space at Northland Community
 5.32 and Technical College, East Grand Forks
 5.33 campus.

6.1	<u>Subd. 11. Minnesota State University, Mankato</u>	<u>8,460,000</u>
6.2	<u>To design and renovate space in the lower</u>	
6.3	<u>level of the Clinical Sciences Building; to</u>	
6.4	<u>design the demolition and replacement of</u>	
6.5	<u>Armstrong Hall; and to design the partial</u>	
6.6	<u>renovation of Wiecking Center, Performing</u>	
6.7	<u>Arts Center, the Library, and Morris Hall at</u>	
6.8	<u>Minnesota State University, Mankato.</u>	
6.9	<u>Subd. 12. Winona State University</u>	<u>4,866,000</u>
6.10	<u>To design a net zero energy building that will</u>	
6.11	<u>contain flexible classroom space and student</u>	
6.12	<u>support services and to design the demolition</u>	
6.13	<u>of Gildemeister and Watkins Halls which will</u>	
6.14	<u>be replaced by the net zero energy building at</u>	
6.15	<u>Winona State University.</u>	
6.16	<u>Subd. 13. Lake Superior College</u>	<u>8,316,000</u>
6.17	<u>To design and construct the renovation of</u>	
6.18	<u>integrated manufacturing workforce labs and</u>	
6.19	<u>related support space at Lake Superior</u>	
6.20	<u>College.</u>	
6.21	<u>Subd. 14. Metropolitan State University</u>	<u>5,196,000</u>
6.22	<u>To design, renovate, and equip space in New</u>	
6.23	<u>Main Hall for the cybersecurity program at</u>	
6.24	<u>Metropolitan State University.</u>	
6.25	<u>Subd. 15. Alexandria Technical and Community</u>	
6.26	<u>College</u>	<u>955,000</u>
6.27	<u>To design the renovation of student services</u>	
6.28	<u>spaces, the demolition of obsolete campus</u>	
6.29	<u>space, which will be replaced by the new</u>	
6.30	<u>renovated student services space and the new</u>	
6.31	<u>Transportation Center, and to design the</u>	
6.32	<u>construction of the Transportation Center at</u>	
6.33	<u>Alexandria Technical and Community</u>	
6.34	<u>College.</u>	

7.1	<u>Subd. 16. Riverland Community College</u>	<u>12,084,000</u>
7.2	<u>To design, renovate, and equip student</u>	
7.3	<u>services space at Riverland Community</u>	
7.4	<u>College, Austin campus.</u>	
7.5	<u>Subd. 17. Southwest Minnesota State University</u>	<u>1,327,000</u>
7.6	<u>To design the renovation and construction of</u>	
7.7	<u>the Wellness and Human Performance Center</u>	
7.8	<u>at Southwest Minnesota State University.</u>	
7.9	<u>Subd. 18. St. Cloud State University</u>	<u>5,450,000</u>
7.10	<u>To design, renovate, and equip space for the</u>	
7.11	<u>School of Health and Human Services, and to</u>	
7.12	<u>design the demolition and replacement of the</u>	
7.13	<u>Education Building with the new School of</u>	
7.14	<u>Education Building and new Early Learning</u>	
7.15	<u>Center at St. Cloud State University.</u>	
7.16	<u>Subd. 19. Rochester Community and Technical</u>	
7.17	<u>College</u>	<u>1,546,000</u>
7.18	<u>To design the renovation of space for Career</u>	
7.19	<u>and Technical Education programs at the</u>	
7.20	<u>Heintz Center at Rochester Community and</u>	
7.21	<u>Technical College.</u>	
7.22	<u>Subd. 20. Minnesota West Community and</u>	
7.23	<u>Technical College</u>	<u>2,253,000</u>
7.24	<u>To design the renovation of nursing spaces at</u>	
7.25	<u>the Granite Falls and Worthington campuses;</u>	
7.26	<u>design the renovation of student services space</u>	
7.27	<u>at the Granite Falls campus; and design the</u>	
7.28	<u>demolition, renovation, and construction of</u>	
7.29	<u>space for the Public Peace Officer program at</u>	
7.30	<u>the Worthington campus of Minnesota West</u>	
7.31	<u>Community and Technical College, including</u>	
7.32	<u>the design of any demolition required for the</u>	
7.33	<u>construction.</u>	
7.34	<u>Subd. 21. Ridgewater College</u>	<u>17,367,000</u>

8.1 To design, renovate, and equip space for
8.2 automation, nursing, allied health, and early
8.3 childhood programs, as well as general
8.4 classroom and student services space, at
8.5 Ridgewater College, Hutchinson campus.

8.6 Subd. 22. **Debt Service**

8.7 (a) Except as provided in paragraph (b), the
8.8 Board of Trustees shall pay the debt service
8.9 on one-third of the principal amount of state
8.10 bonds sold to finance projects authorized by
8.11 this section. After each sale of general
8.12 obligation bonds, the commissioner of
8.13 management and budget shall notify the board
8.14 of the amounts assessed for each year for the
8.15 life of the bonds.

8.16 (b) The board need not pay debt service on
8.17 bonds sold to finance HEAPR. Where a
8.18 nonstate match is required, the debt service is
8.19 due on a principal amount equal to one-third
8.20 of the total project cost, less the match
8.21 committed before the bonds are sold.

8.22 (c) The commissioner of management and
8.23 budget shall reduce the board's assessment
8.24 each year by one-third of the net income from
8.25 investment of general obligation bond
8.26 proceeds in proportion to the amount of
8.27 principal and interest otherwise required to be
8.28 paid by the board. The board shall pay its
8.29 resulting net assessment to the commissioner
8.30 of management and budget by December 1
8.31 each year. If the board fails to make a payment
8.32 when due, the commissioner of management
8.33 and budget shall reduce allotments for
8.34 appropriations from the general fund otherwise
8.35 available to the board and apply the amount

9.1 of the reduction to cover the missed debt
9.2 service payment. The commissioner of
9.3 management and budget shall credit the
9.4 payments received from the board to the bond
9.5 debt service account in the state bond fund
9.6 each December 1 before money is transferred
9.7 from the general fund under Minnesota
9.8 Statutes, section 16A.641, subdivision 10.

9.9 **Subd. 23. Unspent Appropriations**

9.10 (a) Upon substantial completion of a project
9.11 authorized in this section and after written
9.12 notice to the commissioner of management
9.13 and budget, the board must use any money
9.14 remaining in the appropriation for that project
9.15 for HEAPR under Minnesota Statutes, section
9.16 135A.046. The Board of Trustees must report
9.17 by February 1 of each even-numbered year to
9.18 the chairs of the house of representatives and
9.19 senate committees with jurisdiction over
9.20 capital investment and higher education
9.21 finance and to the chairs of the house of
9.22 representatives Ways and Means Committee
9.23 and the senate Finance Committee, on how
9.24 the remaining money has been allocated or
9.25 spent.

9.26 (b) The unspent portion of an appropriation
9.27 for a project in this section that is complete is
9.28 available for HEAPR under this subdivision,
9.29 at the same campus as the project for which
9.30 the original appropriation was made and the
9.31 debt service requirement under this section is
9.32 reduced accordingly. Minnesota Statutes,
9.33 section 16A.642, applies from the date of the
9.34 original appropriation to the unspent amount
9.35 transferred.

10.1	Sec. 4. <u>EDUCATION</u>	<u>\$</u>	<u>1,200,000</u>
10.2	<u>To the commissioner of education for library</u>		
10.3	<u>construction grants under Minnesota Statutes,</u>		
10.4	<u>section 134.45.</u>		
10.5	Sec. 5. <u>MINNESOTA STATE ACADEMIES</u>		
10.6	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>10,837,000</u>
10.7	<u>To the commissioner of administration for the</u>		
10.8	<u>purposes specified in this section.</u>		
10.9	<u>Subd. 2. Asset Preservation</u>		<u>2,760,000</u>
10.10	<u>For capital asset preservation improvements</u>		
10.11	<u>and betterments on both campuses of the</u>		
10.12	<u>Minnesota State Academies, to be spent in</u>		
10.13	<u>accordance with Minnesota Statutes, section</u>		
10.14	<u>16B.307.</u>		
10.15	<u>\$2,105,000 of this appropriation is from the</u>		
10.16	<u>general fund. Notwithstanding the specified</u>		
10.17	<u>uses of money under Minnesota Statutes,</u>		
10.18	<u>section 16B.307, the commissioner may use</u>		
10.19	<u>the general fund appropriation for capital</u>		
10.20	<u>expenditures allowed under Minnesota</u>		
10.21	<u>Statutes, section 16B.307, that do not</u>		
10.22	<u>constitute betterments and capital</u>		
10.23	<u>improvements within the meaning of article</u>		
10.24	<u>XI, section 5, clause (a), of the constitution.</u>		
10.25	<u>The report required under Minnesota Statutes,</u>		
10.26	<u>section 16B.307, subdivision 2, shall also</u>		
10.27	<u>include a list of projects that have been paid</u>		
10.28	<u>for with this appropriation from the general</u>		
10.29	<u>fund.</u>		
10.30	<u>Subd. 3. Dorm Renovations and Predesign</u>		<u>7,837,000</u>
10.31	<u>To predesign, design, construct, furnish, and</u>		
10.32	<u>equip the renovation of Kramer Hall, Brandeen</u>		
10.33	<u>Hall, and Rode Hall Dorms on the Blind</u>		

- 11.1 School Campus, including but not limited to
 11.2 abatement of asbestos and hazardous
 11.3 materials, construction, and renovations
 11.4 required to improve safety and security for
 11.5 occupants, meet ADA requirements, meet
 11.6 energy saving requirements, and improve
 11.7 indoor air quality standards. This appropriation
 11.8 also includes money to predesign, design,
 11.9 construct, furnish, and equip the renovation
 11.10 of Pollard Hall Dorm on the Deaf School
 11.11 Campus, including but not limited to
 11.12 abatement of asbestos and hazardous
 11.13 materials, construction, and renovations
 11.14 required to improve safety and security for
 11.15 occupants, meet ADA requirements, meet
 11.16 energy saving requirements, and improve
 11.17 indoor air quality standards.
- 11.18 **Subd. 4. Student Center Predesign** 240,000
- 11.19 To predesign the renovation or replacement
 11.20 of existing spaces for a new student center on
 11.21 the Deaf School Campus.
- 11.22 **Sec. 6. PERPICH CENTER FOR ARTS**
 11.23 **EDUCATION** **\$ 3,600,000**
- 11.24 To the commissioner of administration for
 11.25 capital asset preservation improvements and
 11.26 betterments at the Perpich Center for Arts
 11.27 Education, to be spent in accordance with
 11.28 Minnesota Statutes, section 16B.307.
- 11.29 \$2,746,000 of this appropriation is from the
 11.30 general fund. Notwithstanding the specified
 11.31 uses of money under Minnesota Statutes,
 11.32 section 16B.307, the commissioner may use
 11.33 the general fund appropriation for capital
 11.34 expenditures allowed under Minnesota
 11.35 Statutes, section 16B.307, that do not

12.1 constitute betterments and capital
 12.2 improvements within the meaning of article
 12.3 XI, section 5, clause (a), of the constitution.
 12.4 The report required under Minnesota Statutes,
 12.5 section 16B.307, subdivision 2, shall also
 12.6 include a list of projects that have been paid
 12.7 for with this appropriation from the general
 12.8 fund.

12.9 **Sec. 7. NATURAL RESOURCES**

12.10 **Subdivision 1. Total Appropriation** **\$ 310,251,000**

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

12.13 (b) The appropriations in this section are
 12.14 subject to the requirements of the natural
 12.15 resources capital improvement program under
 12.16 Minnesota Statutes, section 86A.12, unless
 12.17 this section or the statutes referred to in this
 12.18 section provide more specific standards,
 12.19 criteria, or priorities for projects than
 12.20 Minnesota Statutes, section 86A.12.

12.21 **Subd. 2. Natural Resources Asset Preservation** **132,960,000**

12.22 For the preservation and replacement of
 12.23 state-owned facilities and recreational assets
 12.24 operated by the commissioner of natural
 12.25 resources to be spent in accordance with
 12.26 Minnesota Statutes, section 84.946.
 12.27 Notwithstanding Minnesota Statutes, section
 12.28 84.946, the commissioner may use this
 12.29 appropriation to replace buildings if,
 12.30 considering the embedded energy in the
 12.31 building, that is the most energy-efficient and
 12.32 carbon-reducing method of renovation.

12.33 \$101,408,000 of this appropriation is from the
 12.34 general fund. The commissioner may use the

- 13.1 general fund appropriation for capital
 13.2 expenditures allowed under Minnesota
 13.3 Statutes, section 84.946, that do not constitute
 13.4 betterments and capital improvements within
 13.5 the meaning of article XI, section 5, clause
 13.6 (a), of the constitution. The report required
 13.7 under Minnesota Statutes, section 84.946,
 13.8 subdivision 4, shall also include a list of
 13.9 projects that have been paid for with this
 13.10 appropriation from the general fund.
- 13.11 **Subd. 3. Betterment of Buildings** 43,680,000
- 13.12 For acquisition, predesign, design, and
 13.13 construction to replace existing facilities that
 13.14 no longer meet the business needs of the
 13.15 department or to acquire or construct new
 13.16 facilities. This appropriation includes money
 13.17 for construction at the drill core facility in
 13.18 Hibbing and for the predesign, design, and
 13.19 construction of facility capital improvements
 13.20 and associated facility components at the
 13.21 Badoura State Forest Nursery and the
 13.22 Waterville fish hatchery. \$33,315,000 of this
 13.23 appropriation is from the general fund.
- 13.24 **Subd. 4. Acquisition and Betterment of Public**
 13.25 **Lands** 18,000,000
- 13.26 (a) For the betterment of public lands and
 13.27 other improvements of a capital nature. The
 13.28 commissioner shall determine project priorities
 13.29 as appropriate under Minnesota Statutes,
 13.30 section 86A.12. Reforestation shall be
 13.31 conducted in accordance with Minnesota
 13.32 Statutes, section 89.002, subdivision 2.
- 13.33 (b) For acquisition of public lands for the
 13.34 purposes described in Minnesota Statutes,
 13.35 section 86A.12, subdivision 2. The

- 14.1 commissioner shall determine project priorities
 14.2 as appropriate under Minnesota Statutes,
 14.3 section 86A.12.
- 14.4 **Subd. 5. Wildfire Aviation Infrastructure** 9,360,000
- 14.5 For site preparation, predesign, design,
 14.6 engineering, demolition, construction,
 14.7 furnishing, and equipping new public safety
 14.8 facilities for aerial wildfire suppression, which
 14.9 may include grants to airport authorities. This
 14.10 appropriation includes money for the Hibbing
 14.11 and Brainerd airport and air tanker base
 14.12 buildings and associated utilities and systems.
- 14.13 **Subd. 6. Accessibility** 6,000,000
- 14.14 For the design and construction of accessibility
 14.15 improvements at state parks, recreation areas,
 14.16 and wildlife management areas.
- 14.17 **Subd. 7. Dam Renovation, Repair, Removal** 9,600,000
- 14.18 (a) For design, engineering, and construction
 14.19 to repair, reconstruct, or remove publicly
 14.20 owned dams and respond to dam safety
 14.21 emergencies on publicly owned dams. The
 14.22 commissioner shall determine project priorities
 14.23 as appropriate under Minnesota Statutes,
 14.24 sections 103G.511 and 103G.515.
- 14.25 (b) If the commissioner determines that a
 14.26 project is not ready to proceed, this
 14.27 appropriation may be used for other projects
 14.28 on the commissioner's priority list.
- 14.29 **Subd. 8. Flood Hazard Mitigation** 24,000,000
- 14.30 (a) For the state share of flood hazard
 14.31 mitigation grants for publicly owned capital
 14.32 improvements to prevent or alleviate flood
 14.33 damage under Minnesota Statutes, section

- 15.1 103F.161. To the extent practical, levee
15.2 projects shall meet the state standard of three
15.3 feet above the 100-year flood elevation.
- 15.4 (b) Project priorities shall be determined by
15.5 the commissioner as appropriate, based on
15.6 need and consideration of available leveraging
15.7 of federal, state, and local funds.
- 15.8 (c) This appropriation may be used for projects
15.9 in the following political subdivisions: Austin,
15.10 Breckenridge, Carver, Golden Valley, Lake
15.11 Shamineau Lake Improvement District,
15.12 Moorhead, and Newfolden.
- 15.13 (d) This appropriation may also be used for
15.14 projects in the following watershed districts:
15.15 Bois de Sioux Watershed District for the
15.16 Redpath impoundment project, Buffalo-Red
15.17 River Watershed District, Cedar River
15.18 Watershed District, Lower Minnesota River
15.19 Watershed District, Middle Snake Tamarac
15.20 Rivers Watershed District, Red Lake
15.21 Watershed District, Roseau River Watershed
15.22 District, Two Rivers Watershed District,
15.23 Upper Minnesota River Watershed District,
15.24 Valley Branch Watershed District and Wild
15.25 Rice River Watershed District.
- 15.26 (e) For any project listed in this subdivision
15.27 that the commissioner determines is not ready
15.28 to proceed, does not have the nonstate match
15.29 committed, or does not expend all the money
15.30 granted to it, the commissioner may allocate
15.31 that project's unexpended money to a priority
15.32 project on the commissioner's list.
- 15.33 (f) To the extent practicable and consistent
15.34 with the project, recipients of appropriations

16.1 for flood control projects in this subdivision
 16.2 shall create wetlands that are eligible for
 16.3 wetland replacement credit to replace wetlands
 16.4 drained or filled as the result of repair,
 16.5 reconstruction, replacement, or rehabilitation
 16.6 of an existing public road under Minnesota
 16.7 Statutes, section 103G.222, subdivision 1,
 16.8 paragraphs (l) and (m).

