

## STATE OF MINNESOTA

## EIGHTY-NINTH SESSION — 2016

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 ONE HUNDRED SECOND DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 18, 2016

The House of Representatives convened at 9:00 a.m. and was called to order by Tim Kelly, Speaker pro tempore.

Prayer was offered by Pastor Kevin McNamara, King's Chapel Lana'i, Lanai City, Hawaii.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Albright	Dehn, R.	Heintzeman	Loeffler	Nornes	Selcer
Allen	Dettmer	Hertaus	Lohmer	Norton	Simonson
Anderson, C.	Drazkowski	Hilstrom	Loon	O'Driscoll	Slocum
Anderson, P.	Ecklund	Hoppe	Loonan	O'Neill	Smith
Anderson, S.	Erhardt	Hornstein	Lucero	Pelowski	Sundin
Anzenc	Erickson	Hortman	Lueck	Peppin	Swedzinski
Applebaum	Fabian	Howe	Mack	Persell	Theis
Backer	Fenton	Isaacson	Mahoney	Petersburg	Thissen
Baker	Fischer	Johnson, B.	Marquart	Peterson	Torkelson
Barrett	Flanagan	Johnson, C.	Masin	Pierson	Uglen
Bennett	Franson	Johnson, S.	McNamara	Pinto	Urdahl
Bernardy	Freiberg	Kahn	Melin	Poppe	Vogel
Bly	Garofalo	Kelly	Metsa	Pugh	Wagenius
Carlson	Green	Kiel	Miller	Quam	Ward
Christensen	Gruenhagen	Knoblach	Moran	Rarick	Whelan
Clark	Gunther	Koznick	Mullery	Rosenthal	Wills
Considine	Hackbarth	Kresha	Murphy, E.	Runbeck	Yarusso
Cornish	Halverson	Laine	Murphy, M.	Sanders	Youakim
Daniels	Hamilton	Lesch	Nash	Schoen	Zerwas
Davids	Hancock	Liebling	Nelson	Schomacker	Spk. Daudt
Davnie	Hansen	Lien	Newberger	Schultz	
Dean, M.	Hausman	Lillie	Newton	Scott	

A quorum was present.

Anderson, M.; Atkins and Mariani were excused.

McDonald was excused until 3:25 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Anderson, S., from the Committee on State Government Finance to which was referred:

H. F. No. 659, A bill for an act relating to retirement; modifying cost of living adjustments; eliminating cost of living adjustment triggers; increasing St. Paul Teachers Retirement Fund Association employer contributions; making administrative changes to the Minnesota State Retirement System, Teachers Retirement Association, Public Employees Retirement Association, and St. Paul Teachers Retirement Fund Association; clarifying refund repayment procedures; modifying executive director credentials; clarifying combined service annuity augmentation rates and service requirements; revising appeal procedures; clarifying coverage for charter school administrators; modifying service credit purchase procedures; establishing new procedures for disability applications due to private disability insurance requirements; clarifying death and disability benefit payment provisions; modifying annual benefit limitations for federal tax code compliance; authorizing use of IRS correction procedures; clarifying benefit offsets for certain refund payments; clarifying police and fire plan coverage for certain Hennepin Healthcare System supervisors; modifying various economic actuarial assumptions; adopting recommendations of the Volunteer Firefighter Relief Association Working Group; increasing relief association lump-sum service pension maximums; lowering certain vesting requirements for Eden Prairie Volunteer Firefighters Relief Association; providing for the consolidation of the Coleraine and Bovey Volunteer Firefighters Relief Associations; modifying the MSRS disability application deadlines in certain instances; adopting definition of the Hometown Heroes Act related to public safety officer death benefits; allowing service credit purchase and Rule of 90-eligibility for certain Minnesota Department of Transportation employees; authorizing MnSCU employees to elect retroactive and prospective TRA coverage; authorizing MnSCU employee to transfer past service from IRAP to PERA; increasing maximum employer contribution to a supplemental laborers pension fund; authorizing certain additional sources of retirement plan funding; making technical and conforming changes; amending Minnesota Statutes 2014, sections 3A.03, subdivision 3; 16A.14, subdivision 2a; 352.03, subdivisions 5, 6; 352.113, subdivisions 2, 4; 353.01, subdivision 43; 353.012; 353.32, subdivisions 1, 4; 353.34, subdivision 2; 354.05, subdivision 2, by adding a subdivision; 354.06, subdivisions 2, 2a; 354.095; 354.45, by adding a subdivision; 354.46, subdivision 6; 354.48, subdivision 1; 354.52, subdivisions 4, 6; 354A.011, subdivision 29; 354A.093, subdivision 4; 354A.095; 354A.12, subdivision 2a; 354A.35, subdivision 2; 354A.38, as amended; 356.24, subdivision 1; 356.30, subdivision 1; 356.635, by adding subdivisions; 356.96, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 423A.02, subdivision 3; 424A.01, by adding subdivisions; 424A.015, by adding a subdivision; 424B.20, subdivision 4; 490.121, subdivisions 25, 26; Minnesota Statutes 2015 Supplement, sections 3A.03, subdivision 2; 352.23; 352B.11, subdivision 4; 352D.05, subdivision 4; 353.01, subdivision 16; 353.0162; 353.64, subdivision 10; 353G.02, subdivision 6; 354.44, subdivision 9; 354A.093, subdivision 6; 354A.096; 354A.29, subdivision 7; 356.215, subdivisions 8, 11; 356.415, subdivisions 1a, 1d, 1e, 1f; 356.50, subdivision 2; 356.551, subdivision 2; 356.635, subdivision 10; 424A.02, subdivision 3; 490.124, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 356; 424A; repealing Minnesota Statutes 2014, sections 352.04, subdivision 11; 353.0161, subdivision 1; 353.34, subdivision 6; 354A.12, subdivision 2c; 354A.31, subdivision 3; 356.47, subdivision 1; 356.611, subdivisions 3, 3a, 4, 5; 356.96, subdivisions 14, 15; 424A.02, subdivision 13; Minnesota Statutes 2015 Supplement, sections 353.0161, subdivisions 2, 3; 354A.12, subdivision 3c; 354A.29, subdivisions 8, 9; 356.415, subdivision 1.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. No. 659 was read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House File was introduced:

Newton introduced:

H. F. No. 4016, A bill for an act relating to employment; requiring the payout of earned paid time off at separation from employment; amending Minnesota Statutes 2014, section 181.171, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The Speaker assumed the Chair.