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

16.15 **Subd. 9. Lake Vermilion-Soudan Underground**
 16.16 **Mine State Park**

14,400,000

16.17 For the design and construction of a visitor
 16.18 center, camping facilities, trails, and
 16.19 rehabilitation of a fire tower and related
 16.20 infrastructure at Lake Vermilion-Soudan
 16.21 Underground Mine State Park.

16.22 **Subd. 10. Parks and Trails Local and Regional**
 16.23 **Recreation Grants**

1,200,000

16.24 For matching grants under Minnesota Statutes,
 16.25 section 85.019.

16.26 **Subd. 11. Minnesota Releaf Program**

6,000,000

16.27 For grants to cities, counties, townships, and
 16.28 park and recreation boards in cities of the first
 16.29 class, to remove and plant shade trees on
 16.30 public land to provide environmental benefits;
 16.31 replace trees lost to forest pests, disease, or
 16.32 storm; or to establish a more diverse
 16.33 community forest better able to withstand
 16.34 disease and forest pests. For purposes of this
 16.35 appropriation, "shade tree" means a woody

17.1 perennial grown primarily for aesthetic or
 17.2 environmental purposes with minimal to
 17.3 residual timber value. Any tree planted with
 17.4 money under this subdivision must be a
 17.5 climate-adapted species to Minnesota.

17.6 **Subd. 12. Upper Sioux Agency State Park Bond**
 17.7 **Defeasance**

250,000

17.8 From the general fund to the commissioner of
 17.9 management and budget to prepay and defease
 17.10 any outstanding state general obligation bonds
 17.11 used for improvements and betterments at
 17.12 Upper Sioux Agency State Park, including
 17.13 Minnesota Historical Society property located
 17.14 within the park's boundaries, and other
 17.15 associated financing costs. This amount may
 17.16 be deposited, invested, and applied to
 17.17 accomplish the purposes of this section as
 17.18 provided in Minnesota Statutes, section
 17.19 475.67, subdivisions 5 to 10 and 13. Upon the
 17.20 prepayment and defeasance of all associated
 17.21 debt on the real property and improvements,
 17.22 all conditions set forth in Minnesota Statutes,
 17.23 section 16A.695, subdivision 3, shall be
 17.24 deemed to have been satisfied and the real
 17.25 property and improvements shall no longer
 17.26 constitute state bond financed property under
 17.27 Minnesota Statutes, section 16A.695.

17.28 **Subd. 13. St. James Open Pit Mine Mitigation**

2,500,000

17.29 For predesign and design of capital
 17.30 improvement projects to mitigate the imminent
 17.31 threat to public safety, property, and regional
 17.32 water quality from the rising water levels at
 17.33 the St. James open pit mine complex.

18.1	<u>Subd. 14. Heartland Trail</u>	<u>550,000</u>
18.2	<u>For construction of a trail segment of the</u>	
18.3	<u>Heartland Trail between Detroit Lakes and</u>	
18.4	<u>Frazee.</u>	
18.5	<u>Subd. 15. Cuyuna Lakes State Trail</u>	<u>2,200,000</u>
18.6	<u>To design and construct a multiuse trail</u>	
18.7	<u>segment within the city of Brainerd as an</u>	
18.8	<u>extension of the Cuyuna Lakes State Trail.</u>	
18.9	<u>Subd. 16. Administration of Local Grants</u>	<u>204,000</u>
18.10	<u>From the general fund for the administration</u>	
18.11	<u>of direct grants included in the capital budget.</u>	
18.12	<u>Subd. 17. Cannon Falls; John Burch Park</u>	<u>565,000</u>
18.13	<u>For a grant to the city of Cannon Falls for</u>	
18.14	<u>design, engineering, construction, and</u>	
18.15	<u>rehabilitation of capital improvements at John</u>	
18.16	<u>Burch Park. This appropriation includes</u>	
18.17	<u>money for reconstruction of a limestone</u>	
18.18	<u>retaining wall and concrete seating area;</u>	
18.19	<u>spectator safety improvements, including a</u>	
18.20	<u>safety railing; and replacement of the first base</u>	
18.21	<u>dugout.</u>	
18.22	<u>Subd. 18. Moorhead; Flood Mitigation</u>	<u>24,000,000</u>
18.23	<u>Improvements</u>	
18.24	<u>For a grant to the city of Moorhead to design,</u>	
18.25	<u>construct, and equip flood mitigation</u>	
18.26	<u>infrastructure and to acquire at-risk</u>	
18.27	<u>flood-prone properties in the city of Moorhead</u>	
18.28	<u>to respond to periodic severe flood events.</u>	
18.29	<u>Subd. 19. Otter Tail County; Perham to Pelican</u>	
18.30	<u>Rapids Regional Trail</u>	<u>939,000</u>
18.31	<u>For a grant to Otter Tail County to construct</u>	
18.32	<u>the Glacial Edge Regional Trail segment</u>	
18.33	<u>located within Maplewood State Park.</u>	

19.1	<u>Subd. 20. Red Wing; Riverfront Trail</u>	<u>600,000</u>
19.2	<u>For a grant to the city of Red Wing to design,</u>	
19.3	<u>engineer, construct, furnish, and equip the Red</u>	
19.4	<u>Wing Riverfront Trail from the He Mni</u>	
19.5	<u>Can/Barn Bluff Park Trailhead to Colvill Park</u>	
19.6	<u>in Red Wing.</u>	
19.7	<u>Subd. 21. Red Wing; Upper Harbor</u>	<u>4,633,000</u>
19.8	<u>For a grant to the city of Red Wing for design,</u>	
19.9	<u>engineering, and construction of Phase II</u>	
19.10	<u>capital improvements along the Mississippi</u>	
19.11	<u>River riverfront for the Upper Harbor - Bay</u>	
19.12	<u>Point Renewal project.</u>	
19.13	<u>Subd. 22. Shakopee; Cultural Corridor and</u>	
19.14	<u>Minnesota Riverbank Stabilization and Access</u>	<u>8,260,000</u>
19.15	<u>For a grant to the city of Shakopee to</u>	
19.16	<u>predesign, design, and construct the restoration</u>	
19.17	<u>of the Minnesota River riverbank from the</u>	
19.18	<u>western edge of downtown Shakopee to The</u>	
19.19	<u>Landing in the Three Rivers Park District, and</u>	
19.20	<u>to predesign, design, construct, furnish, and</u>	
19.21	<u>equip associated cultural and recreational</u>	
19.22	<u>amenities along the river.</u>	
19.23	<u>Subd. 23. Silver Bay; Multimodal Trailhead</u>	
19.24	<u>Center</u>	<u>350,000</u>
19.25	<u>For a grant to the city of Silver Bay to</u>	
19.26	<u>predesign, design, construct, furnish, and</u>	
19.27	<u>equip a multimodal trailhead center for various</u>	
19.28	<u>hiking, bicycling, snowmobile, and all-terrain</u>	
19.29	<u>vehicle trails that converge in the area. This</u>	
19.30	<u>appropriation includes money for separated</u>	
19.31	<u>trail access for motorized and nonmotorized</u>	
19.32	<u>users; open space for trail users; parking; a</u>	
19.33	<u>wayside rest area, including a playground and</u>	
19.34	<u>picnic area; and a new trailhead center</u>	
19.35	<u>building that includes lavatories and showers.</u>	

20.1 **Subd. 24. Unspent Appropriations**

20.2 The unspent portion of an appropriation for a
 20.3 project in this section that is complete, upon
 20.4 written notice to the commissioner of
 20.5 management and budget, is available for asset
 20.6 preservation under Minnesota Statutes, section
 20.7 84.946. Minnesota Statutes, section 16A.642,
 20.8 applies from the date of the original
 20.9 appropriation to the unspent amount
 20.10 transferred.

20.11 **Sec. 8. POLLUTION CONTROL AGENCY**20.12 **Subdivision 1. Total Appropriation****\$ 81,524,000**

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

20.15 **Subd. 2. Stormwater Construction Grants****25,210,000**

20.16 For grants to eligible political subdivisions for
 20.17 stormwater projects under Minnesota Statutes,
 20.18 section 116.196. Of this amount, \$1,210,000
 20.19 is from the general fund for technical
 20.20 assistance and grant administration under
 20.21 Minnesota Statutes, section 116.196.

20.22 **Subd. 3. Capital Assistance Program: Organics**
20.23 **Capacity****12,000,000**

20.24 For capital assistance grants to local
 20.25 governments to construct new or expand
 20.26 capacity at food rescue, compost, and
 20.27 anaerobic digestion facilities that will utilize
 20.28 food waste, buying capital equipment to run
 20.29 facilities more efficiently, and to add organics
 20.30 capacity at transfer stations under Minnesota
 20.31 Statutes, section 115A.54.

20.32 **Subd. 4. Addressing Legacy Contaminants: Red**
20.33 **Oaks Neighborhood, Andover****6,100,000**

- 21.1 For a grant to the city of Andover under
 21.2 Minnesota Statutes, section 116.16, for the
 21.3 design and construction of new municipal
 21.4 water mains in the city of Andover where
 21.5 testing has found contamination in private
 21.6 drinking water wells. Notwithstanding
 21.7 Minnesota Statutes, section 115B.17,
 21.8 subdivision 6 or 16, any money recovered by
 21.9 the Pollution Control Agency in a civil action
 21.10 for expenses paid for under this appropriation
 21.11 shall be transferred to the commissioner of
 21.12 management and budget and applied toward
 21.13 principal and interest on outstanding bonds.
- 21.14 \$3,000,000 of this appropriation is from the
 21.15 general fund. The city of Andover may use
 21.16 the general fund appropriation for the design
 21.17 and construction of new water service lines
 21.18 on private property that connect to the
 21.19 municipal water mains and for capping private
 21.20 wells.
- 21.21 **Subd. 5. Capital Assistance Program: Pope**
 21.22 **Douglas Solid Waste Management** 12,833,000
- 21.23 For a grant to the Pope-Douglas Solid Waste
 21.24 Management Joint Powers Board under the
 21.25 solid waste capital assistance grant program
 21.26 under Minnesota Statutes, section 115A.54,
 21.27 to predesign, design, and construct the
 21.28 renovation of the existing Material Recovery
 21.29 Facility to add additional space for the
 21.30 installation of advanced processing equipment
 21.31 with the ability to process raw incoming
 21.32 municipal solid waste with the capability to
 21.33 switch over to processing single sort recycling.
- 21.34 **Subd. 6. Capital Assistance Program: Dakota**
 21.35 **and Scott Counties** 8,000,000

22.1	<u>For a capital assistance grant to Dakota</u>	
22.2	<u>County, under Minnesota Statutes, section</u>	
22.3	<u>115A.54, to design, construct, and equip a new</u>	
22.4	<u>regional household hazardous waste and</u>	
22.5	<u>recycling facility to help keep hazardous waste</u>	
22.6	<u>and recyclables out of landfills and the</u>	
22.7	<u>environment.</u>	
22.8	<u>Subd. 7. Capital Assistance Program: Olmsted</u>	
22.9	<u>County</u>	<u>10,000,000</u>
22.10	<u>For a capital assistance grant to Olmsted</u>	
22.11	<u>County under Minnesota Statutes, section</u>	
22.12	<u>115A.54, to design, construct, and equip a new</u>	
22.13	<u>materials recovery facility which will expand</u>	
22.14	<u>upon the county's current integrated solid</u>	
22.15	<u>waste management system by reclaiming</u>	
22.16	<u>materials and removing problematic items</u>	
22.17	<u>from the waste stream.</u>	
22.18	<u>Subd. 8. Capital Assistance Program: Polk</u>	
22.19	<u>County</u>	<u>2,400,000</u>
22.20	<u>For a capital assistance grant to Polk County</u>	
22.21	<u>under Minnesota Statutes, section 115A.54,</u>	
22.22	<u>to design, construct, equip, and install capital</u>	
22.23	<u>equipment and other improvements for</u>	
22.24	<u>composting and recycling infrastructure.</u>	
22.25	<u>Subd. 9. Capital Assistance Program: Chisago</u>	
22.26	<u>County</u>	<u>281,000</u>
22.27	<u>For a capital assistance grant to Chisago</u>	
22.28	<u>County under Minnesota Statutes, section</u>	
22.29	<u>115A.54, to design and construct renovations</u>	
22.30	<u>of the Chisago County Household Hazardous</u>	
22.31	<u>Waste Facility for modernized warehouse</u>	
22.32	<u>workflow, volume, and safety improvements.</u>	
22.33	<u>Subd. 10. Capital Assistance Program: Cass</u>	
22.34	<u>County</u>	<u>3,500,000</u>

- 23.1 For a capital assistance grant to Cass County
 23.2 under Minnesota Statutes, section 115A.54,
 23.3 to design and construct a new building for
 23.4 cardboard and mixed paper recycling
 23.5 operations, hazardous household waste
 23.6 operations, electronic waste (e-waste), and
 23.7 office space. This appropriation may also be
 23.8 used to construct security and access
 23.9 improvements for the new facility, and an
 23.10 impervious area for tire storage as well as to
 23.11 install a new 70-foot truck scale for the new
 23.12 facility.
- 23.13 **Subd. 11. Continuous Nitrate Sensor Network** 1,200,000
- 23.14 From the general fund for the design and
 23.15 installation of a network of nitrate sensors for
 23.16 the continuous real-time monitoring of nitrates
 23.17 in major watershed and basin pour points.
- 23.18 **Sec. 9. BOARD OF WATER AND SOIL**
 23.19 **RESOURCES**
- 23.20 **Subdivision 1. Total Appropriation** **\$ 35,880,000**
- 23.21 To the Board of Water and Soil Resources for
 23.22 the purposes specified in this section.
- 23.23 **Subd. 2. Local Government Roads Wetland**
 23.24 **Replacement Program** 16,800,000
- 23.25 To acquire land or permanent easements and
 23.26 to restore, create, enhance, and preserve
 23.27 wetlands to replace those wetlands drained or
 23.28 filled as a result of the repair, reconstruction,
 23.29 replacement, or rehabilitation of existing
 23.30 public roads as required by Minnesota
 23.31 Statutes, section 103G.222, subdivision 1,
 23.32 paragraphs (l) and (m). Notwithstanding
 23.33 Minnesota Statutes, section 103G.222,
 23.34 subdivision 3, the board may implement the
 23.35 wetland replacement program consistent with

24.1 section 404 of the federal Clean Water Act.
 24.2 The purchase price paid for acquisition of land
 24.3 or perpetual easement must be a fair market
 24.4 value as determined by the board. The board
 24.5 may enter into agreements with the federal
 24.6 government, other state agencies, political
 24.7 subdivisions, nonprofit organizations, fee title
 24.8 owners, or other qualified private entities to
 24.9 acquire wetland replacement credits in
 24.10 accordance with Minnesota Rules, chapter
 24.11 8420. Up to five percent of this appropriation
 24.12 may be used for restoration and enhancement.

24.13 **Subd. 3. Local Government Roads Wetland**
 24.14 **Replacement Program**

7,200,000

24.15 From the general fund to the board to
 24.16 administer its statutory responsibilities and
 24.17 acquire wetland banking credits to replace
 24.18 those wetlands drained or filled as a result of
 24.19 repairing, reconstructing, replacing, or
 24.20 rehabilitating existing public roads as required
 24.21 by Minnesota Statutes, section 103G.222,
 24.22 subdivision 1. Notwithstanding Minnesota
 24.23 Statutes, section 103G.222, subdivision 3, the
 24.24 board may implement the wetland replacement
 24.25 program when consistent with the watershed
 24.26 approach of section 404 of the federal Clean
 24.27 Water Act. The purchase price paid for
 24.28 acquiring wetland credits must be determined
 24.29 by the board. The board may enter into
 24.30 agreements with the federal government, other
 24.31 state agencies, political subdivisions, nonprofit
 24.32 organizations, fee title owners, or other
 24.33 qualified private entities to acquire wetland
 24.34 replacement credits in accordance with
 24.35 Minnesota Rules, chapter 8420. Up to
 24.36 \$165,000 of this appropriation is available for

25.1 mitigation stewardship in accordance with
 25.2 Minnesota Statutes, section 103B.103,
 25.3 subdivision 3.

25.4 **Subd. 4. Reinvest in Minnesota (RIM) Reserve**
 25.5 **Program**

11,880,000

25.6 To acquire conservation easements from
 25.7 landowners to preserve, restore, create, and
 25.8 enhance wetlands and associated uplands of
 25.9 prairie and grasslands, and to restore and
 25.10 enhance rivers and streams, riparian lands, and
 25.11 associated uplands of prairie and grasslands,
 25.12 in order to protect soil and water quality,
 25.13 support fish and wildlife habitat, reduce flood
 25.14 damage, and provide other public benefits.
 25.15 The provisions of Minnesota Statutes, section
 25.16 103F.515, apply to this program. The board
 25.17 shall give priority to leveraging federal money
 25.18 by enrolling targeted new lands or enrolling
 25.19 environmentally sensitive lands that have
 25.20 expiring federal conservation agreements. The
 25.21 board is authorized to enter into new
 25.22 agreements and amend past agreements with
 25.23 landowners as required by Minnesota Statutes,
 25.24 section 103F.515, subdivision 5, to allow for
 25.25 restoration. Up to five percent of this
 25.26 appropriation may be used for restoration and
 25.27 enhancement.

25.28 **Sec. 10. AGRICULTURE**

\$ 457,000

25.29 To the commissioner of administration to
 25.30 design, construct, and equip the renovation
 25.31 and repair of the plant protection division's
 25.32 potato inspection facility located in East Grand
 25.33 Forks. This appropriation may also be used to
 25.34 design and complete hazardous materials

26.1 abatement. Of this amount, \$73,000 is from
 26.2 the general fund.

26.3 **Sec. 11. MINNESOTA ZOOLOGICAL**
 26.4 **GARDEN**

26.5 **Subdivision 1. Total Appropriation** **\$ 25,120,000**

26.6 To the Minnesota Zoological Board for the
 26.7 purposes specified in this section.

26.8 **Subd. 2. Asset Preservation** **15,120,000**

26.9 For capital asset preservation improvements
 26.10 and betterments to infrastructure and exhibits
 26.11 at the Minnesota Zoo, to be spent in
 26.12 accordance with Minnesota Statutes, section
 26.13 16B.307. Notwithstanding the specified uses
 26.14 of money under Minnesota Statutes, section
 26.15 16B.307, this appropriation may be used to
 26.16 replace buildings that are in poor condition,
 26.17 outdated, and no longer support the work of
 26.18 the Minnesota Zoological Garden; to construct
 26.19 and renovate trails and roads on the Minnesota
 26.20 Zoological Garden site; and to replace the
 26.21 lakeside plaza infrastructure, including the
 26.22 stairs and ramp to the upper plaza, and to
 26.23 design, construct, furnish, and equip the
 26.24 renovation of related animal holding and
 26.25 mechanical spaces.

26.26 \$11,532,000 of this appropriation is from the
 26.27 general fund. Notwithstanding the specified
 26.28 uses of money under Minnesota Statutes,
 26.29 section 16B.307, the board may use the
 26.30 general fund appropriation for capital
 26.31 expenditures allowed under Minnesota
 26.32 Statutes, section 16B.307, that do not
 26.33 constitute betterments and capital
 26.34 improvements within the meaning of article
 26.35 XI, section 5, clause (a), of the constitution.

27.1 The report required under Minnesota Statutes,
 27.2 section 16B.307, subdivision 2, shall also
 27.3 include a list of projects that have been paid
 27.4 for with this appropriation from the general
 27.5 fund.

27.6 **Subd. 3. Animal Hospital Renovation** 10,000,000

27.7 To design, construct, furnish, and equip the
 27.8 renovation of the animal hospital building at
 27.9 the Minnesota Zoological Garden.

27.10 **Sec. 12. ADMINISTRATION**

27.11 **Subdivision 1. Total Appropriation** **\$ 88,615,000**

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

27.14 **Subd. 2. Capital Asset Preservation and**
 27.15 **Replacement Account** 9,000,000

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

27.18 \$6,864,000 of this appropriation is from the
 27.19 general fund. Notwithstanding the specified
 27.20 uses of money under Minnesota Statutes,
 27.21 section 16A.632, the commissioner may use
 27.22 the general fund appropriation for capital
 27.23 expenditures allowed under Minnesota
 27.24 Statutes, section 16A.632, that do not
 27.25 constitute betterments and capital
 27.26 improvements within the meaning of article
 27.27 XI, section 5, clause (a), of the constitution.

27.28 The report required under Minnesota Statutes,
 27.29 section 16A.632, subdivision 4, shall also
 27.30 include a list of projects that have been paid
 27.31 for with this appropriation from the general
 27.32 fund.

27.33 **Subd. 3. Ford Building** 4,372,000

28.1 To complete design and abatement of
 28.2 hazardous materials and demolition of the
 28.3 Ford Building and associated infrastructure
 28.4 located on the Capitol Complex as the first
 28.5 phase of overall site redevelopment. This
 28.6 appropriation may also be used to complete
 28.7 design and to construct and equip
 28.8 improvements to maintain access to the
 28.9 Capitol Complex tunnel system as well as to
 28.10 provide security, irrigation, and landscaping
 28.11 for the site. Notwithstanding Minnesota
 28.12 Statutes, chapter 15B, or the Comprehensive
 28.13 Plan for the Minnesota State Capitol Area, no
 28.14 additional study shall be required prior to a
 28.15 building permit being issued for the work
 28.16 authorized in this appropriation or to proceed
 28.17 with such work.

28.18 **Subd. 4. State Building Energy Conservation**
 28.19 **Improvement Revolving Loan Fund**

12,000,000

28.20 From the general fund to make loans to state
 28.21 agencies to design, construct, and equip energy
 28.22 conservation improvements in state buildings
 28.23 under Minnesota Statutes, section 16B.87.

28.24 Loans from this appropriation are not subject
 28.25 to the preference that the building be located
 28.26 within the electric retail service area of the
 28.27 utility that is subject to Minnesota Statutes,
 28.28 section 116C.779.

28.29 **Subd. 5. State Building Renewable Energy**
 28.30 **Production Improvements**

6,000,000

28.31 From the general fund to provide money to
 28.32 state agencies to design, construct, install, and
 28.33 equip renewable energy production
 28.34 improvement projects under Minnesota
 28.35 Statutes, section 16B.324. This appropriation

29.1 may also be used to design and complete
 29.2 related work necessary to connect to electrical
 29.3 systems.

29.4 **Subd. 6. Capitol Complex - Physical Security**
 29.5 **Upgrades Phase II**

56,043,000

29.6 For the continuation of the design,
 29.7 construction, and equipping required to
 29.8 upgrade the physical security elements and
 29.9 systems for the Capitol Mall and the buildings
 29.10 listed in this subdivision, their attached tunnel
 29.11 systems, their surrounding grounds, and
 29.12 parking facilities as identified in the 2017
 29.13 Minnesota State Capitol Complex Physical
 29.14 Security Predesign completed by Miller
 29.15 Dunwiddie and an updated assessment
 29.16 completed in 2022. Upgrades include but are
 29.17 not limited to the installation of bollards, blast
 29.18 protection, infrastructure security screen walls,
 29.19 door access controls, emergency call stations,
 29.20 surveillance systems, security kiosks, locking
 29.21 devices, and traffic and crowd control devices.
 29.22 This appropriation includes money for work
 29.23 associated with the following buildings:
 29.24 Administration, Ag/Health Lab, Capitol,
 29.25 Centennial, Governor's Residence, Judicial
 29.26 Center, Minnesota History Center, Capitol
 29.27 Complex Power Plant and Shops, Stassen,
 29.28 State Office, and Veterans Service.
 29.29 \$15,702,000 of this appropriation is from the
 29.30 general fund to be used at the Andersen,
 29.31 Freeman, Minnesota Senate, Retirement
 29.32 Systems, and Transportation buildings for the
 29.33 purposes described in this subdivision.

29.34 **Subd. 7. ADA Building Accommodation**

1,200,000

30.1 From the general fund to design, construct,
 30.2 and equip Americans with Disabilities Act
 30.3 accommodation improvements in state-owned
 30.4 and state-leased buildings. The commissioner
 30.5 may establish processes for submission and
 30.6 review of proposals from state agencies,
 30.7 boards, and commissions, the legislative and
 30.8 judicial branches of government, and
 30.9 constitutional offices in order to allocate
 30.10 money to improve physical access to state
 30.11 services and employment opportunities.

30.12 **Sec. 13. AMATEUR SPORTS COMMISSION**

30.13 **Subdivision 1. Total Appropriation** **\$ 14,485,000**

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

30.17 **Subd. 2. Asset Preservation** **12,960,000**

30.18 For asset preservation improvements and
 30.19 betterments of a capital nature at the National
 30.20 Sports Center in Blaine, to be spent in
 30.21 accordance with Minnesota Statutes, section
 30.22 16B.307.

30.23 \$9,885,000 of this appropriation is from the
 30.24 general fund. Notwithstanding the specified
 30.25 uses of money under Minnesota Statutes,
 30.26 section 16B.307, the commission may use the
 30.27 general fund appropriation for capital
 30.28 expenditures allowed under Minnesota
 30.29 Statutes, section 16B.307, that do not
 30.30 constitute betterments and capital
 30.31 improvements within the meaning of article
 30.32 XI, section 5, clause (a), of the constitution.

30.33 The report required under Minnesota Statutes,
 30.34 section 16B.307, subdivision 2, shall also

- 31.1 include a list of projects that have been paid
 31.2 for with this appropriation from the general
 31.3 fund.
- 31.4 **Subd. 3. Regional Sports Center** 325,000
- 31.5 From the general fund for a grant to the city
 31.6 of St. Paul to predesign a regional sports
 31.7 center, including athletic fields, parking,
 31.8 access roads, and related ancillary facilities.
- 31.9 **Subd. 4. Mighty Ducks** 1,200,000
- 31.10 For grants to local units of government under
 31.11 Minnesota Statutes, section 240A.09,
 31.12 paragraph (b), to improve indoor air quality
 31.13 or eliminate R-22. This appropriation must
 31.14 not be used to acquire ice resurfacing or
 31.15 edging equipment.
- 31.16 **Sec. 14. MILITARY AFFAIRS**
- 31.17 **Subdivision 1. Total Appropriation** **\$ 31,487,000**
- 31.18 To the adjutant general for the purposes
 31.19 specified in this section.
- 31.20 **Subd. 2. Rosemount Readiness Center** 25,080,000
- 31.21 To construct and equip the renovation of
 31.22 existing space at the Rosemount Readiness
 31.23 Center, including mechanical, electrical,
 31.24 building envelope, energy efficiency, and life
 31.25 safety improvements.
- 31.26 \$360,000 of this appropriation is in addition
 31.27 to the appropriation for the same purpose in
 31.28 Laws 2020, Fifth Special Session chapter 3,
 31.29 article 1, section 14, subdivision 2.
- 31.30 **Subd. 3. Fergus Falls Readiness Center** 800,000
- 31.31 This appropriation is in addition to the
 31.32 appropriation for the same purpose in Laws

32.1	<u>2020, Fifth Special Session chapter 3, article</u>		
32.2	<u>1, section 14, subdivision 3.</u>		
32.3	<u>Subd. 4. Moorhead Readiness Center</u>		<u>855,000</u>
32.4	<u>This appropriation is in addition to the</u>		
32.5	<u>appropriation for the same purpose in Laws</u>		
32.6	<u>2020, Fifth Special Session chapter 3, article</u>		
32.7	<u>1, section 14, subdivision 4.</u>		
32.8	<u>Subd. 5. Marshall Readiness Center</u>		<u>4,752,000</u>
32.9	<u>This appropriation is in addition to the</u>		
32.10	<u>appropriation for the same purpose in Laws</u>		
32.11	<u>2020, Fifth Special Session chapter 3, article</u>		
32.12	<u>1, section 14, subdivision 5.</u>		
32.13	<u>Sec. 15. PUBLIC SAFETY</u>		
32.14	<u>Subdivision 1. Total Appropriation</u>	\$	<u>103,882,000</u>
32.15	<u>To the commissioner of public safety or other</u>		
32.16	<u>named entity for the purposes specified in this</u>		
32.17	<u>section.</u>		
32.18	<u>Subd. 2. Southern Minnesota BCA Regional</u>		
32.19	<u>Office and Laboratory</u>		<u>47,617,000</u>
32.20	<u>To the commissioner of administration to</u>		
32.21	<u>acquire the site and easements, if any, for, and</u>		
32.22	<u>to design, construct, and equip a new Bureau</u>		
32.23	<u>of Criminal Apprehension regional office and</u>		
32.24	<u>laboratory facility in the Mankato area.</u>		
32.25	<u>Subd. 3. BCA Maryland Building</u>		<u>6,033,000</u>
32.26	<u>To the commissioner of administration to</u>		
32.27	<u>design, construct, renovate, equip, and furnish</u>		
32.28	<u>unfinished space in the Bureau of Criminal</u>		
32.29	<u>Apprehension building in St. Paul to provide</u>		
32.30	<u>new offices and to design, construct, and equip</u>		
32.31	<u>a new perimeter fence at this site.</u>		
32.32	<u>Subd. 4. State Emergency Operations Center</u>		<u>11,392,000</u>

- 33.1 This appropriation is to the commissioner of
 33.2 administration and is in addition to the
 33.3 appropriation for the same purpose in Laws
 33.4 2020, Fifth Special Session chapter 3, article
 33.5 1, section 15, subdivision 2.
- 33.6 **Subd. 5. Administration of Local Grants** 143,000
- 33.7 From the general fund for the administration
 33.8 of direct grants included in the capital budget.
- 33.9 **Subd. 6. Caledonia; Fire and Ambulance Station** 2,212,000
- 33.10 For a grant to the city of Caledonia to
 33.11 predesign, design, construct, furnish, and
 33.12 equip a new joint fire and ambulance facility
 33.13 for the city's fire department and ambulance
 33.14 department. The new facility will include a
 33.15 kitchen, restrooms, offices, storage, and other
 33.16 functional space and amenities.
- 33.17 **Subd. 7. Dilworth; Fire Station** 4,378,000
- 33.18 For a grant to the city of Dilworth to demolish
 33.19 the joint fire station/community center, and
 33.20 construct a new fire station in its place to
 33.21 provide emergency services to residents in the
 33.22 cities of Dilworth and Georgetown as well as
 33.23 to residents in the townships of Morken,
 33.24 Moorhead, Kragnes, and Oakport.
- 33.25 **Subd. 8. Edina; Community Health and Safety**
 33.26 **Center** 10,000,000
- 33.27 For a grant to the city of Edina to acquire land,
 33.28 predesign, design, construct, furnish, and
 33.29 equip a community health and safety center
 33.30 to be located in the southeast quadrant of the
 33.31 city.

- 34.1 **Subd. 9. Golden Valley; Fire Station** 2,500,000
- 34.2 For a grant to the city of Golden Valley to
- 34.3 acquire and improve property for, and to
- 34.4 predesign, design, construct, engineer, furnish,
- 34.5 and equip a new fire station with space to
- 34.6 provide regional training opportunities and
- 34.7 other associated site improvements.
- 34.8 **Subd. 10. Lakes Area Police Department** 3,300,000
- 34.9 For a grant to the city of Chisago City to
- 34.10 predesign, design, construct, furnish, and
- 34.11 equip a new law enforcement and training
- 34.12 facility in the city of Chisago City for the
- 34.13 Lakes Area Police Commission, a joint powers
- 34.14 law enforcement agency created pursuant to
- 34.15 Minnesota Statutes, section 471.59, to serve
- 34.16 the cities of Lindstrom and Chisago City, and
- 34.17 the surrounding area.
- 34.18 **Subd. 11. Marshall; MERIT Center** 4,404,000
- 34.19 For a grant to the city of Marshall to design,
- 34.20 construct, furnish, and equip improvements at
- 34.21 the Minnesota Emergency Response and
- 34.22 Industrial Training Center outlined in Phase
- 34.23 3 of the Master Development Plan, including:
- 34.24 a 50-yard and 300-yard firearms range;
- 34.25 firearms support buildings; and a live burn
- 34.26 buildout structure.
- 34.27 **Subd. 12. Minneapolis; Emergency Operation**
- 34.28 **Training Facility** 2,065,000
- 34.29 For a grant to the city of Minneapolis for phase
- 34.30 2 of the Emergency Operation Training
- 34.31 Facility (EOTF) project to construct and equip
- 34.32 large-scale technical response training
- 34.33 facilities at the EOTF, a regional, multi-agency
- 34.34 public safety facility currently used to train

35.1 first responders, fire professionals, law
 35.2 enforcement officials, technical rescue and
 35.3 hazardous materials specialists, and state and
 35.4 federal incident management personnel. This
 35.5 project will develop a 1.5 acre parcel of
 35.6 city-owned, unused property located in the
 35.7 City of Fridley and operated by the City of
 35.8 Minneapolis, adjacent to the EOTF.

35.9 **Subd. 13. Lake Johanna Fire Department**
 35.10 **Headquarters Board; Public Safety Facility** 9,838,000

35.11 For a grant to the Lake Johanna Fire
 35.12 Department Headquarters Board, a joint
 35.13 powers entity established under agreement by
 35.14 the cities of Arden Hills, North Oaks, and
 35.15 Shoreview, to design, construct, furnish, and
 35.16 equip a public safety facility to house the Lake
 35.17 Johanna Fire Department, subject to
 35.18 Minnesota Statutes, section 16A.695.