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1333, A bill for an act relating to civil law; allowing for modification of spousal maintenance based on the cohabitation of the obligee; amending Minnesota Statutes 2014, section 518.552, by adding a subdivision.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2963, A bill for an act relating to natural resources; appropriating money from environment and natural resources trust fund; adding requirements for use of trust fund money; creating reimbursement procedures for the University of Minnesota for money from the environment and natural resources trust fund; amending Minnesota Statutes 2014, section 137.025, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116P.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Dziedzic, Westrom and Hoffman.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

JOANNE M. ZOFF, Secretary of the Senate

Hackbarth moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2963. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2745, 2771 and 3483.

JOANNE M. ZOFF, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 2745, A bill for an act relating to occupations; modifying Board of Barber Examiners provisions; authorizing rulemaking; amending Minnesota Statutes 2014, sections 154.001, subdivision 2; 154.002; 154.01; 154.02; 154.04; 154.05; 154.065, subdivisions 2, 4; 154.07; 154.08; 154.09; 154.10, subdivision 2; 154.11, subdivision 1; 154.14; 154.15; 154.161, subdivision 7; 154.162; 154.19; 154.21; 154.24; 154.25; Minnesota Statutes 2015 Supplement, sections 154.003; 154.11, subdivision 3; 154.161, subdivision 4; repealing Minnesota Statutes 2014, sections 154.03; 154.06; 154.11, subdivision 2; 154.12.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 2771, A bill for an act relating to data practices; classifying certain data related to small business certification programs; amending Minnesota Statutes 2014, section 13.591, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 3483, A bill for an act relating to courts; updating outdated statutes pertaining to court reporters; authorizing direct appeals of referee orders and decrees in probate or civil commitment court proceedings to the Court of Appeals; clarifying statutes related to penalty of perjury for documents provided to the court; amending Minnesota Statutes 2014, sections 243.49; 358.116; 484.70, subdivision 7; 484.702, by adding a subdivision; 486.01; 486.02; 486.05, subdivision 1; 486.06; 609.48, by adding a subdivision; repealing Minnesota Statutes 2014, sections 484.72; 486.05, subdivision 1a; 525.112.

The bill was read for the first time.

Hilstrom moved that S. F. No. 3483 and H. F. No. 3005, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

### **ANNOUNCEMENT BY THE SPEAKER**

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2963:

Hackbarth, Green and Anzenc.

Peppin moved that the House recess subject to the call of the Chair. The motion prevailed.

### RECESS

### RECONVENED

The House reconvened and was called to order by the Speaker.

### CALENDAR FOR THE DAY

Dettmer was excused for the remainder of today's session.

H. F. No. 3208, A bill for an act relating to game and fish; modifying blaze orange hunting requirements to allow blaze pink; amending Minnesota Statutes 2014, section 97B.071.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 75 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Albright	Dean, M.	Heintzeman	Loonan	Pelowski	Smith
Anderson, C.	Drazkowski	Hertaus	Lucero	Peppin	Swedzinski
Anderson, S.	Erickson	Hilstrom	Lueck	Petersburg	Theis
Anzelc	Fabian	Hoppe	Mack	Peterson	Torkelson
Atkins	Fenton	Howe	Marquart	Pierson	Uglen
Backer	Garofalo	Johnson, B.	McDonald	Poppe	Urdahl
Baker	Green	Kelly	McNamara	Pugh	Vogel
Barrett	Gruenhagen	Kiel	Miller	Quam	Whelan
Bennett	Gunther	Knoblach	Nash	Rarick	Zerwas
Christensen	Hackbarth	Koznick	Newberger	Runbeck	Spk. Daudt
Cornish	Halverson	Kresha	Nornes	Sanders	
Daniels	Hamilton	Lohmer	O'Driscoll	Schomacker	
Davids	Hancock	Loon	O'Neill	Scott	

Those who voted in the negative were:

Allen	Dehn, R.	Hornstein	Lillie	Newton	Wagenius
Anderson, P.	Ecklund	Hortman	Loeffler	Norton	Ward
Applebaum	Erhardt	Isaacson	Mahoney	Persell	Wills
Bernardy	Fischer	Johnson, C.	Masin	Schoen	Yarusso
Bly	Flanagan	Johnson, S.	Melin	Schultz	Youakim
Carlson	Franson	Kahn	Metsa	Selcer	
Clark	Freiberg	Laine	Moran	Simonson	
Considine	Hansen	Liebling	Mullery	Slocum	
Davnie	Hausman	Lien	Nelson	Sundin	

The bill was passed and its title agreed to.

## POINT OF ORDER

Sanders raised a point of order pursuant to section 223 of "Mason's Manual of Legislative Procedure," relating to Questions Not Constituting Personal Privilege. The Speaker ruled the point of order well taken.

Selcer and Theis were excused for the remainder of today's session.

H. F. No. 3209, A bill for an act relating to game and fish; prohibiting adoption of rules limiting use of lead shot; proposing coding for new law in Minnesota Statutes, chapter 97B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 80 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Albright	Dean, M.	Heintzeman	Lueck	Pelowski	Sundin
Anderson, C.	Drazkowski	Hertaus	Mack	Peppin	Swedzinski
Anderson, P.	Ecklund	Hoppe	Marquart	Petersburg	Torkelson
Anderson, S.	Erickson	Howe	McDonald	Peterson	Uglen
Anzelc	Fabian	Johnson, B.	McNamara	Pierson	Urdahl
Atkins	Fenton	Kelly	Metsa	Poppe	Vogel
Backer	Franson	Kiel	Miller	Pugh	Whelan
Baker	Garofalo	Knoblach	Nash	Quam	Wills
Barrett	Green	Koznick	Nelson	Rarick	Zerwas
Bennett	Gruenhagen	Kresha	Newberger	Runbeck	Spk. Daudt
Christensen	Gunther	Lohmer	Newton	Sanders	
Cornish	Hackbarth	Loon	Nornes	Schomacker	
Daniels	Hamilton	Loonan	O'Driscoll	Scott	
Davids	Hancock	Lucero	O'Neill	Smith	

Those who voted in the negative were:

Allen	Dehn, R.	Hilstrom	Lesch	Moran	Schultz
Applebaum	Erhardt	Hornstein	Liebling	Mullery	Simonson
Bernardy	Fischer	Hortman	Lien	Murphy, E.	Slocum
Bly	Flanagan	Isaacson	Lillie	Norton	Thissen
Carlson	Freiberg	Johnson, C.	Loeffler	Persell	Wagenius
Clark	Halverson	Johnson, S.	Mahoney	Pinto	Ward
Considine	Hansen	Kahn	Masin	Rosenthal	Yarusso
Davnie	Hausman	Laine	Melin	Schoen	Youakim

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 622, A bill for an act relating to capital investment; appropriating money for capital improvements; modifying prior appropriations; providing for the sale and conveyance of state bond financed property; providing for disaster relief; authorizing the sale and issuance of state bonds; amending Laws 2008, chapter 179, section 16, subdivision 5, as amended; Laws 2009, chapter 93, article 1, section 11, subdivision 4, as amended; Laws 2010, chapter 189, section 15, subdivision 5, as amended; Laws 2012, chapter 293, section 3, subdivision 18; Laws 2013, chapter 136, section 4, as amended; Laws 2014, chapter 294, article 1, sections 15, subdivision 2; 18, subdivisions 3, 4; 21, subdivisions 10, 12, 13, 16, 18; Laws 2014, chapter 295, section 10, subdivision 12.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

### "ARTICLE 1 APPROPRIATIONS

#### Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless otherwise specified in this act, money appropriated in this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144.

### **APPROPRIATIONS**

#### Sec. 2. **UNIVERSITY OF MINNESOTA**

##### Subdivision 1. **Total Appropriation**

**\$65,764,000**

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

##### Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**

**38,597,000**

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

**Subd. 3. Chemical Sciences and Advanced Materials  
Science Building**

27,167,000

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

**Subd. 4. University Share**

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

**Subd. 5. Unspent Appropriations**

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

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

**Subdivision 1. Total Appropriation**

\$73,321,000

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

**Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)**

36,098,000

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

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

**(a) Fergus Falls campus**

978,000

To design, renovate, furnish, and equip a new Center for Student and Workforce Success (CSWS) that integrates the Regional Workforce Center. The board must enter into a lease agreement with the commissioner of employment and economic development.



or partners of the commissioner, for use of the workforce center subject to Minnesota Statutes, section 16A.695. The board must use nonstate money for the remainder of the cost of the renovation.

**(b) Wadena campus**

820,000

To design, renovate, furnish, and equip the relocation of the current library to underutilized space and converting the vacated space into a centralized student services center.

**Subd. 4. Northland Community and Technical College, East Grand Forks**

826,000

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

**Subd. 5. Riverland Community College, Albert Lea**

7,427,000

To design, construct, furnish, and equip the renovation and expansion of the Trade and Industrial Education Center on the Albert Lea campus of Riverland Community College.

**Subd. 6. South Central College, North Mankato**

8,600,000

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

**Subd. 7. St. Cloud State University**

18,572,000

To construct, renovate, furnish, and equip Eastman Hall for the relocation of consolidated student health services and academic programs.

**Subd. 8. Debt Service**

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

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

(c) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid

by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

**Subd. 9. Unspent Appropriations**

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

(b) The unspent portion of an appropriation for a project in this section that is complete is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 8 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

**Sec. 4. EDUCATION**

**Subdivision 1. Total Appropriation**

**\$16,070,000**

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

**Subd. 2. Library Construction Grants**

2,000,000

For library construction grants under Minnesota Statutes, section 134.45.

**Subd. 3. Red Lake Independent School District No. 38 Facility Projects**

14,070,000

(a) This appropriation is from the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72. This appropriation is for the following projects at the

Red Lake Elementary School and early childhood center: constructing, furnishing, and equipping new classrooms connecting the early childhood center and the elementary school; renovating classrooms, computer labs, cafeteria expansion, and student support areas; updating mechanical systems; and relocating the main entrance and administrative office.

(b) Before any capital loan contract is approved under this subdivision, the district must provide documentation acceptable to the commissioner on how the capital loan will be used. If any portion of the appropriation remains after completion of the identified project components, the district may, with the commissioner's approval, use the money for other items identified in the review and comment submission.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. **Total Appropriation**

**\$2,050,000**

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

Subd. 2. **Asset Preservation**

2,000,000

For capital asset preservation improvements and betterments on both campuses of the Minnesota State Academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Minnesota State Academies Security Corridor**

50,000

For predesign for a safety corridor on the Minnesota State Academy for the Deaf campus.

Sec. 6. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**

**\$33,990,000**

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

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

Subd. 2. **Natural Resources Asset Preservation**

12,000,000

For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946: (1) the

commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation; and (2) this appropriation may be used for projects to remove life safety hazards such as building code violations or structural defects.

**Subd. 3. Flood Hazard Mitigation**

3,500,000

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

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

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

(d) This appropriation includes \$750,000 for the city of Browns Valley project and \$1,800,000 for the city of Ortonville project.

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

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

**Subd. 4. Dam Renovation, Repair, Removal**

9,000,000

(a) To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. Of this appropriation:

\$500,000 is for emergencies on state-owned dams;

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

\$2,500,000 is for repairs of the Lake Bronson dam;

\$500,000 is for a grant to the city of Pelican Rapids for engineering work for the Pelican Rapids dam;

\$200,000 is for a grant to the city of Norway Lake for engineering work on the Norway Lake dam;

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

\$100,000 is for a grant to St. Louis County for the Little Stone Lake dam; and

\$1,400,000 is for state dams at Brawner, Collinwood, Grindstone River, and Sullivan.

If the commissioner determines that a project is not ready to proceed, this appropriation may be used for other projects on the commissioner's priority list.

**Subd. 5. Trail Development**

6,190,000

\$2,590,000 is for the Glacial Lakes Trail, to complete an approximately six and one-quarter mile trail connection between New London and Sibley State Park, and repair of the bicycle trail in Sibley State Park.

\$3,600,000 is for acquisition and development in the Cuyuna Country State Recreation Area, including the Cuyuna Mountain Bike System.