35.19 **Sec. 16. TRANSPORTATION**

35.20 **Subdivision 1. Total Appropriation** **\$ 317,700,000**

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

35.23 **Subd. 2. Local Bridge Replacement Program** 144,000,000

35.24 From the bond proceeds account in the state
 35.25 transportation fund to match federal money to
 35.26 replace or rehabilitate local deficient bridges
 35.27 as provided in Minnesota Statutes, section
 35.28 174.50.

35.29 **Subd. 3. Local Road Improvement Program** 108,000,000

35.30 From the bond proceeds account in the state
 35.31 transportation fund as provided in Minnesota
 35.32 Statutes, section 174.50, for eligible
 35.33 improvements on trunk highway corridor
 35.34 projects under Minnesota Statutes, section

- 36.1 174.52, subdivision 2; for construction and
 36.2 reconstruction of local roads with statewide
 36.3 or regional significance under Minnesota
 36.4 Statutes, section 174.52, subdivision 4; or for
 36.5 grants to counties to assist in paying the costs
 36.6 of rural road safety capital improvement
 36.7 projects on county state-aid highways under
 36.8 Minnesota Statutes, section 174.52,
 36.9 subdivision 4a.
- 36.10 **Subd. 4. Highway Rail Grade Crossings** 6,000,000
 36.11 To design, construct, and equip the
 36.12 replacement of active highway rail grade
 36.13 warning devices that have reached the end of
 36.14 their useful life or new highway rail grade
 36.15 warning devices.
- 36.16 **Subd. 5. Port Development Assistance Program** 6,000,000
 36.17 For grants under Minnesota Statutes, chapter
 36.18 457A. Any improvements made with the
 36.19 proceeds of these grants must be publicly
 36.20 owned.
- 36.21 **Subd. 6. Safe Routes to School** 1,800,000
 36.22 For grants under Minnesota Statutes, section
 36.23 174.40.
- 36.24 **Subd. 7. Active Transportation** 6,000,000
 36.25 (a) \$4,800,000 of this appropriation is from
 36.26 the active transportation account in the bond
 36.27 proceeds fund for the active transportation
 36.28 program under Minnesota Statutes, section
 36.29 174.38.
- 36.30 (b) \$1,200,000 of this appropriation is from
 36.31 the general fund to predesign, design,
 36.32 construct, and equip bicycle and pedestrian
 36.33 facilities along trunk highways on or through

37.1	<u>reservations and Tribal lands or for grants with</u>	
37.2	<u>Indian Tribal governments to predesign,</u>	
37.3	<u>design, construct, and equip bicycle and</u>	
37.4	<u>pedestrian facilities on reservations or Tribal</u>	
37.5	<u>lands.</u>	
37.6	<u>Subd. 8. Minnesota Rail Service Improvement</u>	
37.7	<u>Program</u>	<u>2,400,000</u>
37.8	<u>For rail service improvement grants under</u>	
37.9	<u>Minnesota Statutes, section 222.50.</u>	
37.10	<u>Subd. 9. Greater Minnesota Transit</u>	<u>1,200,000</u>
37.11	<u>For capital assistance for publicly owned</u>	
37.12	<u>greater Minnesota transit systems to acquire</u>	
37.13	<u>property and to predesign, design, construct,</u>	
37.14	<u>furnish, and equip transit capital facilities</u>	
37.15	<u>under Minnesota Statutes, section 174.24,</u>	
37.16	<u>subdivision 3c.</u>	
37.17	<u>Subd. 10. Rail Corridor Capacity Improvements</u>	<u>19,900,000</u>
37.18	<u>For capital improvements and betterments</u>	
37.19	<u>along the BNSF Railway Hinckley subdivision</u>	
37.20	<u>between Minneapolis and Duluth. This project</u>	
37.21	<u>consists of multiple phases that shall be</u>	
37.22	<u>accomplished with one or more state</u>	
37.23	<u>appropriations, and the rail project in its</u>	
37.24	<u>entirety will not be completed with any one</u>	
37.25	<u>appropriation. Capital improvements and</u>	
37.26	<u>betterments include program delivery, design,</u>	
37.27	<u>engineering, acquisition of land and</u>	
37.28	<u>right-of-way, and construction.</u>	
37.29	<u>Subd. 11. McLeod County; Hutchinson Area</u>	
37.30	<u>Transportation Services Facility</u>	<u>6,400,000</u>
37.31	<u>For a grant to McLeod County to predesign,</u>	
37.32	<u>design, engineer, and construct a tempered</u>	
37.33	<u>vehicle and equipment storage building and a</u>	
37.34	<u>fueling facility at the Hutchinson Area</u>	

38.1 Transportation Services facility in the city of
 38.2 Hutchinson.

38.3 **Subd. 12. Minneapolis; ADA Transition** **5,000,000**

38.4 For a grant to the city of Minneapolis for the
 38.5 design and construction of curbs, ramps,
 38.6 sidewalks, and other infrastructure and
 38.7 improvements to infrastructure in public
 38.8 rights-of-way for compliance with the
 38.9 Americans with Disabilities Act (ADA). This
 38.10 appropriation includes money for adding
 38.11 accessible pedestrian signals (APS) and
 38.12 completing signal modifications at
 38.13 intersections as needed.

38.14 **Subd. 13. Murray County; Maintenance Facility** **11,000,000**

38.15 For a grant to Murray County to acquire land
 38.16 for and to predesign, design, construct, furnish,
 38.17 and equip a new county highway department
 38.18 maintenance, storage, and fueling facility in
 38.19 the city of Slayton.

38.20 **Sec. 17. METROPOLITAN COUNCIL**

38.21 **Subdivision 1. Total Appropriation** **\$ 168,804,000**

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

38.24 **Subd. 2. Metropolitan Cities Inflow and**
 38.25 **Infiltration Grants** **6,000,000**

38.26 For grants to cities and townships within the
 38.27 metropolitan area, as defined in Minnesota
 38.28 Statutes, section 473.121, subdivision 2, for
 38.29 capital improvements in municipal wastewater
 38.30 collection systems to reduce the amount of
 38.31 inflow and infiltration to the Metropolitan
 38.32 Council's metropolitan sanitary sewer disposal
 38.33 system. Grants from this appropriation are for
 38.34 up to 50 percent of the cost to mitigate inflow

39.1 and infiltration in the publicly owned
 39.2 municipal wastewater collection systems. To
 39.3 be eligible for a grant, a city or township must
 39.4 be identified by the council as a contributor
 39.5 of excessive inflow and infiltration in the
 39.6 metropolitan disposal system or have a
 39.7 measured flow rate within 20 percent of its
 39.8 allowable council-determined inflow and
 39.9 infiltration limits. The council must award
 39.10 grants based on applications from cities or
 39.11 townships that identify eligible capital costs
 39.12 and include a timeline for inflow and
 39.13 infiltration mitigation construction, pursuant
 39.14 to guidelines established by the council.

39.15 **Subd. 3. Metropolitan Regional Parks and Trails** 3,000,000

39.16 For the cost of improvements and betterments
 39.17 of a capital nature and acquisition by the
 39.18 council and local government units of regional
 39.19 recreational open-space lands in accordance
 39.20 with the council's policy plan as provided in
 39.21 Minnesota Statutes, section 473.147. This
 39.22 appropriation must not be used to purchase
 39.23 easements.

39.24 **Subd. 4. Busway and Arterial Bus Development** 72,000,000

39.25 For real property acquisition, predesign,
 39.26 design, engineering, and construction of
 39.27 regional arterial bus and busway corridors
 39.28 including environmental testing and
 39.29 mitigation, utility relocation, traffic mitigation,
 39.30 demolition, and furnishing and equipping
 39.31 facilities for busway and arterial bus projects.
 39.32 The council must allocate the money among
 39.33 projects based on criteria in its transitway
 39.34 capital improvement plan including:
 39.35 consistency with the council's long-range

- 40.1 transportation policy plan; project readiness;
 40.2 potential current and forecasted ridership;
 40.3 expansion of the busway system; availability
 40.4 of federal or other matching funds;
 40.5 coordination with other major projects; and
 40.6 additional criteria for priorities otherwise
 40.7 specified in state law or rule applicable to a
 40.8 busway transitway, including state law
 40.9 authorizing state bond fund appropriations for
 40.10 the busway transitway.
- 40.11 **Subd. 5. Administration of Local Grants** 182,000
- 40.12 From the general fund for the administration
 40.13 of direct grants included in the capital budget.
- 40.14 **Subd. 6. Brooklyn Center; Health, Culture, and**
 40.15 **Recreation Community Center** 15,000,000
- 40.16 For a grant to the city of Brooklyn Center to
 40.17 predesign, design, and construct a health,
 40.18 culture, and recreation facility.
- 40.19 **Subd. 7. Carver County; Lake Waconia Regional**
 40.20 **Park** 2,250,000
- 40.21 For a grant to Carver County to predesign,
 40.22 design, construct, furnish, and equip a picnic
 40.23 shelter, playground, parking lot, lighting,
 40.24 trails, walkways, and other site amenities at
 40.25 Lake Waconia Regional Park.
- 40.26 **Subd. 8. Maple Grove; Community Center** 22,500,000
- 40.27 For a grant to the city of Maple Grove to
 40.28 design, construct, furnish, and equip the
 40.29 expansion and renovation of the Maple Grove
 40.30 Community Center.
- 40.31 **Subd. 9. Minneapolis Park and Recreation**
 40.32 **Board; North Commons** 7,294,000
- 40.33 For a grant to the Minneapolis Park and
 40.34 Recreation Board to predesign, design,

41.1 construct, renovate, furnish, and equip the
 41.2 North Commons Improvement Project,
 41.3 focused on the creation of the field house
 41.4 component of a new recreation center building
 41.5 and the first phase of other
 41.6 community-oriented activity and meeting
 41.7 spaces conceptualized for the building to serve
 41.8 as a gathering space for arts related events,
 41.9 sports tournaments, and community
 41.10 gatherings. This appropriation is for the
 41.11 renovation, construction, and relocation of the
 41.12 water park, a new community building, and
 41.13 new parking lot. This appropriation is in
 41.14 addition to the appropriation under Laws 2020,
 41.15 Fifth Special Session chapter 3, article 3,
 41.16 section 3.

41.17 **Subd. 10. Minneapolis Park and Recreation**
 41.18 **Board; Water Works Park**

6,077,000

41.19 For a grant to the Minneapolis Park and
 41.20 Recreation Board for construction of the
 41.21 riverside phase of the Water Works Park
 41.22 development project on the Mississippi River
 41.23 in downtown Minneapolis overlooking St.
 41.24 Anthony Falls. This appropriation includes
 41.25 money for construction of pedestrian and bike
 41.26 trails; excavation and restoration of the
 41.27 Cataract Mill ruins for use as a plaza;
 41.28 excavation of the water power gatehouse to
 41.29 create a terraced plaza for events and
 41.30 performances; development of a general river
 41.31 access point; shoreline enhancements,
 41.32 landscaping, and other site improvements and
 41.33 infrastructure.

42.1	<u>Subd. 11. Minnetonka; Opus Public Space</u>	<u>725,000</u>
42.2	<u>For a grant to the city of Minnetonka to</u>	
42.3	<u>acquire property for, and to predesign, design,</u>	
42.4	<u>construct, and equip the Opus Public Space,</u>	
42.5	<u>a dedicated public park space. This</u>	
42.6	<u>appropriation includes money for construction</u>	
42.7	<u>of a plaza, gathering spaces, a multipurpose</u>	
42.8	<u>building, an amphitheater, dog park, and for</u>	
42.9	<u>other park amenities, site improvements, and</u>	
42.10	<u>infrastructure.</u>	
42.11	<u>Subd. 12. Richfield; Wood Lake Nature Center</u>	<u>12,000,000</u>
42.12	<u>For a grant to the city of Richfield to</u>	
42.13	<u>predesign, design, and construct a new nature</u>	
42.14	<u>center building, and for the renovation of the</u>	
42.15	<u>site and trails at Wood Lake Nature Center.</u>	
42.16	<u>Subd. 13. St. Paul; Como Zoo</u>	<u>13,776,000</u>
42.17	<u>For a grant to the city of St. Paul to design and</u>	
42.18	<u>construct Phase I improvements for an entry</u>	
42.19	<u>exhibit area of the Como Zoo. This project</u>	
42.20	<u>will provide the orangutans an expanded</u>	
42.21	<u>outdoor animal habitat area and a new indoor</u>	
42.22	<u>habitat.</u>	
42.23	<u>Subd. 14. St. Paul; North End Community</u>	
42.24	<u>Center</u>	<u>8,000,000</u>
42.25	<u>For a grant to the city of St. Paul for site</u>	
42.26	<u>preparation, park enhancements, and to</u>	
42.27	<u>construct, furnish, and equip a 25,000 square</u>	
42.28	<u>foot state-of-the-art community center in the</u>	
42.29	<u>North End neighborhood of the city.</u>	
42.30	<u>Sec. 18. HUMAN SERVICES</u>	
42.31	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 176,177,000</u>

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

43.4 **Subd. 2. Asset Preservation** 8,880,000

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

43.10 \$6,773,000 of this appropriation is from the
 43.11 general fund. Notwithstanding the specified
 43.12 uses of money under Minnesota Statutes,
 43.13 section 16B.307, the commissioner may use
 43.14 the general fund appropriation for capital
 43.15 expenditures allowed under Minnesota
 43.16 Statutes, section 16B.307, that do not
 43.17 constitute betterments and capital
 43.18 improvements within the meaning of article
 43.19 XI, section 5, clause (a), of the constitution.
 43.20 The report required under Minnesota Statutes,
 43.21 section 16B.307, subdivision 2, shall also
 43.22 include a list of projects that have been paid
 43.23 for with this appropriation from the general
 43.24 fund.

43.25 **Subd. 3. Sunrise and Tomlinson Building**
 43.26 **Renovation** 21,568,000

43.27 To design, renovate, construct, furnish, and
 43.28 equip the second phase of a multiphase project
 43.29 to develop additional residential, program,
 43.30 activity, and ancillary facilities for the
 43.31 Minnesota sex offender program on the lower
 43.32 campus of the St. Peter Regional Treatment
 43.33 Center. This appropriation includes money to
 43.34 design, renovate, construct, furnish, and equip
 43.35 the north wing of Green Acres; the west,

44.1 south, and north wings of Sunrise; and the
 44.2 Tomlinson Building. This appropriation also
 44.3 includes money to: replace or renovate HVAC,
 44.4 plumbing, electrical, security, and life safety
 44.5 systems; address fire and life safety, and other
 44.6 building code deficiencies; replace windows
 44.7 and doors; tuck-point exterior building
 44.8 envelopes; reconfigure and remodel space;
 44.9 design and abate asbestos and other hazardous
 44.10 materials; remove or demolish nonfunctioning
 44.11 building components; and complete site work
 44.12 necessary to support the programmed use of
 44.13 these two buildings.

44.14 **Subd. 4. Early Childhood Facilities Grants** 12,413,000

44.15 To the commissioner of human services for
 44.16 grants under Minnesota Statutes, section
 44.17 256E.37, to predesign, design, construct,
 44.18 renovate, furnish, and equip early childhood
 44.19 learning facilities. \$6,000,000 of this
 44.20 appropriation is from the general fund for
 44.21 grants. \$413,000 of this appropriation is from
 44.22 the general fund for program administration.

44.23 **Subd. 5. Anoka Miller Building Phase I** 16,375,000

44.24 For the predesign, design, renovation,
 44.25 furnishing, and equipping of the north wing
 44.26 and south wing of the Miller Building at the
 44.27 Anoka Metro Regional Treatment Center.

44.28 **Subd. 6. St. Peter Water and Sewer Upgrades** 12,478,000

44.29 To design, construct, and equip upgrades and
 44.30 the replacement of water, sanitary, and storm
 44.31 sewer infrastructure at the St. Peter Campus.

44.32 **Subd. 7. DCT Energy Upgrades** 11,188,000

44.33 From the general fund to design and install
 44.34 renewable energy systems and related

45.1	<u>improvements necessary to connect to</u>	
45.2	<u>electrical systems for buildings on the St. Peter</u>	
45.3	<u>campus, Anoka Metro Regional Treatment</u>	
45.4	<u>Center campus, and the Moose Lake campus.</u>	
45.5	<u>Subd. 8. Emergency Shelter Facilities</u>	<u>86,207,000</u>
45.6	<u>From the general fund to the commissioner of</u>	
45.7	<u>human services for emergency services</u>	
45.8	<u>facilities grants to acquire land and facilities,</u>	
45.9	<u>predesign, design, construct, renovate, furnish,</u>	
45.10	<u>or equip facilities for emergency homeless</u>	
45.11	<u>shelters, to be spent in accordance with</u>	
45.12	<u>Minnesota Statutes, section 256E.36.</u>	
45.13	<u>\$2,207,000 of this appropriation is from the</u>	
45.14	<u>general fund for program administration.</u>	
45.15	<u>Subd. 9. Johnson Hall Demolition</u>	<u>569,000</u>
45.16	<u>From the general fund to design and complete</u>	
45.17	<u>the demolition of, and to design and complete</u>	
45.18	<u>hazardous materials abatement and</u>	
45.19	<u>landscaping for, Johnson Hall on the St. Peter</u>	
45.20	<u>campus.</u>	
45.21	<u>Subd. 10. Security Systems Upgrades</u>	<u>6,499,000</u>
45.22	<u>From the general fund to design, equip, and</u>	
45.23	<u>install new or upgrade current security,</u>	
45.24	<u>communications, and security monitoring</u>	
45.25	<u>systems at direct care and treatment facilities.</u>	
45.26	<u>Sec. 19. VETERANS AFFAIRS</u>	
45.27	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 90,125,000</u>
45.28	<u>To the commissioner of administration for the</u>	
45.29	<u>purposes specified in this section.</u>	
45.30	<u>Subd. 2. Asset Preservation</u>	<u>12,360,000</u>
45.31	<u>For asset preservation improvements and</u>	
45.32	<u>betterments of a capital nature at the veterans</u>	
45.33	<u>homes in Minneapolis, Hastings, Fergus Falls,</u>	

46.1 Silver Bay, and Luverne, and the state veterans
 46.2 cemeteries at Little Falls, Preston, and Duluth,
 46.3 to be spent in accordance with Minnesota
 46.4 Statutes, section 16B.307.

46.5 \$9,427,000 of this appropriation is from the
 46.6 general fund. Notwithstanding the specified
 46.7 uses of money under Minnesota Statutes,
 46.8 section 16B.307, the commissioner may use
 46.9 the general fund appropriation for capital
 46.10 expenditures allowed under Minnesota
 46.11 Statutes, section 16B.307, that do not
 46.12 constitute betterments and capital
 46.13 improvements within the meaning of article
 46.14 XI, section 5, clause (a), of the constitution.

46.15 The report required under Minnesota Statutes,
 46.16 section 16B.307, subdivision 2, shall also
 46.17 include a list of projects that have been paid
 46.18 for with this appropriation from the general
 46.19 fund.

46.20 **Subd. 3. Hastings Veterans Home Campus**
 46.21 **Upgrade**

77,765,000

46.22 To predesign, design, construct, and equip the
 46.23 replacement of administrative and residential
 46.24 buildings and infrastructure at the Minnesota
 46.25 Veterans Home - Hastings Campus. This
 46.26 appropriation includes money to design and
 46.27 complete demolition of all or portions of
 46.28 buildings and other structures deemed
 46.29 unnecessary or undesirable for the
 46.30 development of the project, site preparation,
 46.31 asbestos removal and hazardous materials
 46.32 abatement, and the furnishing and equipping
 46.33 of the new buildings. The commissioner of
 46.34 veterans affairs may apply for federal funding
 46.35 for this project.

47.1 **Sec. 20. CORRECTIONS**47.2 **Subdivision 1. Total Appropriation** **\$ 111,816,000**47.3 To the commissioner of administration for the
47.4 purposes specified in this section.47.5 **Subd. 2. Asset Preservation** **75,969,000**47.6 For asset preservation improvement and
47.7 betterments of a capital nature at the
47.8 Minnesota correctional facilities statewide to
47.9 be spent in accordance with Minnesota
47.10 Statutes, section 16B.307.47.11 \$59,415,000 of this appropriation is from the
47.12 general fund. Notwithstanding the specified
47.13 uses of money under Minnesota Statutes,
47.14 section 16B.307, the commissioner may use
47.15 the general fund appropriation for capital
47.16 expenditures allowed under Minnesota
47.17 Statutes, section 16B.307, that do not
47.18 constitute betterments and capital
47.19 improvements within the meaning of article
47.20 XI, section 5, clause (a), of the constitution.
47.21 The report required under Minnesota Statutes,
47.22 section 16B.307, subdivision 2, shall also
47.23 include a list of projects that have been paid
47.24 for with this appropriation from the general
47.25 fund.47.26 **Subd. 3. Minnesota Correctional Facility -**
47.27 **Faribault** **9,705,000**47.28 To construct, renovate, furnish, and equip new
47.29 and existing buildings and complete associated
47.30 site work at the Minnesota Correctional
47.31 Facility - Faribault in order to upgrade the
47.32 minimum security housing unit (Dakota
47.33 Building) and expand the incarcerated persons
47.34 programming and support space. The

48.1 renovation of the existing building includes
 48.2 but is not limited to: the design and completion
 48.3 of removal of hazardous materials, upgrades
 48.4 to comply with current codes, and the
 48.5 construction of a new programming addition.
 48.6 This project includes the design and
 48.7 completion of demolition of an attached and
 48.8 abandoned two-story brick building to provide
 48.9 space for the new programming addition. This
 48.10 appropriation may also be used to design and
 48.11 complete hazardous materials abatement
 48.12 associated with demolition activities.

48.13 **Subd. 4. Minnesota Correctional Facility -**
 48.14 **Shakopee**

18,432,000

48.15 To predesign, design, construct, renovate,
 48.16 furnish, and equip new and existing buildings
 48.17 and complete associated site work at the
 48.18 Minnesota Correctional Facility - Shakopee
 48.19 to construct an incarcerated persons
 48.20 programming and support space. The
 48.21 renovation of the existing building includes
 48.22 but is not limited to: the removal of hazardous
 48.23 materials, upgrades to comply with current
 48.24 codes, and the construction of a new
 48.25 programming addition.

48.26 **Subd. 5. Minnesota Correctional Facility - Lino**
 48.27 **Lakes**

7,710,000

48.28 To predesign, design, construct, renovate,
 48.29 furnish and equip an existing building and
 48.30 complete associated site work at the Minnesota
 48.31 Correctional Facility - Lino Lakes to construct
 48.32 an incarcerated persons programming and
 48.33 support space. The renovation of the existing
 48.34 building includes but is not limited to: the
 48.35 removal of hazardous materials, upgrades to
 48.36 comply with current codes, interior demolition,

49.1 and the construction of spaces appropriate for
 49.2 programming functions.

49.3 **Subd. 6. Unspent Appropriations**

49.4 The unspent portion of an appropriation for a
 49.5 Department of Corrections project in this
 49.6 section that is complete, upon written notice
 49.7 to the commissioner of management and
 49.8 budget, is available for asset preservation
 49.9 under Minnesota Statutes, section 16B.307.
 49.10 Minnesota Statutes, section 16A.642, applies
 49.11 from the date of the original appropriation to
 49.12 the unspent amount transferred.

49.13 **Sec. 21. EMPLOYMENT AND ECONOMIC**
 49.14 **DEVELOPMENT**

49.15 **Subdivision 1. Total Appropriation** **\$ 166,557,000**

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

49.19 **Subd. 2. Greater Minnesota Business**
 49.20 **Development Public Infrastructure** **8,400,000**

49.21 For grants under Minnesota Statutes, section
 49.22 116J.431.

49.23 **Subd. 3. Innovative Business Development Public**
 49.24 **Infrastructure** **1,200,000**

49.25 For grants under Minnesota Statutes, section
 49.26 116J.435.

49.27 **Subd. 4. Transportation Economic Development**
 49.28 **Infrastructure** **4,800,000**

49.29 For grants under Minnesota Statutes, section
 49.30 116J.436.

49.31 **Subd. 5. Administration of Local Grants** **572,000**

49.32 From the general fund for the administration
 49.33 of direct grants included in the capital budget.

50.1	<u>Subd. 6. Aitkin; Fieldhouse</u>	<u>629,000</u>
50.2	<u>For a grant to the city of Aitkin to predesign,</u>	
50.3	<u>design, construct, and equip a warming house</u>	
50.4	<u>and community center facility in Aitkin City</u>	
50.5	<u>Park. This appropriation includes money for</u>	
50.6	<u>pavement of the parking lot.</u>	
50.7	<u>Subd. 7. Bloomington; Public Health Facility</u>	<u>10,135,000</u>
50.8	<u>For a grant to the city of Bloomington to</u>	
50.9	<u>predesign, design, construct, furnish, and</u>	
50.10	<u>equip a public health facility in the city of</u>	
50.11	<u>Bloomington to serve people who live and</u>	
50.12	<u>work in the cities of Bloomington, Edina, and</u>	
50.13	<u>Richfield.</u>	
50.14	<u>Subd. 8. Detroit Lakes; Washington Ballfield</u>	<u>1,406,000</u>
50.15	<u>For a grant to the city of Detroit Lakes to</u>	
50.16	<u>construct, renovate, equip, and furnish capital</u>	
50.17	<u>improvements to the Washington Ballfield</u>	
50.18	<u>and Grandstand. This appropriation includes</u>	
50.19	<u>money for visitor accessibility and safety</u>	
50.20	<u>improvements; repairs and upgrades to the</u>	
50.21	<u>grandstand; stormwater management</u>	
50.22	<u>improvements; field and fencing</u>	
50.23	<u>improvements; lighting upgrades; and</u>	
50.24	<u>improvements to the dugout and restroom</u>	
50.25	<u>facilities.</u>	
50.26	<u>Subd. 9. Duluth; Spirit Mountain Recreation</u>	
50.27	<u>Area</u>	<u>13,000,000</u>
50.28	<u>From the general fund for a grant to the city</u>	
50.29	<u>of Duluth to design, construct, furnish, and</u>	
50.30	<u>equip new facilities and to renew, replace, and</u>	
50.31	<u>repair existing facilities at the Spirit Mountain</u>	
50.32	<u>Recreation Area.</u>	

51.1	<u>Subd. 10. Fergus Falls; Riverfront Corridor</u>	<u>5,200,000</u>
51.2	<u>For a grant to the city of Fergus Falls for Phase</u>	
51.3	<u>3 improvements as part of the city's Riverfront</u>	
51.4	<u>Corridor project. This appropriation includes</u>	
51.5	<u>money to acquire land and to predesign,</u>	
51.6	<u>design, and construct a river balcony, trail,</u>	
51.7	<u>playground, parking lot, and fishing pier along</u>	
51.8	<u>the Otter Tail River.</u>	
51.9	<u>Subd. 11. Hastings; Civic Arena</u>	<u>2,235,000</u>
51.10	<u>For a grant to the city of Hastings to design</u>	
51.11	<u>and construct a roof replacement and energy</u>	
51.12	<u>efficiency capital improvements to the</u>	
51.13	<u>Hastings Civic Arena. This appropriation</u>	
51.14	<u>includes money for replacement of the R-22</u>	
51.15	<u>Freon refrigeration system and a rooftop solar</u>	
51.16	<u>panel array.</u>	
51.17	<u>Subd. 12. Hennepin County; Avivo Center</u>	<u>25,000,000</u>
51.18	<u>For a grant to Hennepin County for phase 2</u>	
51.19	<u>of the Avivo regional treatment, career, and</u>	
51.20	<u>employment center campus generally located</u>	
51.21	<u>at 1825, 1900, 1904, and 1908 Chicago</u>	
51.22	<u>Avenue in Minneapolis. Phase 2 includes</u>	
51.23	<u>design, site preparation including without</u>	
51.24	<u>limitation demolition, any required</u>	
51.25	<u>environmental remediation, renovation of</u>	
51.26	<u>existing buildings on the Avivo campus, new</u>	
51.27	<u>construction on the Avivo campus, and</u>	
51.28	<u>furnishing and equipping the improvements</u>	
51.29	<u>on the Avivo campus.</u>	
51.30	<u>Subd. 13. Minneapolis; Central City Stormwater</u>	
51.31	<u>Tunnel</u>	<u>9,900,000</u>
51.32	<u>For a grant to the city of Minneapolis for</u>	
51.33	<u>design and construction necessary to expand</u>	
51.34	<u>the Central City Storm Tunnel in Minneapolis.</u>	

52.1	<u>Subd. 14. North Mankato; Caswell Park</u>	<u>10,000,000</u>
52.2	<u>For a grant to the city of North Mankato to</u>	
52.3	<u>predesign, design, construct, furnish, and</u>	
52.4	<u>equip an indoor recreational facility and</u>	
52.5	<u>improvements and renovations to existing</u>	
52.6	<u>facilities at the Caswell Regional Sporting</u>	
52.7	<u>Complex, including upgrading the concession</u>	
52.8	<u>stand and restrooms, adding a parking lot, new</u>	
52.9	<u>fencing, field lighting and scoreboards,</u>	
52.10	<u>increasing the size of fields, adding a turf field,</u>	
52.11	<u>adding spectator seating, and for a new public</u>	
52.12	<u>address system and signage.</u>	
52.13	<u>Subd. 15. Olmsted County; Graham Park</u>	<u>10,000,000</u>
52.14	<u>For a grant to Olmsted County to predesign,</u>	
52.15	<u>design, construct, furnish, and equip capital</u>	
52.16	<u>improvements to and renovation of Graham</u>	
52.17	<u>Park, a regional multiuse complex in Olmsted</u>	
52.18	<u>County. This appropriation may be used for a</u>	
52.19	<u>new multiuse exhibition center and a</u>	
52.20	<u>permanent farmers' market pavilion.</u>	
52.21	<u>Subd. 16. Pelican Rapids; Aquatic Facility</u>	<u>1,500,000</u>
52.22	<u>For a grant to the city of Pelican Rapids to</u>	
52.23	<u>demolish the existing swimming pool facilities</u>	
52.24	<u>and to predesign, design, construct, furnish,</u>	
52.25	<u>and equip a new aquatic center, including a</u>	
52.26	<u>swimming pool, water slide, lazy river,</u>	
52.27	<u>zero-depth entry, splash pad, gazebo, and</u>	
52.28	<u>bathhouse.</u>	
52.29	<u>Subd. 17. Rochester; District Energy System</u>	<u>18,960,000</u>
52.30	<u>From the general fund for a grant to the city</u>	
52.31	<u>of Rochester for the predesign, design,</u>	
52.32	<u>engineering, construction, and equipping of a</u>	
52.33	<u>municipal heating and cooling energy</u>	
52.34	<u>distribution system, including associated</u>	

53.1 infrastructure, for buildings within the
 53.2 downtown district to include the Mayo Civic
 53.3 Center, Rochester City Hall, Rochester Art
 53.4 Center, Rochester Civic Theater, and
 53.5 Rochester Public Library with the capacity to
 53.6 add additional public and private
 53.7 developments on other nearby property sites
 53.8 in the future. This appropriation may be used
 53.9 for capital improvements related to renewable
 53.10 energy sources such as but not limited to solar
 53.11 thermal, geothermal, solar panels, and
 53.12 replacement of building controls. This
 53.13 appropriation may be used to reimburse the
 53.14 city for expenditures made by the city toward
 53.15 this project before enactment of this section.

53.16 **Subd. 18. Roseville; John Rose Minnesota**
 53.17 **OVAL**

753,000

53.18 For a grant to the city of Roseville to
 53.19 predesign, design, construct, furnish, and
 53.20 equip the renovation of the Guidant John Rose
 53.21 Minnesota OVAL in Roseville. This
 53.22 appropriation includes money for
 53.23 improvements to the main building, building
 53.24 systems, and support facilities.

53.25 **Subd. 19. Scandia; Water Tower Barn Arts**
 53.26 **Heritage Center**

2,039,000

53.27 For a grant to the city of Scandia to predesign,
 53.28 design, construct, renovate, furnish, and equip
 53.29 the Scandia Water Tower Barn Arts and
 53.30 Heritage Center in the city of Scandia, along
 53.31 with site improvements. The city of Scandia
 53.32 may enter into a lease or management
 53.33 agreement with a nonprofit corporation for the
 53.34 operation of these facilities under Minnesota
 53.35 Statutes, section 16A.695.