**Subd. 6. Champlin Mill Pond**

3,300,000

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

**Subd. 7. Unspent Appropriations**

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

**Sec. 7. POLLUTION CONTROL AGENCY**

**Subdivision 1. Total Appropriation**

**\$20,505,000**

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

**Subd. 2. St. Louis River Cleanup**12,705,000

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

**Subd. 3. Redwood-Cottonwood Rivers Joint Powers - Lake Redwood Reclamation and Enhancement Project**7,800,000

For a grant to the Redwood-Cottonwood Rivers control area, a joint powers entity, to predesign, design, construct, and equip the reservoir reclamation and enhancement of the 66-acre Lake Redwood Reservoir, to remove approximately 650,000 cubic yards of sediment and increase its depth from approximately 2.8 feet to approximately 20 feet in order to secure renewable energy capacity of the hydroelectric dam which is impeded by lack of water capacity, reduce the flow of pollutants to the Minnesota River, and increase fish habitat and enhance recreational opportunities.

**Sec. 8. BOARD OF WATER AND SOIL RESOURCES****Subdivision 1. Total Appropriation****\$7,000,000**

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

**Subd. 2. Reinvest in Minnesota (RIM) Reserve Program**6,000,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

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

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

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

1,000,000

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

**Sec. 9. RURAL FINANCE AUTHORITY**

\$35,000,000

For the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is from the bond proceeds account in the rural finance administration fund and is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

**Sec. 10. MINNESOTA ZOOLOGICAL GARDEN**

**Subdivision 1. Total Appropriation**

\$4,000,000

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

**Subd. 2. Asset Preservation****4,000,000**

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

**Sec. 11. ADMINISTRATION****Subdivision 1. Total Appropriation****\$9,850,000**

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

**Subd. 2. Centennial Parking Ramp****7,000,000**

To complete design and for structural repairs to the Centennial parking ramp, including removal of the top deck green space to provide additional parking capacity, repairing damaged post-tension cables, and installation of a deck surface protection coating.

**Subd. 3. Capital Asset Preservation and Replacement Account****2,500,000**

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

**Subd. 4. Capitol Complex Monuments and Memorials****350,000**

To design and complete critical repairs to the Peace Officers and Roy Wilkins memorials located on the Capitol complex.

**Sec. 12. MN.IT****\$\$1,432,000**

To the commissioner of administration to predesign, design, construct, renovate, furnish, and equip existing state data center facilities at the Bureau of Criminal Apprehension's Maryland Avenue office building and at the Department of Revenue's Stassen Office Building for the purpose of decommissioning and repurposing into usable office space.

**Sec. 13. MILITARY AFFAIRS****\$2,500,000**

To the adjutant general for asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.



Sec. 14. **PUBLIC SAFETY****\$3,521,000**

To the commissioner of administration to design and construct a joint emergency railroad and pipeline emergency response training facility at Camp Ripley, including the construction of stations and capital infrastructure needed for mock disaster training.

Sec. 15. **TRANSPORTATION**Subdivision 1. **Total Appropriation****\$334,782,000**

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

Subd. 2. **Local Bridge Replacement and Rehabilitation****90,000,000**

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

Subd. 3. **Local Road Improvement Fund Grants****137,200,000**

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) This appropriation includes money for a grant to the city of Baxter for acquisition of land or interests in land, environmental analysis and environmental cleanup, predesign, design, engineering, and construction of improvements to Cypress Drive, including expansion to a four-lane divided urban roadway, between Excelsior Road and College Road.

(c) Of this amount, \$1,000,000 is for a grant to the town of Appleton in Swift County for upgrades to an existing township road to provide for a paved, ten-ton capacity township road extending between marked Trunk Highways 7 and 119.

(d) Of this amount, \$25,000,000 is for a grant to Hennepin County for design, right-of-way acquisition, engineering, and construction of public improvements related to the Interstate Highway 35W and Lake Street access project and related improvements within the Interstate Highway 35W corridor. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project has been committed to the project.

(e) Of this amount, \$20,500,000 is for a grant to Ramsey County for preliminary and final design, environmental documentation, and construction of the interchange of marked Interstate Highway 694 and Rice Street in Ramsey County.

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

**Subd. 4. Rail Grade Separations**

26,749,000

(a) \$14,762,000 is for a grant to the city of Red Wing for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road.

(b) \$11,987,000 is for a grant to Anoka County for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Anoka County State-Aid Highway 78, known as Hanson Boulevard, in Coon Rapids.

**Subd. 5. Railroad Warning Devices**

1,000,000

To design, construct, and equip new rail grade crossing warning safety devices at active highway-rail grade crossings, or to replace active highway-rail grade warning safety devices that have reached the end of their useful life.

**Subd. 6. Minnesota Valley Regional Rail Authority**

4,000,000

For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of a portion of the railroad track between Winthrop and Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this section is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62. This appropriation is in addition to the appropriations in Laws 2006, chapter 258, section 16, subdivision 6; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; and Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4.

**Subd. 7. Hennepin County - U.S. Highway 12**

15,000,000

From the bond proceeds account in the trunk highway fund for projects, including preliminary and final design, engineering, environmental analysis, right-of-way acquisition, construction, and reconstruction on marked U.S. Highway 12 as follows:

(1) realignment at the intersections with Hennepin County State-Aid Highway 92;

(2) realignment and safety improvements at the intersection with Hennepin County State-Aid Highway 90; and

(3) safety median improvements from the interchange with Wayzata Boulevard in Wayzata to approximately one-half mile east of the interchange with Hennepin County State-Aid Highway 6.

**Subd. 8. Chaska - Trunk Highway 212 Interchange**

8,000,000

From the bond proceeds account in the trunk highway fund for right-of-way acquisition and construction of an interchange at marked Trunk Highway 212 and Carver County Road 140 in the city of Chaska, to support the development of approximately 400 acres of property in the city of Chaska's comprehensive plan.

**Subd. 9. Anoka County - I35 Interchange in Columbus**

13,000,000

From the bond proceeds account in the trunk highway fund for a grant to Anoka County to: (1) complete the design, land acquisition, engineering, and construction of an interchange at the intersection of marked Interstate Highway 35, marked Trunk Highway 97, and County State-Aid Highway 23, and (2) realign and make associated improvements to County State-Aid Highway 54, known as West Freeway Drive, in the city of Columbus.