54.1	<u>Subd. 20. South St. Paul; Public Works Facility</u>	<u>13,000,000</u>
54.2	<u>For a grant to the city of South St. Paul to</u>	
54.3	<u>construct a new public works facility.</u>	
54.4	<u>Subd. 21. St. Louis County; Arts and Cultural</u>	
54.5	<u>Heritage Center</u>	<u>4,658,000</u>
54.6	<u>For a grant to St. Louis County for renovation</u>	
54.7	<u>of the St. Louis County Heritage and Arts</u>	
54.8	<u>Center, also known as the Depot, in Duluth.</u>	
54.9	<u>The project includes predesign, design,</u>	
54.10	<u>construction, and renovation work for the</u>	
54.11	<u>replacement of or improvements to</u>	
54.12	<u>mechanical, electrical, heating, ventilating,</u>	
54.13	<u>and air conditioning systems; life-safety</u>	
54.14	<u>elements of the building; and exterior building</u>	
54.15	<u>envelope integrity.</u>	
54.16	<u>Subd. 22. Staples; Batcher Block Opera House</u>	<u>1,061,000</u>
54.17	<u>For a grant to the city of Staples to predesign,</u>	
54.18	<u>design, and engineer the Batcher Block Opera</u>	
54.19	<u>House for a multiuse performing arts facility.</u>	
54.20	<u>The city may enter into a lease or management</u>	
54.21	<u>agreement under Minnesota Statutes, section</u>	
54.22	<u>16A.695, to operate the programs in the</u>	
54.23	<u>facility.</u>	
54.24	<u>Subd. 23. Wayzata; Lake Effect Boardwalk</u>	
54.25	<u>Project</u>	<u>7,109,000</u>
54.26	<u>For a grant to the city of Wayzata to design</u>	
54.27	<u>and construct the final phase of the Lake</u>	
54.28	<u>Effect Project. This appropriation includes</u>	
54.29	<u>money for construction of a boardwalk;</u>	
54.30	<u>rehabilitation of the historic Section Foreman</u>	
54.31	<u>House; lakeshore restoration; and water</u>	
54.32	<u>quality, safety, and accessibility improvements</u>	
54.33	<u>at Depot Park and Eco Park.</u>	

55.1	<u>Subd. 24. Woodbury; Central Park Remodel</u>		<u>15,000,000</u>
55.2	<u>For a grant to the city of Woodbury to design,</u>		
55.3	<u>construct, furnish, and equip the expansion</u>		
55.4	<u>and renovation of the Woodbury Central Park</u>		
55.5	<u>building, a multiuse facility and regional</u>		
55.6	<u>gathering space that includes an indoor garden</u>		
55.7	<u>and amphitheater, indoor playground, meeting,</u>		
55.8	<u>programming, and event space.</u>		
55.9	<u>Sec. 22. IRON RANGE RESOURCES AND</u>		
55.10	<u>REHABILITATION.</u>	<u>\$</u>	<u>16,614,000</u>
55.11	<u>To the Department of Iron Range Resources</u>		
55.12	<u>and Rehabilitation to acquire, upgrade,</u>		
55.13	<u>construct, and install a snowmaking</u>		
55.14	<u>infrastructure system, including associated</u>		
55.15	<u>equipment, that will replace aging water lines</u>		
55.16	<u>at Giants Ridge and aid in fire suppression.</u>		
55.17	<u>Sec. 23. PUBLIC FACILITIES AUTHORITY</u>		
55.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>222,200,000</u>
55.19	<u>To the Public Facilities Authority for the</u>		
55.20	<u>purposes specified in this section.</u>		
55.21	<u>Subd. 2. State Match for Federal Grants to State</u>		
55.22	<u>Revolving Loan Programs</u>		<u>41,000,000</u>
55.23	<u>To match federal capitalization grants for the</u>		
55.24	<u>clean water revolving fund under Minnesota</u>		
55.25	<u>Statutes, section 446A.07, and the drinking</u>		
55.26	<u>water revolving fund under Minnesota</u>		
55.27	<u>Statutes, section 446A.081. This appropriation</u>		
55.28	<u>must be used for qualified capital projects.</u>		
55.29	<u>Subd. 3. Water Infrastructure Funding Program</u>		<u>91,200,000</u>
55.30	<u>(a) For grants to eligible municipalities under</u>		
55.31	<u>the water infrastructure funding program under</u>		
55.32	<u>Minnesota Statutes, section 446A.072.</u>		

56.1 (b) \$46,000,000 is for wastewater projects
 56.2 listed on the Pollution Control Agency's
 56.3 project priority list in the fundable range under
 56.4 the clean water revolving fund program.

56.5 (c) \$45,200,000 is for drinking water projects
 56.6 listed on the commissioner of health's project
 56.7 priority list in the fundable range under the
 56.8 drinking water revolving fund program.

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

56.16 **Subd. 4. Point Source Implementation Grants**
 56.17 **Program**

90,000,000

56.18 For grants to eligible municipalities under the
 56.19 point source implementation grants program
 56.20 under Minnesota Statutes, section 446A.073.
 56.21 This appropriation must be used for qualified
 56.22 capital projects.

56.23 **Sec. 24. MINNESOTA HOUSING FINANCE**
 56.24 **AGENCY**

\$ 60,000,000

56.25 To the Minnesota Housing Finance Agency
 56.26 for transfer to the housing development fund
 56.27 to finance the costs of rehabilitation to
 56.28 preserve public housing under Minnesota
 56.29 Statutes, section 462A.202, subdivision 3a.
 56.30 For purposes of this section, "public housing"
 56.31 means housing for low-income persons and
 56.32 households financed by the federal
 56.33 government and publicly owned. Priority may
 56.34 be given to proposals that maximize nonstate
 56.35 resources to finance the capital costs and

57.1 requests that prioritize health, safety, and
 57.2 energy improvements. The priority in
 57.3 Minnesota Statutes, section 462A.202,
 57.4 subdivision 3a, for projects to increase the
 57.5 supply of affordable housing and the
 57.6 restrictions of Minnesota Statutes, section
 57.7 462A.202, subdivision 7, do not apply to this
 57.8 appropriation.

57.9 **Sec. 25. MINNESOTA HISTORICAL**
 57.10 **SOCIETY**

57.11 **Subdivision 1. Total Appropriation** **\$ 13,110,000**

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

57.14 **Subd. 2. Historic Sites Asset Preservation** **12,210,000**

57.15 For capital improvements and betterments at
 57.16 state historic sites, buildings, landscaping at
 57.17 historic buildings, exhibits, markers, and
 57.18 monuments, to be spent in accordance with
 57.19 Minnesota Statutes, section 16B.307. The
 57.20 society shall determine project priorities as
 57.21 appropriate based on need. \$9,391,000 of this
 57.22 appropriation is from the general fund.

57.23 **Subd. 3. County and Local Preservation Grants** **900,000**

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

57.28 **Sec. 26. BOND SALE EXPENSES** **\$ 1,951,000**

57.29 To the commissioner of management and
 57.30 budget from the bond proceeds fund for bond
 57.31 sale expenses under Minnesota Statutes,
 57.32 section 16A.641, subdivision 8.

58.1 **Sec. 27. BOND SALE AUTHORIZATION.**

58.2 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from
58.3 the bond proceeds fund, the commissioner of management and budget shall sell and issue
58.4 bonds of the state in an amount up to \$1,697,250,000 in the manner, upon the terms, and
58.5 with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
58.6 Minnesota Constitution, article XI, sections 4 to 7.

58.7 Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the
58.8 bond proceeds account in the state transportation fund, the commissioner of management
58.9 and budget shall sell and issue bonds of the state in an amount up to \$252,000,000 in the
58.10 manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections
58.11 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

58.12 **Sec. 28. BOND SALE SCHEDULE.**

58.13 The commissioner of management and budget shall schedule the sale of state general
58.14 obligation bonds so that, during the biennium ending June 30, 2025, no more than
58.15 \$1,214,554,000 will need to be transferred from the general fund to the state bond fund to
58.16 pay principal and interest due and to become due on outstanding state general obligation
58.17 bonds. During the biennium, before each sale of state general obligation bonds, the
58.18 commissioner of management and budget shall calculate the amount of debt service payments
58.19 needed on bonds previously issued and shall estimate the amount of debt service payments
58.20 that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the
58.21 amount of bonds scheduled to be sold so as to remain within the limit set by this section.
58.22 The amount needed to make the debt service payments is appropriated from the general
58.23 fund as provided in Minnesota Statutes, section 16A.641.

58.24 **Sec. 29. EFFECTIVE DATE.**

58.25 This article is effective the day following final enactment.

58.26 **ARTICLE 2**

58.27 **TRUNK HIGHWAY BONDS**

58.28 **Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.**

58.29 The sums shown in the column under "Appropriations" are appropriated from the bond
58.30 proceeds account in the trunk highway fund or the trunk highway fund to the commissioner
58.31 of transportation or other named entity, to be spent for public purposes. Appropriations of
58.32 bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and

59.1 XIV. Unless otherwise specified, money appropriated in this article for a capital program
 59.2 or project may be used to pay state agency staff costs that are attributed directly to the capital
 59.3 program or project in accordance with accounting policies adopted by the commissioner of
 59.4 management and budget. Unless otherwise specified, appropriations in this article from the
 59.5 trunk highway fund, but not from the bond proceeds account in the trunk highway fund,
 59.6 are made in fiscal year 2024 and are onetime appropriations.

59.7 APPROPRIATIONS

59.8 Sec. 2. DEPARTMENT OF
 59.9 TRANSPORTATION

59.10 Subdivision 1. High Priority Bridges \$ 80,000,000

59.11 From the bond proceeds account in the trunk
 59.12 highway fund for the acquisition,
 59.13 environmental analysis, predesign, design,
 59.14 engineering, construction, reconstruction, and
 59.15 improvement of trunk highway bridges,
 59.16 including design-build contracts, program
 59.17 delivery, consultant usage to support these
 59.18 activities, and the cost of payments to
 59.19 landowners for lands acquired for highway
 59.20 rights-of-way. Projects to construct,
 59.21 reconstruct, or improve trunk highway bridges
 59.22 from this appropriation will follow eligible
 59.23 investment priorities identified in the State
 59.24 Highway Investment Plan. The commissioner
 59.25 may use up to 17 percent of this amount for
 59.26 program delivery.

59.27 Subd. 2. Statewide Freight Safety Investments 5,000,000

59.28 From the trunk highway fund for land
 59.29 acquisition, predesign, design, and
 59.30 construction of expanded truck parking at Big
 59.31 Spunk in Avon and Enfield Rest Areas.

59.32 Subd. 3. Facilities Capital Program 90,872,000

59.33 (a) \$87,440,000 of this appropriation is from
 59.34 the bond proceeds account in the trunk

60.1 highway fund for the transportation facilities
 60.2 capital improvement program under Minnesota
 60.3 Statutes, section 174.09, and for the same
 60.4 purpose in Laws 2020, Fifth Special Session
 60.5 chapter 3, article 2, section 2, subdivision 5.

60.6 (b) \$3,432,000 of this appropriation is from
 60.7 the trunk highway fund to predesign, design,
 60.8 construct, and equip the Hutchinson Area
 60.9 Transportation Services addition.

60.10 **Sec. 3. BOND SALE EXPENSES** **\$** **170,000**

60.11 To the commissioner of management and
 60.12 budget from the bond proceeds account in the
 60.13 trunk highway fund for bond sale expenses
 60.14 under Minnesota Statutes, sections 16A.641,
 60.15 subdivision 8, and 167.50, subdivision 4.

60.16 **Sec. 4. BOND SALE AUTHORIZATION.**

60.17 To provide the money appropriated in this act from the bond proceeds account in the
 60.18 trunk highway fund, the commissioner of management and budget shall sell and issue bonds
 60.19 of the state in an amount up to \$167,610,000 in the manner, upon the terms, and with the
 60.20 effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota
 60.21 Constitution, article XIV, section 11, at the times and in the amounts requested by the
 60.22 commissioner of transportation. The proceeds of the bonds, except accrued interest and any
 60.23 premium received from the sale of the bonds, must be deposited in the bond proceeds account
 60.24 in the trunk highway fund.

60.25 **Sec. 5. EFFECTIVE DATE.**

60.26 This article is effective the day following final enactment.

60.27 **ARTICLE 3**

60.28 **MISCELLANEOUS**

60.29 Section 1. Minnesota Statutes 2022, section 16A.632, subdivision 2, is amended to read:

60.30 Subd. 2. **Standards.** (a) Article XI, section 5, clause (a), of the constitution states general
 60.31 obligation bonds may be issued to finance only the acquisition or betterment of state land,

61.1 buildings, and improvements of a capital nature. In interpreting this and applying it to the
61.2 purposes of the program contemplated in this section, the following standards are adopted
61.3 for the disbursement of money from the capital asset preservation and replacement account:

61.4 (b) ~~No~~ An appropriation under this section may not be used to acquire new land, or
61.5 buildings, or major new improvements will be acquired. These projects, including all capital
61.6 expenditures required to permit their effective use for the intended purpose on completion,
61.7 will be estimated and provided for individually through a direct appropriation for each
61.8 project nor to construct new buildings or additions to buildings.

61.9 (c) An expenditure will be made from the account only when it is a capital expenditure
61.10 on a capital asset previously owned by the state, within the meaning of accepted accounting
61.11 principles as applied to public expenditures. The commissioner of administration will consult
61.12 with the commissioner of management and budget to the extent necessary to ensure this
61.13 and will furnish the commissioner of management and budget a list of projects to be financed
61.14 from the account in order of their priority. The commissioner shall also furnish each revision
61.15 of the list. The legislature assumes that many provisions for preservation and replacement
61.16 of portions of existing capital assets will constitute betterments and capital improvements
61.17 within the meaning of the constitution and capital expenditures under correct accounting
61.18 principles, and will be financed more efficiently and economically under the program than
61.19 by direct appropriations for specific projects. However, the purpose of the program is to
61.20 accumulate data showing how additional costs may be saved by appropriating money from
61.21 the general fund for preservation measures, the necessity of which is predictable over short
61.22 periods.

61.23 (d) The commissioner of administration will furnish instructions to agencies to apply
61.24 for funding of capital expenditures for preservation and replacement from the account, will
61.25 review applications, will make initial allocations among types of eligible projects enumerated
61.26 below, will determine priorities, and will allocate money in priority order until the available
61.27 appropriation has been committed. An appropriation under this section may not be used to
61.28 make minor emergency repairs.

61.29 (e) Categories of projects considered likely to be most needed and appropriate for
61.30 financing are the following:

61.31 (1) ~~unanticipated emergencies of all kinds, for which a relatively small amount should~~
61.32 ~~be initially reserved, replaced from money allocated to low-priority projects, if possible, as~~
61.33 ~~emergencies occur, and used for stabilization rather than replacement if the cost would~~

62.1 ~~exhaust the account and should be specially appropriated~~ involving impacts to state-owned
 62.2 property;

62.3 (2) major projects to remove address life safety hazards for existing buildings and sites,
 62.4 including but not limited to security, like replacement of mechanical and other building
 62.5 systems, building code violations, or structural defects, at costs not large enough to require
 62.6 major capital requests to the legislature;

62.7 (3) ~~elimination~~ removal or containment of hazardous substances like asbestos or PCBs;

62.8 (4) ~~moderate cost replacement~~ major projects to replace and repair of roofs, windows,
 62.9 tuckpointing, ~~and~~ or structural members necessary to preserve the exterior and interior of
 62.10 existing buildings; and

62.11 (5) up to ten percent of an appropriation awarded under this section may be used for
 62.12 design costs for projects eligible to be funded from this account in anticipation of future
 62.13 funding from the account.

62.14 Sec. 2. Minnesota Statutes 2022, section 16A.632, subdivision 4, is amended to read:

62.15 Subd. 4. **Report.** By ~~January 15~~ March 1 of each year the commissioner of administration,
 62.16 with respect to each state agency, shall submit to the commissioner of management and
 62.17 budget, the chairs of the finance divisions that oversee the appropriations to that state agency,
 62.18 and to the chairs of the senate Finance Committee and the house of representatives Capital
 62.19 Investment Committee, a list of the projects in the agency that have been funded with money
 62.20 from the capital asset preservation and replacement account during the preceding calendar
 62.21 year, as well as a list of those priority projects for which CAPRA appropriations will be
 62.22 sought for the agency in that year's legislative session.

62.23 Sec. 3. Minnesota Statutes 2022, section 16A.966, subdivision 2, is amended to read:

62.24 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of
 62.25 this subdivision, the commissioner may sell and issue appropriation bonds of the state under
 62.26 this section for public purposes as provided by law, including for the purposes of financing
 62.27 the cost of implementing removal or remedial actions permitted under section 115B.17 and
 62.28 further subject to the conditions in chapter 115B to address risks to human health and the
 62.29 environment at contaminated sites. Appropriation bonds may be sold and issued in amounts
 62.30 that, in the opinion of the commissioner, are necessary to provide sufficient money to the
 62.31 commissioner of the Pollution Control Agency under subdivision 7, not to exceed
 62.32 \$30,400,000 net of costs of issuance, for the purposes as provided under this subdivision,

63.1 and to pay debt service including capitalized interest, costs of issuance, costs of credit
63.2 enhancement, or make payments under other agreements entered into under paragraph (d).
63.3 Notwithstanding section 115B.17, subdivision 6 or 16, any money recovered in a civil action
63.4 or any money received from the disposition of property acquired for a response action and
63.5 financed with bonds under this section shall be transferred to the commissioner and applied
63.6 toward principal and interest on outstanding bonds.

63.7 (b) Proceeds of the appropriation bonds must be credited to a special appropriation state
63.8 response to releases bond proceeds fund in the state treasury. All income from investment
63.9 of the bond proceeds, as estimated by the commissioner, is appropriated to the commissioner
63.10 for the payment of principal and interest on the appropriation bonds.

63.11 (c) Appropriation bonds may be issued in one or more issues or series on the terms and
63.12 conditions the commissioner determines to be in the best interests of the state, but the term
63.13 on any series of appropriation bonds may not exceed 21 years. The appropriation bonds of
63.14 each issue and series thereof shall be dated and bear interest, and may be includable in or
63.15 excludable from the gross income of the owners for federal income tax purposes.

63.16 (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time
63.17 thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter
63.18 into agreements and ancillary arrangements relating to the appropriation bonds, including
63.19 but not limited to trust indentures, grant agreements, lease or use agreements, operating
63.20 agreements, management agreements, liquidity facilities, remarketing or dealer agreements,
63.21 letter of credit agreements, insurance policies, guaranty agreements, reimbursement
63.22 agreements, indexing agreements, or interest exchange agreements. Any payments made
63.23 or received according to the agreement or ancillary arrangement shall be made from or
63.24 deposited as provided in the agreement or ancillary arrangement. The determination of the
63.25 commissioner included in an interest exchange agreement that the agreement relates to an
63.26 appropriation bond shall be conclusive.