**Subdivision 10. I-94/Brockton Lane Interchange**

34,000,000

From the bond proceeds account in the trunk highway fund for the I-94/Brockton Lane Interchange Project to construct an interchange and auxiliary lanes on marked Interstate Highway 94 east of the Hennepin County State-Aid Highway 101 (Brockton Lane) overpass in the city of Dayton.

**Subd. 11. Trunk Highway Bonds - Debt Service 2017**

618,000

From the trunk highway fund in fiscal year 2017 for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall transfer the deficiency amount under the statutory open appropriation, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

**Subd. 12. Red Wing - Highway 61 Reconstruction**833,000

From the trunk highway fund in fiscal year 2017 for State Project No. 2514-122, consisting of engineering and reconstruction of the segment of marked U.S. Highway 61 in Red Wing from westerly of Old West Main Street to easterly of Potter Street and is for trunk highway costs in excess of the engineer's estimate and associated program delivery.

**Subd. 13. Port Development Assistance**5,000,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

**Sec. 16. METROPOLITAN COUNCIL****Subdivision 1. Total Appropriation****\$23,350,000**

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

**Subd. 2. Metro Orange Line BRT**12,100,000

Up to \$12,100,000, but an amount that is no more than ten percent of the total project cost, is for the Metropolitan Council, or for the Metropolitan Council to make grants to political subdivisions, to construct capital improvements along the I-35W corridor for completion of the Metro Orange Bus Rapid Transit (BRT) Line.

The Metro Orange BRT Line must not follow a route that requires an underpass or tunnel to be built under I-494 at Knox Avenue, but must follow the Penn Avenue route after coming down into the circle on the bottom of Knox Avenue on the north side of I-494.

**Subd. 3. Mall of America Station**8,750,000

For design and construction of improvements to the Mall of America Station on the Hiawatha Corridor light rail transit line, subject to Minnesota Statutes, section 16A.695. The Metropolitan Council must consult with the city of Bloomington throughout the design and construction process.

**Subd. 4. Metropolitan Cities Inflow and Infiltration Grants**2,500,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants

from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Sec. 17. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation**

**\$70,071,000**

To the commissioner of administration, or another named agency, for the purposes specified in this section.

Subd. 2. **Minnesota Security Hospital - St. Peter**

57,611,000

To complete design, remodel, construct, furnish, and equip the second phase of the two-phase project to remodel existing and to develop new residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center. This does not include construction of a new 48-bed transitional housing unit. This appropriation includes money to: demolish, renovate, and remodel existing space; construct new space; address fire and life safety, and other building code deficiencies; replace or renovate interior finishes; purchase furnishings, fixtures, and equipment; replace or renovate the Minnesota Security Hospital building's HVAC, plumbing, electrical, security, and life safety systems; tuck-point; replace windows and doors; design and abate asbestos and hazardous materials; and complete site work necessary to support the programmed use of the facilities on the St. Peter Regional Treatment Center upper campus.

Subd. 3. **Child and Adolescent Behavioral Health Services**

7,530,000

To purchase land in or near the city of Willmar for, and to predesign, design, construct, furnish, and equip, a 16-bed psychiatric hospital facility of approximately 17,500 to 18,000 square feet that will house the Child and Adolescent Behavioral Health Services (CABHS) program. The facility shall include space for single bedrooms, bathing and toilets, dining, living, group and treatment rooms, education space, visitation, clinic/professional staff, operations staff, patient storage, operations storage, food preparation, HVAC/telecommunications/data equipment, a small area for indoor recreation, and a secure outdoor activity space. The property for the facility will provide for staff and visitor parking, outdoor activities, and appropriate side, front, and rear setbacks.

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

2,250,000

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

**Subd. 5. Regional Medical Examiner's Facility**

2,680,000

For a grant to Hennepin County to design an approximately 67,000 square foot regional, state-of-the-art medical examiner's facility. The facility shall: (1) provide forensic death investigation and autopsy services for Dakota, Hennepin, and Scott Counties with the flexibility to accommodate future partner counties and agencies; (2) serve as a teaching facility for the state, on the science of forensic pathology; and (3) be located in the city of Bloomington as a site that best supports access needs for the three founding counties and reasonable scene response times for the geographic service area.

**Sec. 18. VETERANS AFFAIRS**

**\$4,000,000**

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

**Sec. 19. CORRECTIONS**

**Subdivision 1. Total Appropriation**

**\$28,900,000**

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

**Subd. 2. Asset Preservation**

8,000,000

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

**Subd. 3. Minnesota Correctional Facility - St. Cloud** 19,000,000

To construct and equip a new intake unit and a loading dock with a secure connection to a new central warehouse at the Minnesota Correctional Facility – St. Cloud.

**Subd. 4. Minnesota Correctional Facility - Moose Lake** 1,900,000

To expand and renovate the outdated master control center to improve security and efficiency at the Minnesota Correctional Facility - Moose Lake. The renovation includes updating fire alarm panels and mechanical and electrical systems and improving visibility of the visiting area.

**Subd. 5. Unspent Appropriations**

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

**Sec. 20. EMPLOYMENT AND ECONOMIC DEVELOPMENT**

**Subdivision 1. Total Appropriation** **\$58,541,000**

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

**Subd. 2. Transportation Economic Development** 6,000,000

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

**Subd. 3. Greater Minnesota Business Development Public Infrastructure Grants** 10,000,000

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

**Subd. 4. Innovative Business Development Public Infrastructure Grants** 2,000,000

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

**Subd. 5. Duluth - Steam Plant** 21,000,000

For a grant to the city of Duluth to complete the design of and to renovate, construct, furnish, and equip an upgrade to the municipal district heating facility and systems, including conversion of the distribution system along Superior Street from steam, with no condensate return, to closed-loop hot water, subject to Minnesota

Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed from nonstate sources.

**Subd. 6. Litchfield - Phase 2 Power Generation Improvements**

3,000,000

For a grant to the city of Litchfield to design and construct electrical generation improvements in the city of Litchfield to expand the current standby capacity, including replacement of two old generators. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

**Subd. 7. Madelia**

98,000

For a grant to the city of Madelia for repair and replacement of a capital nature of public infrastructure damaged by a fire in Madelia in February 2016. This appropriation does not require a nonstate contribution.