63.27 (e) The commissioner may enter into written agreements or contracts relating to the
63.28 continuing disclosure of information necessary to comply with or facilitate the issuance of
63.29 appropriation bonds in accordance with federal securities laws, rules, and regulations,
63.30 including Securities and Exchange Commission rules and regulations in Code of Federal
63.31 Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants
63.32 with purchasers and holders of appropriation bonds set forth in the order or resolution
63.33 authorizing the issuance of the appropriation bonds, or a separate document authorized by
63.34 the order or resolution.

64.1 (f) The appropriation bonds are not subject to chapter 16C.

64.2 (g) Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and
 64.3 appropriation of bond proceeds for this project are available until December 31, 2027.

64.4 Sec. 4. Minnesota Statutes 2022, section 16B.307, is amended to read:

64.5 **16B.307 ASSET PRESERVATION APPROPRIATIONS.**

64.6 Subdivision 1. **Standards.** (a) Article XI, section 5, clause (a), of the constitution requires
 64.7 that state general obligation bonds be issued to finance only the acquisition or betterment
 64.8 of public land, buildings, and other public improvements of a capital nature. Money
 64.9 appropriated for asset preservation, whether from state bond proceeds or from other revenue,
 64.10 is subject to the following additional limitations:

64.11 (b) An appropriation for asset preservation may not be used to acquire new land nor to
 64.12 acquire or construct new buildings, or additions to buildings, ~~or major new improvements.~~

64.13 (c) An appropriation for asset preservation may be used only for a capital expenditure
 64.14 on a capital asset previously owned by the state, within the meaning of generally accepted
 64.15 accounting principles as applied to public expenditures. The commissioner of administration
 64.16 will consult with the commissioner of management and budget to the extent necessary to
 64.17 ensure this and will furnish the commissioner of management and budget a list of projects
 64.18 to be financed from the account in order of their priority. The legislature assumes that many
 64.19 projects for preservation and replacement of portions of existing capital assets will constitute
 64.20 betterments and capital improvements within the meaning of the constitution and capital
 64.21 expenditures under generally accepted accounting principles, and will be financed more
 64.22 efficiently and economically under this section than by direct appropriations for specific
 64.23 projects.

64.24 (d) Categories of projects considered likely to be most needed and appropriate for asset
 64.25 preservation appropriations are the following:

64.26 (1) major projects to remove address life safety hazards for existing buildings and sites,
 64.27 including but not limited to security, like building code violations or structural defects.

64.28 Notwithstanding paragraph (b), a project in this category may include an addition to an
 64.29 existing building if it is a required component of the hazard ~~removal~~ abatement project;

64.30 (2) projects to eliminate or contain hazardous substances like asbestos or lead paint;

64.31 (3) major projects to address accessibility; address building code violations; and replace
 64.32 or repair roofs, windows, tuckpointing, mechanical or, electrical, plumbing or other building

65.1 systems, utility infrastructure, tunnels, site ~~renovations~~ improvements necessary to support
 65.2 building use, and structural components necessary to preserve the exterior and interior of
 65.3 existing buildings; and

65.4 (4) major projects to renovate repair parking structures facilities and surface lots.

65.5 (e) Up to ten percent of an appropriation subject to this section may be used for design
 65.6 costs for projects eligible to be funded under this section in anticipation of future asset
 65.7 preservation appropriations.

65.8 Subd. 2. **Report.** By ~~January 15~~ March 1 of each year, the commissioner of an agency
 65.9 that has received an appropriation for asset preservation shall submit to the commissioner
 65.10 of management and budget, the chairs of the legislative committees or divisions that currently
 65.11 oversee the appropriations to the agency, and to the chairs of the senate and house of
 65.12 representatives Capital Investment Committees, a list of the projects that have been funded
 65.13 with money under this program during the preceding calendar year, as well as a list of those
 65.14 priority asset preservation projects for which state bond proceeds fund appropriations will
 65.15 be sought during that year's legislative session.

65.16 Sec. 5. **[16B.324] STATE BUILDINGS; RENEWABLE ENERGY PRODUCTION**
 65.17 **ACCOUNT.**

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

65.20 (b) "Renewable energy production improvement" means the predesign, design,
 65.21 acquisition, construction, or installation of a renewable energy production project for a state
 65.22 building that is designed to result in a demand-side net reduction in energy use by the state
 65.23 building's electrical, heating, ventilating, air-conditioning, or hot water systems.

65.24 (c) "State agency" has the meaning given in section 15.01 and includes the Office of
 65.25 Higher Education, Housing Finance Agency, Pollution Control Agency, Metropolitan
 65.26 Council, Information Technology Services, and Bureau of Mediation Services.

65.27 (d) "State building" means a building owned by the state of Minnesota.

65.28 Subd. 2. **Establishment.** A state building renewable energy production account is
 65.29 established to provide funds to state agencies to design, construct, and equip renewable
 65.30 energy production improvement projects at state buildings.

66.1 Subd. 3. **Account management.** The commissioner shall manage and administer the
66.2 state building renewable energy production account through the Office of Enterprise
66.3 Sustainability.

66.4 Subd. 4. **Applications.** A state agency applying for renewable energy production
66.5 improvement funds must submit an application to the commissioner on a form, in the manner,
66.6 and at the time prescribed by the commissioner. An applicant must supply the following
66.7 information:

66.8 (1) the total estimated cost of the renewable energy production improvements project
66.9 and the amount sought;

66.10 (2) a description of the renewable energy production improvements project;

66.11 (3) a detailed budget for the project, including all sources and uses of money;

66.12 (4) calculations sufficient to demonstrate the expected monetary savings that will result
66.13 from construction and installation of the renewable energy production improvements project;
66.14 and

66.15 (5) any additional information requested by the commissioner.

66.16 **Sec. 6. [116.196] STORMWATER CONSTRUCTION GRANT PROGRAM.**

66.17 Subdivision 1. **Purposes; public interest; declaration of policy.** The legislature finds
66.18 that enhanced stormwater infrastructure is needed to properly manage stormwater from
66.19 frequent, heavy rain and other weather events that have increased community flooding due
66.20 to aging and undersized stormwater systems; that managing stormwater also protects state
66.21 natural resources and the health, safety, and welfare of its citizens; that opportunities to
66.22 upgrade stormwater infrastructure are not being fully realized by individual political
66.23 subdivisions, Tribal governments, or by agreements among subdivisions; and that therefore
66.24 it is necessary to provide capital assistance to allow for the planning and installation of
66.25 stormwater infrastructure that can manage increases in precipitation and other causes of
66.26 runoff.

66.27 Subd. 2. **Administration; assurance of funds.** The commissioner may provide technical
66.28 and financial assistance for the development and improvement of stormwater infrastructure
66.29 from appropriations made for the purposes of this section. Money appropriated for the
66.30 purposes of this program must be distributed as grants. An individual project may receive
66.31 grants up to 80 percent of the capital cost of the project.

67.1 Subd. 3. **Program established.** The commissioner shall establish a stormwater
 67.2 infrastructure funding program to provide supplemental assistance to political subdivisions
 67.3 and Tribal governments. When money is appropriated for grants under this program, the
 67.4 commissioner shall award grants to political subdivisions and Tribal governments up to a
 67.5 maximum of \$5,000,000 per project to cover up to 80 percent of the cost of each stormwater
 67.6 infrastructure project necessary to:

- 67.7 (1) increase stormwater system capacity or stormwater storage;
 67.8 (2) address environmental damage caused by weather extremes;
 67.9 (3) prevent localized flooding;
 67.10 (4) create stormwater systems that can manage flows from heavy rains;
 67.11 (5) address public safety concerns caused by undersized stormwater systems; or
 67.12 (6) ensure continuation of critical services during severe weather.

67.13 Subd. 4. **Grant application.** Application for a grant must be made on a form prescribed
 67.14 by the commissioner, including a project schedule and cost estimate for the work necessary
 67.15 to comply with the requirements listed in subdivision 1.

67.16 Subd. 5. **Grant approval.** The commissioner shall not grant money for an eligible project
 67.17 unless:

- 67.18 (1) the applicant has submitted the as-bid cost for the stormwater infrastructure project;
 67.19 and
 67.20 (2) the project has been determined to be grant eligible.

67.21 Subd. 6. **Grant disbursement.** Disbursement of a grant must be made for eligible project
 67.22 costs as incurred by the political subdivision or Tribal government and in accordance with
 67.23 applicable state and federal laws and rules governing the payments.

67.24 Sec. 7. **[174.09] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

67.25 Subdivision 1. **Establishment; accounts** (a) A transportation facilities capital program
 67.26 is established to prioritize among eligible projects that:

- 67.27 (1) support the programmatic mission of the department;
 67.28 (2) extend the useful life of existing buildings; or
 67.29 (3) renovate or construct facilities to meet the department's current and future operational
 67.30 needs.

68.1 (b) Projects under the transportation facilities capital program are funded by proceeds
68.2 from the sale of trunk highway bonds or from other funds appropriated for the purposes of
68.3 this section.

68.4 (c) A transportation facilities capital account is established in the trunk highway fund.
68.5 The account consists of all money appropriated from the trunk highway fund for the purposes
68.6 of this section and any other money donated, allotted, transferred, or otherwise provided to
68.7 the account by law. Money in the account is appropriated to the commissioner for the
68.8 purposes specified and consistent with the standards and criteria set forth in this section.

68.9 (d) A transportation facilities capital account is established in the bond proceeds account
68.10 of the trunk highway fund. The account consists of trunk highway bond proceeds appropriated
68.11 to the commissioner. Money in the account may only be expended on trunk highway
68.12 purposes, which includes the purposes in this section.

68.13 Subd. 2. **Standards.** (a) Minnesota Constitution, article XIV, section 11, states that trunk
68.14 highway bonds may be issued to finance the construction, improvement, and maintenance
68.15 of the public highway system in the state. The legislature assumes that many projects for
68.16 preservation and replacement of portions of existing capital assets will constitute the
68.17 construction, improvement, maintenance of the public highway system within the meaning
68.18 of the constitution and capital expenditures under generally accepted accounting principles,
68.19 and will be financed more efficiently and economically under the program than by direct
68.20 appropriations for specific projects.

68.21 (b) When allocating funding under this section, the commissioner must review the
68.22 projects deemed eligible under subdivision 3 and prioritize allocations using the criteria in
68.23 subdivision 4. Money allocated to a specific project in an appropriation or other law must
68.24 be allocated as provided by the law.

68.25 Subd. 3. **Eligible expenditures; limitations.** (a) A project is eligible under this section
68.26 only if it is a capital expenditure on a capital building asset owned or to be owned by the
68.27 state within the meaning of accepted accounting principles as applied to public expenditures.

68.28 (b) Capital budget expenditures that are eligible under this section include but are not
68.29 limited to: acquisition of land and buildings and the predesign, design, engineering,
68.30 construction, furnishing, and equipping of district headquarter buildings, truck stations, salt
68.31 storage or other unheated storage buildings, deicing and anti-icing facilities, fuel-dispensing
68.32 facilities, highway rest areas, and vehicle weigh and inspection stations.

68.33 Subd. 4. **Criteria for priorities.** When prioritizing funding allocation among projects
68.34 eligible under subdivision 3, the commissioner must consider:

- 69.1 (1) whether a project ensures the effective and efficient condition and operation of the
69.2 facility;
- 69.3 (2) the urgency in ensuring the safe use of existing buildings;
- 69.4 (3) the project's total life-cycle cost;
- 69.5 (4) additional criteria for priorities otherwise specified in law, statute, or rule that applies
69.6 to a category listed in the act making an appropriation for the program; and
- 69.7 (5) any other criteria the commissioner deems necessary.

69.8 Sec. 8. Minnesota Statutes 2022, section 174.38, subdivision 1, is amended to read:

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

69.11 (b) "Active transportation" means bicycling, pedestrian activities, and other forms of
69.12 nonmotorized transportation.

69.13 (c) "Bond-eligible costs" means expenditures under subdivision 6, clause (1), for publicly
69.14 owned infrastructure in this state with a useful life of at least ten years.

69.15 ~~(e)~~ (d) "Commissioner" means the commissioner of transportation.

69.16 Sec. 9. Minnesota Statutes 2022, section 174.38, subdivision 3, is amended to read:

69.17 Subd. 3. **Active transportation account.** (a) An active transportation account is
69.18 established in the special revenue fund. The account consists of funds provided by law and
69.19 any other money donated, allotted, transferred, or otherwise provided to the account. Money
69.20 in the account must be expended only on a project that receives financial assistance under
69.21 this section.

69.22 (b) An active transportation account is established in the bond proceeds fund. The account
69.23 consists of state bond proceeds appropriated to the commissioner. Money in the account
69.24 may only be expended on bond-eligible costs of a project receiving financial assistance as
69.25 provided under this section. Money in the account may only be expended on a project that
69.26 is publicly owned.

69.27 Sec. 10. Minnesota Statutes 2022, section 256E.36, subdivision 1, is amended to read:

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

69.29 (b) "Commissioner" means the commissioner of human services.

70.1 (c) "Eligible organization" means a local governmental unit, Tribal government, federally
 70.2 recognized Tribal Nation, or nonprofit organization providing or seeking to provide
 70.3 emergency services for homeless persons.

70.4 (d) "Emergency services" means:

70.5 (1) providing emergency shelter for homeless persons; and

70.6 (2) assisting homeless persons in obtaining essential services, including:

70.7 (i) access to permanent housing;

70.8 (ii) medical and psychological help;

70.9 (iii) employment counseling and job placement;

70.10 (iv) substance abuse treatment;

70.11 (v) financial assistance available from other programs;

70.12 (vi) emergency child care;

70.13 (vii) transportation; and

70.14 (viii) other services needed to stabilize housing.

70.15 Sec. 11. Minnesota Statutes 2022, section 256E.37, subdivision 1, is amended to read:

70.16 Subdivision 1. **Grant authority.** The commissioner may make grants to state agencies
 70.17 ~~and~~, political subdivisions, nonprofit organizations, and Tribal governments to construct or
 70.18 rehabilitate facilities for early childhood programs, crisis nurseries, or parenting time centers.

70.19 The following requirements apply:

70.20 (1) For grants funded with general obligation bonds, the facilities must be owned by the
 70.21 state or a political subdivision, but may be leased under section 16A.695 to organizations
 70.22 that operate the programs. The commissioner must prescribe the terms and conditions of
 70.23 the leases.

70.24 (2) For grants funded with general fund appropriations, the facilities may be owned by
 70.25 a political subdivision, nonprofit organization, or Tribal government.

70.26 ~~(2)~~ (3) A grant for an individual facility must not exceed \$500,000 for each program
 70.27 that is housed in the facility, up to a maximum of \$2,000,000 for a facility that houses three
 70.28 programs or more. Programs include Head Start, School Readiness, Early Childhood Family
 70.29 Education, licensed child care, and other early childhood intervention programs.

71.1 ~~(3)~~ (4) State appropriations must be matched on a 50 percent basis with nonstate funds.
71.2 The matching requirement must apply program wide and not to individual grants.

71.3 ~~(4)~~ (5) At least 80 percent of grant funds must be distributed to facilities located in
71.4 counties not included in the definition under section 473.121, subdivision 4.

71.5 Sec. 12. Minnesota Statutes 2022, section 446A.081, subdivision 8, is amended to read:

71.6 Subd. 8. **Loan conditions.** (a) When making loans from the drinking water revolving
71.7 fund, the authority shall comply with the conditions of the federal Safe Drinking Water Act,
71.8 including the criteria in this subdivision.

71.9 (b) Loans must be made at or below market interest rates, including zero interest loans,
71.10 for terms not to exceed those allowed under the federal Safe Drinking Water Act.

71.11 (c) The annual principal and interest payments must begin no later than one year after
71.12 completion of the project. Loans must be amortized no later than 20 years after project
71.13 completion, unless the recipient's average annual residential drinking water system cost
71.14 after completion of the project would exceed 1.2 percent of median household income in
71.15 the recipient governmental unit or entity, in which case the loan must be fully amortized
71.16 no later than 30 years after project completion.

71.17 (d) A loan recipient must identify and establish a dedicated source of revenue for
71.18 repayment of the loan, and provide for a source of revenue to properly operate, maintain,
71.19 and repair the water system.

71.20 (e) The fund must be credited with all payments of principal and interest on all loans,
71.21 except the costs as permitted under section 446A.04, subdivision 5, paragraph (a).

71.22 (f) A loan may not be used to pay operating expenses or current obligations, unless
71.23 specifically allowed by the federal Safe Drinking Water Act.

71.24 (g) A loan made by the authority must be secured by notes or bonds of the governmental
71.25 unit and collateral to be determined by the authority for private borrowers.

71.26 (h) Notwithstanding Minnesota Rules, part 7380.0272, the interest rate for loans made
71.27 for the replacement of lead service lands shall be zero percent.