**Subd. 8. St. James - Public Infrastructure**

3,443,000

For a grant to the city of St. James. Of this amount, \$2,193,000 is for engineering, right-of-way acquisition, and reconstruction of streets, sidewalks, storm water and sanitary sewer, water mains, lighting, utilities, and other capital improvements of publicly owned infrastructure required for the reconstruction of marked Trunk Highway 4 in the city of St. James, and \$1,250,000 is to replace the storm sewer drain which serves St. James Lake and the entire southern section of the City of St. James.

**Subd. 9. St. Paul - Science Museum of Minnesota Building Preservation**

13,000,000

For a grant to the city of St. Paul for predesign, design, and construction work to replace water-damaged elements of the Science Museum of Minnesota's exterior envelope and some resultant interior damage caused by latent design and construction defects, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount has been committed to the project from nonstate sources. Capital costs paid by the Science Museum of Minnesota since January 1, 2014, relating to the water intrusion damage, shall count towards the match requirement.

**Sec. 21. PUBLIC FACILITIES AUTHORITY**

**Subdivision 1. Total Appropriation**

**\$150,300,000**

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



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

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

**Subd. 3. Water Infrastructure Funding Program**70,000,000

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

(b) \$51,500,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) \$18,500,000 is for drinking water projects listed on the commissioner of health's project priority list in the fundable range under the drinking water revolving fund program.

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

**Subd. 4. Point Source Implementation Grants Program**46,500,000

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

**Subd. 5. Lewis and Clark Regional Water System**11,500,000

This appropriation is from the general fund in fiscal year 2017 for a grant to the Lewis and Clark Joint Powers Board to acquire land, design, engineer, and construct facilities and infrastructure necessary to complete Phase 3 of the Lewis and Clark Regional Water System project, including extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquiring and installing a supervisory control and data acquisition (SCADA) system. This is a onetime appropriation and is not available until the commissioner of management and budget determines that at least \$9,000,000 is committed to the Phase 3 of the project from nonstate sources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

**Subd. 6. East Grand Forks****5,300,000**

For a grant to the city of East Grand Forks to design and construct wastewater infrastructure improvements interconnecting the wastewater system of East Grand Forks to the wastewater treatment system in Grand Forks, North Dakota. This appropriation may not be used for improvements outside the state. This appropriation is in addition to grants under Minnesota Statutes, section 446A.072. A nonstate match is not required.

**Sec. 22. MINNESOTA HISTORICAL SOCIETY****\$2,500,000**

To the Minnesota Historical Society for capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

**Sec. 23. BOND SALE EXPENSES****Subdivision 1. Total Appropriation****\$935,000**

To the commissioner of management and budget for the purposes specified in this section.

**Subd. 2. Bond Proceeds Fund****865,000**

From the bond proceeds fund for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

**Subd. 3. Trunk Highway Fund****70,000**

From the bond proceeds account in the trunk highway fund for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

**Sec. 24. BOND SALE AUTHORIZATIONS.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$624,709,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the bond proceeds account in the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$227,200,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$14,070,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 4. **Trunk highway bonds.** To provide the money appropriated in subdivision 1 from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$70,070,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

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

(a) The bond sale authorization in Laws 1990, chapter 610, article 1, section 30, subdivision 1, as amended, is reduced by \$3,129.

(b) The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, as amended, is reduced by \$24,480.

(c) The bond sale authorization in Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by \$96,992.

(d) The bond sale authorization in Laws 1999, chapter 240, article 1, section 13, subdivision 1, as amended, is reduced by \$212,472.

(e) The bond sale authorization in Laws 2000, chapter 492, article 1, section 26, subdivision 1, as amended, is reduced by \$7,933,538.

(f) The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended, is reduced by \$188,471.

(g) The bond sale authorization in Laws 2002, First Special Session chapter 1, section 9, subdivision 1, s reduced by \$217,959.

(h) The bond sale authorization in Laws 2003, First Special Session chapter 19, article 3, section 2, is reduced by \$201,530.

(i) The bond sale authorization in Laws 2003, First Special Session chapter 19, article 4, section 4, is reduced by \$326,534.

(j) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended, is reduced by \$3,366,628.

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

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

(m) \$2,335,000 of the appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 9, subdivision 2, to the commissioner of natural resources for disaster relief, is canceled, and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

Sec. 26. Laws 2015, First Special Session chapter 5, article 1, section 19, is amended to read:

Sec. 19. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2017, no more than ~~\$1,267,459,000~~ \$1,239,580,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 27. **EFFECTIVE DATE.**

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

ARTICLE 2  
MISCELLANEOUS

Section 1. Minnesota Statutes 2014, section 16A.86, subdivision 3a, is amended to read:

Subd. 3a. **Information provided.** All requests for state assistance under this section must include the following information:

(1) the name of the political subdivision that will own the capital project for which state assistance is being requested;

(2) the public purpose of the project;

(3) the extent to which the political subdivision has or expects to provide local, private, user financing, or other nonstate funding for the project;

(4) a list of the bondable activities that the project encompasses; examples of bondable activities are public improvements of a capital nature for land acquisition, predesign, design, construction, and furnishing and equipping for occupancy;

(5) whether the project will require new or additional state operating subsidies;

(6) whether the governing body of the political subdivision requesting the project has passed a resolution in support of the project and has established priorities for all projects within its jurisdiction for which bonding appropriations are requested when submitting multiple requests;

(7) if the project requires a predesign under section 16B.335, whether the predesign has been completed at the time the capital project request is submitted, and whether the political subdivision has submitted the project predesign to the commissioner of administration for review and approval; ~~and~~

(8) if applicable, the information required under section 174.93, subdivision 1a-; and

(9) for an applicant that is a public entity, as defined in section 115A.471, paragraph (b), that is requesting assistance for a solid waste management facility, certification by the commissioner of the Pollution Control Agency that the applicant has filed a report with the agency analyzing the issues addressing private ownership of solid waste management facilities identified in section 115A.51, paragraph (a), clauses (4) and (5), and that the commissioner has determined that public ownership of the proposed solid waste management facility is the best alternative. Within five days of filing the report with the agency, the applicant must submit a copy of the report to each privately owned solid waste management facility mentioned in the report.