71.28 Sec. 13. Minnesota Statutes 2022, section 446A.081, subdivision 9, is amended to read:

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

- 72.1 (1) to buy or refinance the debt obligations, at or below market rates, of public water
72.2 systems for drinking water systems, where the debt was incurred after the date of enactment
72.3 of the act, for the purposes of construction of the necessary improvements to comply with
72.4 the national primary drinking water regulations under the federal Safe Drinking Water Act;
- 72.5 (2) to purchase or guarantee insurance for local obligations to improve credit market
72.6 access or reduce interest rates;
- 72.7 (3) to provide a source of revenue or security for the payment of principal and interest
72.8 on revenue or general obligation bonds issued by the authority if the bond proceeds are
72.9 deposited in the fund;
- 72.10 (4) to provide loans or loan guarantees for similar revolving funds established by a
72.11 governmental unit or state agency;
- 72.12 (5) to earn interest on fund accounts;
- 72.13 (6) to pay the reasonable costs incurred by the authority, the Department of Employment
72.14 and Economic Development, and the Department of Health for conducting activities as
72.15 authorized and required under the act up to the limits authorized under the act;
- 72.16 (7) to develop and administer programs for water system supervision, source water
72.17 protection, and related programs required under the act;
- 72.18 (8) to provide principal forgiveness or grants to the extent permitted under the federal
72.19 Safe Drinking Water Act and other federal law, based on the criteria and requirements
72.20 established for drinking water projects under the water infrastructure funding program under
72.21 section 446A.072;
- 72.22 (9) to provide loans, principal forgiveness or grants to the extent permitted under the
72.23 federal Safe Drinking Water Act and other federal law to address green infrastructure, water
72.24 or energy efficiency improvements, or other environmentally innovative activities;
- 72.25 (10) to provide principal forgiveness, or grants for 80 percent of project costs up to a
72.26 maximum of \$100,000 for projects needed to comply with national primary drinking water
72.27 standards for an existing nonmunicipal community public water system; ~~and~~
- 72.28 (11) to provide principal forgiveness or grants to the extent permitted under the federal
72.29 Safe Drinking Water Act and other federal laws for ~~50 percent of the project costs up to a~~
72.30 ~~maximum of \$250,000 for~~ projects to replace the privately owned portion of drinking water
72.31 lead service lines; and

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

73.5 (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not
73.6 exceed 25 percent of the eligible project costs as determined by the Department of Health
73.7 for project components directly related to green infrastructure, water or energy efficiency
73.8 improvements, or other environmentally innovative activities, up to a maximum of
73.9 \$1,000,000.

73.10 Sec. 14. Minnesota Statutes 2022, section 462A.37, subdivision 2, is amended to read:

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

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

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

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

73.25 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
73.26 parks under section 462A.2035, subdivision 1b;

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

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

74.1 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
74.2 of single-family housing; and

74.3 (8) to finance costs of acquisition and construction of multifamily rental housing for
74.4 households with incomes at or below 50 percent of area median income. Among comparable
74.5 proposals, the agency must give priority to requests for projects that serve households at
74.6 the lowest incomes.

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

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

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

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

74.16 (1) demonstrate a commitment to maintaining the housing financed as affordable to
74.17 seniors;

74.18 (2) leverage other sources of funding to finance the project, including the use of
74.19 low-income housing tax credits;

74.20 (3) provide access to services to residents and demonstrate the ability to increase physical
74.21 supports and support services as residents age and experience increasing levels of disability;

74.22 (4) provide a service plan containing the elements of clause (3) reviewed by the housing
74.23 authority, economic development authority, public housing authority, or community
74.24 development agency that has an area of operation for the jurisdiction in which the project
74.25 is located; and

74.26 (5) include households with incomes that do not exceed 30 percent of the median
74.27 household income for the metropolitan area.

74.28 To the extent practicable, the agency shall balance the loans made between projects in the
74.29 metropolitan area and projects outside the metropolitan area. Of the loans made to projects
74.30 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans
74.31 made between projects in counties or cities with a population of 20,000 or less, as established

75.1 by the most recent decennial census, and projects in counties or cities with populations in
75.2 excess of 20,000.

75.3 Sec. 15. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision
75.4 to read:

75.5 Subd. 2i. **Additional authorization.** In addition to the amount authorized in subdivisions
75.6 2 to 2h, the agency may issue up to \$250,000,000 in housing infrastructure bonds in one or
75.7 more series to which the payments under this section may be pledged.

75.8 Sec. 16. Minnesota Statutes 2022, section 462A.37, subdivision 5, is amended to read:

75.9 Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the
75.10 commissioner of management and budget the actual amount of annual debt service on each
75.11 series of bonds issued under this section.

75.12 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
75.13 bonds issued under subdivision 2a remain outstanding, the commissioner of management
75.14 and budget must transfer to the housing infrastructure bond account established under section
75.15 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000
75.16 annually. The amounts necessary to make the transfers are appropriated from the general
75.17 fund to the commissioner of management and budget.

75.18 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
75.19 bonds issued under subdivision 2b remain outstanding, the commissioner of management
75.20 and budget must transfer to the housing infrastructure bond account established under section
75.21 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000
75.22 annually. The amounts necessary to make the transfers are appropriated from the general
75.23 fund to the commissioner of management and budget.

75.24 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
75.25 bonds issued under subdivision 2c remain outstanding, the commissioner of management
75.26 and budget must transfer to the housing infrastructure bond account established under section
75.27 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000
75.28 annually. The amounts necessary to make the transfers are appropriated from the general
75.29 fund to the commissioner of management and budget.

75.30 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
75.31 bonds issued under subdivision 2d remain outstanding, the commissioner of management
75.32 and budget must transfer to the housing infrastructure bond account established under section

76.1 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
76.2 to make the transfers are appropriated from the general fund to the commissioner of
76.3 management and budget.

76.4 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
76.5 bonds issued under subdivision 2e remain outstanding, the commissioner of management
76.6 and budget must transfer to the housing infrastructure bond account established under section
76.7 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
76.8 to make the transfers are appropriated from the general fund to the commissioner of
76.9 management and budget.

76.10 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
76.11 bonds issued under subdivision 2f remain outstanding, the commissioner of management
76.12 and budget must transfer to the housing infrastructure bond account established under section
76.13 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
76.14 to make the transfers are appropriated from the general fund to the commissioner of
76.15 management and budget.

76.16 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
76.17 bonds issued under subdivision 2g remain outstanding, the commissioner of management
76.18 and budget must transfer to the housing infrastructure bond account established under section
76.19 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
76.20 to make the transfers are appropriated from the general fund to the commissioner of
76.21 management and budget.

76.22 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
76.23 bonds issued under subdivision 2h remain outstanding, the commissioner of management
76.24 and budget must transfer to the housing infrastructure bond account established under section
76.25 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
76.26 to make the transfers are appropriated from the general fund to the commissioner of
76.27 management and budget.

76.28 (j) Each July 15, beginning in 2024 and through 2045, if any housing infrastructure
76.29 bonds issued under subdivision 2i remain outstanding, the commissioner of management
76.30 and budget must transfer to the housing infrastructure bond account established under section
76.31 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
76.32 to make the transfers are appropriated from the general fund to the commissioner of
76.33 management and budget.

77.1 ~~(j)~~ (k) The agency may pledge to the payment of the housing infrastructure bonds the
77.2 payments to be made by the state under this section.

77.3 Sec. 17. Laws 2018, chapter 214, article 1, section 19, subdivision 3, is amended to read:

77.4 Subd. 3. **Bemidji, Montevideo, and Preston - New**

77.5 **Veterans Homes**

32,000,000

77.6 (a) \$12,400,000 of this appropriation is to
77.7 predesign, design, construct, furnish, and
77.8 equip a veterans home in Bemidji. \$9,400,000
77.9 of this appropriation is to predesign, design,
77.10 construct, furnish, and equip a veterans home
77.11 in Montevideo. \$10,200,000 of this
77.12 appropriation is to predesign, design,
77.13 construct, furnish, and equip a veterans home
77.14 in Preston. Notwithstanding Minnesota
77.15 Statutes, section 16A.642, the bond sale
77.16 authorization and appropriation of bond
77.17 proceeds for this project are available until
77.18 December 31, 2025.

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

77.22 Sec. 18. **STATE PARKING ACCOUNT.**

77.23 Notwithstanding Laws 2013, chapter 136, section 3, subdivision 5, and Minnesota
77.24 Statutes, section 16A.643, for fiscal year 2024 and each year thereafter, the state parking
77.25 account is not required to make the transfer to the state bond fund mandated by Laws 2013,
77.26 chapter 136, section 3, subdivision 5.

77.27 Sec. 19. **REPEALER.**

77.28 Minnesota Statutes 2022, sections 16A.93; 16A.94; and 16A.96, are repealed.

77.29 Sec. 20. **EFFECTIVE DATE.**

77.30 This article is effective the day following final enactment.

16A.93 MINNESOTA PAY-FOR-PERFORMANCE ACT.

Sections 16A.93 to 16A.96 may be cited as the "Minnesota Pay-for-Performance Act of 2011."

16A.94 PAY-FOR-PERFORMANCE PROGRAM.

Subdivision 1. **Pilot program established.** The commissioner shall implement a pilot program to demonstrate the feasibility and desirability of using state appropriation bonds to pay for certain services based on performance and outcomes for the people served.

Subd. 2. **Oversight committee.** (a) The commissioner shall appoint an oversight committee to:

- (1) identify criteria to select one or more services to be included in the pilot program;
- (2) identify the conditions of performance and desired outcomes for the people served by each service selected;
- (3) identify criteria to evaluate whether a service has met the performance conditions; and
- (4) provide any other advice or assistance requested by the commissioner.

(b) The oversight committee must include the commissioners of the Departments of Human Services, Employment and Economic Development, and Administration, or their designees; a representative of a nonprofit organization with experience in performance contracting; and any other person or organization that the commissioner determines would be of assistance in developing and implementing the pilot program.

Subd. 3. **Contracts.** The commissioner and the commissioner of the agency with a service to be provided through the pilot program may enter into a pay-for-performance contract with a provider that meets the criteria identified by the oversight committee. The contract must specify the service to be provided, the time frame in which it is to be provided, the outcome required for payment, and any other terms deemed necessary or convenient for implementation of the pilot program. The commissioner shall pay a provider that has met the terms and conditions of a contract with money appropriated to the commissioner from the special appropriation bond proceeds account established in section 16A.96. At a minimum, before the commissioner pays a provider, the commissioner must determine that the provider has met the return on investment criteria in subdivision 4.

Subd. 4. **Return on investment calculation.** The commissioner, in consultation with the oversight committee, must establish the method and data required for calculating the state's return on investment. The data at a minimum must include:

- (1) state income taxes and any other revenues collected in the year after the service was provided that would not have been collected without the service; and
- (2) costs avoided by the state by providing the service.

Prior to entering into a contract under subdivision 3, the commissioner in consultation with the oversight committee must determine that the services provided under the contract will yield a positive return on investment for the state that will cover the estimated state costs in financing and administering the pilot program through documented increased state tax revenue or cost avoidance.

Subd. 5. **Report to governor and legislature.** The commissioner must report to the governor and legislative committees with jurisdiction over capital investment, finance, and ways and means, and the services included in the pilot program, by January 15 of each year following a year in which the pilot program is operating. The report must describe and discuss the criteria for selection and evaluation of services to be provided through the program, the net benefits to the state of the program, the state's return on investment, the cost of the services provided by other means in the most recent past, the time frame for payment for the services, and the timing and costs for sale and issuance of the bonds authorized in section 16A.96.

16A.96 MINNESOTA PAY-FOR-PERFORMANCE PROGRAM; APPROPRIATION BONDS.

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

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

- (1) money appropriated by law in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (b);

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(2) proceeds of the sale of obligations described in subdivision 2, paragraph (b);

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

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

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

Subd. 2. **Authority.** (a) Subject to the limitations of this subdivision, the commissioner of management and budget may sell and issue appropriation bonds of the state under this section for the purposes of the Minnesota pay-for-performance program established in sections 16A.93 to 16A.96. Proceeds of the bonds must be credited to a special appropriation bond proceeds account in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the special appropriation bond proceeds account.

(b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds for achieving the purposes authorized as provided under paragraph (a), and pay debt service, pay costs of issuance, make deposits to reserve funds, pay the costs of credit enhancement, or make payments under other agreements entered into under paragraph (d); provided, however, that bonds issued and unpaid shall not exceed \$10,000,000 in principal amount, excluding refunding bonds sold and issued under subdivision 4. The commissioner may sell and issue bonds only in an amount that the commissioner determines will result in principal and interest payments less than the amount of savings to be generated through pay-for-performance contracts under section 16A.94. For programs achieving savings under a pay-for-performance contract, the commissioner must reduce general fund appropriations by at least the amount of principal and interest payments on bonds issued under this section.

(c) Appropriation bonds may be issued in one or more series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of bonds may not exceed 20 years.

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

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

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

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

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

Subd. 4. **Refunding bonds.** The commissioner from time to time may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the bonds to be refunded or interest or premiums on the refunded bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance

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of the proceeds and any investment income may be returned to the general fund or, if applicable, the appropriation bond proceeds account for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the bonds to be refunded.

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

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

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

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

Subd. 6. **No full faith and credit; state not required to make appropriations.** The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate funds sufficient to make debt service payments with respect to the bonds in any fiscal year.

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and interest credited to the special appropriation bond proceeds account are appropriated to the commissioner for payment of contract obligations under the pay-for-performance program, as permitted by state and federal law, reasonable administrative costs of the program that are directly attributable to the program, issuance costs, and nonsalary expenses incurred in conjunction with the sale of the appropriation bonds.

Subd. 8. **Appropriation for debt service.** The amount needed to pay principal and interest on appropriation bonds issued under this section is appropriated each year to the commissioner from the general fund subject to the repeal, unallotment under section 16A.152, or cancellation otherwise pursuant to subdivision 6.

Subd. 9. **Administrative costs.** The commissioner may accept donations from private sources to defray administrative costs under this section. Amounts received are appropriated to the commissioner.

Subd. 10. **Validation.** (a) Appropriation bonds issued under this section may be validated in the manner provided by this subdivision. If comparable appropriation bonds are judicially determined to be valid, nothing in this subdivision shall be construed to prevent sale or delivery of any appropriation bonds or notes after entry of a judgment of validation by the Minnesota Supreme Court as provided in this subdivision with respect to the appropriation bonds authorized under this section.

(b) Any appropriation bonds issued under this section that are validated shall be validated in the manner provided by this subdivision.

(c) The Minnesota Supreme Court shall have original jurisdiction to determine the validation of appropriation bonds and all matters connected with the issuance of the bonds.

(d) The commissioner may determine the commissioner's authority to issue appropriation bonds and the legality of all proceedings in connection with issuing bonds. For this purpose, a complaint shall be filed by the commissioner in the Minnesota Supreme Court against the state and the taxpayers and citizens.

(e) As a condition precedent to filing of a complaint for the validation of appropriation bonds, the commissioner shall take action providing for the issuance of appropriation bonds in accordance with law.

(f) The complaint shall set out the state's authority to issue appropriation bonds, the action or proceeding authorizing the issue and its adoption, all other essential proceedings had or taken in

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connection with issuing bonds, the amount of the appropriation bonds to be issued and the maximum interest they are to bear, and all other pertinent matters.

(g) The Minnesota Supreme Court shall issue an order directed against the state and taxpayers, citizens, and others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected by the bonds, allowing all persons, in general terms and without naming them, and the state through its attorney general to appear before the Minnesota Supreme Court at a designated time and place and show why the complaint should not be granted and the proceedings and appropriation bonds validated. A copy of the complaint and order shall be served on the attorney general at least 20 days before the time fixed for hearing. The attorney general shall examine the complaint, and, if it appears or there is reason to believe that it is defective, insufficient, or untrue, or if in the opinion of the attorney general the issuance of the appropriation bonds in question has not been duly authorized, defense shall be made by the attorney general as the attorney general deems appropriate.

(h) Before the date set for hearing, as directed by the Minnesota Supreme Court, either the clerk of the Minnesota Appellate Courts or the commissioner shall publish a copy of the order in a legal newspaper of general circulation in Ramsey County and the state, at least once each week for two consecutive weeks, commencing with the first publication, which shall not be less than 20 days before the date set for hearing. By this publication, all taxpayers, citizens, and others having or claiming any right, title, or interest in the state, are made parties defendant to the action and the Minnesota Supreme Court has jurisdiction of them to the same extent as if named as defendants in the complaint and personally served with process.

(i) Any taxpayer, citizen, or person interested may become a party to the action by moving against or pleading to the complaint at or before the time set for hearing. The Minnesota Supreme Court shall determine all questions of law and fact and make orders that will enable it to properly try and determine the action and render a final judgment within 30 days of the hearing with the least possible delay.

(j) If the judgment validates appropriation bonds, the judgment is forever conclusive as to all matters adjudicated and as against all parties affected and all others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected in any way by issuing the bonds, and the validity of appropriation bonds or of any revenues pledged for the payment of the bonds, or of the proceedings authorizing the issuance of the bonds, including any remedies provided for their collection, shall never be called in question in any court by any person or party.

(k)(1) Appropriation bonds, when validated under this section, shall have stamped or written on the bonds, by the proper officers of the state issuing them, a statement in substantially the following form: "This bond is one of a series of appropriation bonds, which were validated by judgment of the Supreme Court of the State of Minnesota, rendered on, (year)".

(2) A certified copy of the judgment or decree shall be received as evidence in any court in this state.