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

Sec. 2. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 2, is amended to read:

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

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

(c) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, not to exceed \$19,000,000 net of costs of issuance, for the purposes as provided under this paragraph (a), and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under paragraph (e). The bonds authorized by this paragraph are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian; and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to this project phase. Upon completion of Phase 2, the unspent, unencumbered portion of the appropriation in this subdivision is available for the purposes of Phase 3, which includes extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquiring and installing a supervisory control and data acquisition (SCADA) system.

(d) Appropriation bonds may be issued in one or more issues or 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 appropriation bonds may not exceed 25 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

(e) 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, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

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

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

Sec. 3. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 7, is amended to read:

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under this section and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated ~~to the commissioner;~~

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

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

Sec. 4. Minnesota Statutes 2015 Supplement, section 85.015, subdivision 6, is amended to read:

Subd. 6. **Minnesota Valley Trail, Hennepin, Dakota, Scott, Carver, Sibley and Le Sueur Counties.** (a) The trail shall originate at Fort Snelling State Park and thence extend generally southwesterly along the Minnesota River Valley through Hennepin, Dakota, Scott, Carver, Sibley, and Le Sueur Counties to the city of Le Sueur, and there terminate. The trail shall include the following state waysides: (a) Rice Lake Wayside, in Scott County; (b) Carver Rapids Wayside, in Scott County; (c) Lawrence wayside, in Scott county; (d) Belle Plaine Wayside, in Carver, Scott, and Sibley Counties; (e) Blakeley Wayside, in Scott County; and (f) Rush River Wayside, in Sibley County.

(b) The trail shall be developed primarily for riding and hiking. Motorized vehicles are prohibited from that portion of the trail on the north side of the Minnesota River, lying between Fort Snelling State Park and Rice Lake Wayside. ~~That portion of the trail on the north side of the Minnesota River, lying between the Bloomington Ferry Bridge pedestrian crossing and the Cedar Avenue Bridge, must be a paved trail developed primarily for hiking and bicycling.~~

(c) In establishing, developing, maintaining, and operating the trail the commissioner shall cooperate with local units of government and private individuals and groups whenever feasible.

Sec. 5. Minnesota Statutes 2014, section 85.34, subdivision 1, is amended to read:

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

Sec. 6. Minnesota Statutes 2014, section 115A.51, is amended to read:

#### **115A.51 APPLICATION REQUIREMENTS.**

(a) Applications for assistance under the program ~~shall~~ must demonstrate:

~~(a)~~ (1) that the project is conceptually and technically feasible;

~~(b)~~ (2) that affected political subdivisions are ~~to~~ committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project;

~~(c)~~ (3) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;

~~(d)~~ (4) that the applicant has evaluated the feasible and prudent alternatives to disposal, including the use of existing privately owned solid waste management facilities with available capacity sufficient to accomplish, in whole or in part, the goals of the proposed project, and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators; and

(5) that the applicant has identified waste management objectives in applicable county and regional waste solid management plans that can be achieved only through public ownership of the proposed solid waste management facility and has adequately balanced achievement of the objectives against the requirement of the plans to encourage and protect private ownership of solid waste management facilities.

(b) The commissioner may require completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, before accepting an application. Within five days of filing an application with the agency, the applicant must submit a copy of the application to each privately owned solid waste management facility mentioned in the portion of the application addressing the requirements of paragraph (a), clause (5).

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

Sec. 7. Minnesota Statutes 2014, section 116J.431, subdivision 1, is amended to read:

Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall make grants to counties or cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible economic development project. The county or city receiving a grant must provide for the remainder of the costs of the project, either in cash or in kind. In-kind contributions may include the value of site preparation other than the public infrastructure needed for the project.

(b) The purpose of the grants made under this section is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development.

(c) In awarding grants under this section, the commissioner must adhere to the criteria under subdivision 4.

(d) If the commissioner awards a grant for less than 50 percent of the project, the commissioner shall provide the applicant and the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over economic development finance a written explanation of the reason less than 50 percent of the capital costs were awarded in the grant.

Sec. 8. Minnesota Statutes 2014, section 116J.431, subdivision 2, is amended to read:

Subd. 2. **Eligible projects.** An economic development project for which a county or city may be eligible to receive a grant under this section includes:

(1) manufacturing;

(2) technology;

(3) warehousing and distribution;

(4) research and development;

(5) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use; or

(6) industrial park development that would be used by any other business listed in this subdivision even if no business has committed to locate in the industrial park at the time the grant application is made.

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

Sec. 9. Minnesota Statutes 2014, section 116J.431, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a county or city must include in its application a resolution of the county or city council certifying that the required local match is available. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) the project is an eligible project as defined under subdivision 2;

(2) the project ~~will~~ is expected to result in or will attract substantial public and private capital investment and provide substantial economic benefit to the county or city in which the project would be located;



(3) the project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the project cannot be reasonably accommodated within the county or city in which the business is currently located, or the business would otherwise relocate to another state; and

(4) the project is expected to or will create or ~~maintain~~ retain full-time jobs.

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

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

Sec. 10. Minnesota Statutes 2014, section 116J.431, subdivision 6, is amended to read:

Subd. 6. **Maximum grant amount.** A county or city may receive no more than ~~\$1,000,000~~ \$2,000,000 in two years for one or more projects.

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

Sec. 11. Minnesota Statutes 2014, section 174.50, subdivision 7, is amended to read:

Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions.

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

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

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

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

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

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

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

(f) The maximum grant amount for a local bridge replacement or rehabilitation project under this section is \$5,000,000.

Sec. 12. Minnesota Statutes 2014, section 446A.072, is amended to read:

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

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

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

(1) whose projects are listed on the Pollution Control Agency's project priority list or the commissioner of health's project priority list;

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

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

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

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

(1) calculate the essential project component percentage based on the portion of project costs necessary to convey or treat the existing wastewater flows and loadings or, for drinking water projects, to provide safe drinking water to meet existing needs, which must be multiplied by the total project cost to determine the eligible project cost for the program under this section; and

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

(d) Each fiscal year the authority shall make funds available for projects based on their ranking on the Pollution Control Agency's project priority list or the commissioner of health's project priority list. The authority shall reserve funds for a project when the applicant receives a funding commitment from the United States Department of Agriculture Rural Development (USDA/RECD) or ~~submits plans and specifications to~~ the project is certified by the

Pollution Control Agency or the commissioner of health. Funds must be reserved in an amount based on the project cost estimate submitted to the authority ~~prior to the appropriation of the funds and awarded based on the lesser of that amount or the as-bid cost~~ when the project is certified or the as-bid cost, whichever is less.

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

(b) For a governmental unit receiving a loan from the clean water revolving fund under section 446A.07, the authority may provide assistance under this section in the form of a grant if the average annual residential wastewater system cost after completion of the project would otherwise exceed 1.4 percent of the median household income of the project service area. In determining whether the average annual residential wastewater system cost would exceed 1.4 percent, the authority must consider the total costs associated with building, operating, and maintaining the wastewater system, including existing wastewater debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the clean water revolving fund loan under section 446A.07, subdivision 7. The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential wastewater system cost to 1.4 percent of median household income in the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

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

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

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

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

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

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

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

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

Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or~~ grant under this section shall establish a system replacement fund and shall annually deposit a minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or~~ expansion, or replacement of the ~~treatment wastewater or drinking water system, or replacement of the treatment system at the end of its useful life.~~ Money must remain in the account for the life of the corresponding project loan from the authority or USDA/RECD, unless use of the fund is approved in writing by the authority for major rehabilitation, expansion, or replacement of the ~~treatment wastewater or drinking water~~ system. By March 1 each year during the life of the loan, each recipient shall submit a report to the authority regarding the amount deposited and the fund balance for the prior calendar year. A recipient is not required to maintain a fund balance greater than the amount of the grant received. Failure to comply with the requirements of this subdivision shall result in the authority assessing a penalty fee to the recipient equal to one percent of the supplemental assistance amount for each year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as required constitutes a default on the loan.~~

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

- (1) the project is consistent with the county comprehensive land use plan, if the county has adopted one;
- (2) the project is consistent with the county water plan, if the county has adopted one; and

(3) the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, part 7080.0305.

Sec. 13. Minnesota Statutes 2014, section 446A.073, as amended by Laws 2015, First Special Session chapter 4, article 4, sections 127, 128, and 129, is amended to read:

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

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

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

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

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

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

Subd. 2. **Grant application.** Application for a grant must be made to the authority on forms prescribed by the authority ~~for the total maximum daily load grant program, with additional information as required by the authority, including a project schedule and cost estimate for the work necessary to comply with the point source wasteload allocation requirements listed in subdivision 1.~~ The Pollution Control Agency shall:

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

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

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

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

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

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

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

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

Sec. 14. Minnesota Statutes 2014, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

(5) to earn interest on fund accounts;

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

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

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

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

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

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

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

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

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

Sec. 15. Minnesota Statutes 2014, section 446A.12, subdivision 1, is amended to read:

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

Sec. 16. Laws 2002, chapter 393, section 22, subdivision 6, as amended by Laws 2005, chapter 20, article 1, section 43, and Laws 2013, chapter 136, section 10, is amended to read:

**Subd. 6. Fergus Falls Regional Treatment Center**

3,000,000

To design, renovate, construct, furnish, and equip ancillary support and program facilities, including improvements to basic infrastructure, such as sanitary and storm sewer and water lines, public streets, curb, gutter, street lights, or sidewalks, to make improvements for building envelope and structural integrity for the purposes of stabilizing the buildings for sale, for hazardous materials abatement, and for demolition of all or portions of surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure to facilitate the redevelopment of the Fergus Falls Regional Treatment Center campus. If the property is sold or transferred to a local unit of government, the unspent portion of this appropriation may be granted to the local unit of government that acquires the campus for the purposes stated in this subdivision.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds in this subdivision are available until December 31, ~~2016~~ 2018.

Sec. 17. Laws 2010, chapter 189, section 7, subdivision 5, is amended to read:

Subd. 5. **Dam Renovation and Removal**

4,750,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

This appropriation includes money for the following projects:

- (a) Byllesby Dam, Dakota and Goodhue Counties
- (b) Champlin Mill Pond Dam, Hennepin County
- (c) Clayton Lake Dam, Pine County
- (d) Drayton Dam, Kittson County
- (e) Hallock Dam, Kittson County
- (f) Lake Bronson Dam, Kittson County
- (g) Lanesboro Dam, Fillmore County
- (h) Milaca Dam, Mille Lacs County
- (i) Montevideo Dam, Chippewa County
- (j) Pike River Dam, St. Louis County

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list. Notwithstanding the match requirements in Minnesota Statutes, section 103G.511, a grant to the city of Lanesboro does not require any nonstate match.

Sec. 18. Laws 2012, chapter 293, section 7, subdivision 3, is amended to read:

Subd. 3. **Dam Repair, Reconstruction, and Removal**

3,000,000

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



Sec. 19. Laws 2012, chapter 293, section 17, subdivision 4, is amended to read:

**Subd. 4. Phillips Community Center**

1,750,000

For a grant to the Minneapolis Park and Recreation Board to predesign, design, engineer, reconstruct, renovate, furnish, and equip the Phillips Community Center indoor competitive swimming pool and to predesign, design, engineer, and construct an additional indoor multipurpose family pool and facilities associated with an aquatic center in the community center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner determines that at least \$350,000 is committed from nonstate sources. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2018.

Sec. 20. Laws 2014, chapter 294, article 1, section 7, subdivision 15, is amended to read:

**Subd. 15. Grant County Trail Grant**

100,000

For a grant to Grant County for predesign, acquisition, ~~and~~ or improvements for a trail from the city of Elbow Lake to Pomme de Terre Lake. The commissioner of natural resources may allocate any amount not needed to complete this project to state trail acquisition and improvements under Minnesota Statutes, section 85.015.

Sec. 21. Laws 2014, chapter 294, article 1, section 17, subdivision 6, is amended to read:

**Subd. 6. Inver Grove Heights - Heritage Village Park**

2,000,000

\$1,500,000 of this appropriation is for a grant to the city of Inver Grove Heights and \$500,000 of this appropriation is for a grant to Dakota County. This appropriation is for public infrastructure improvements and land acquisition in and adjacent to the Heritage Village Park, the Mississippi River Trail, and the Rock Island Swing Bridge. These improvements will include but are not limited to motor vehicle access, utility service, stormwater treatment, and trail and sidewalk connections. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 22. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

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

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

Sec. 23. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, is amended to read:

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

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

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

(c) This appropriation includes \$3,770,000 for a grant to Kandiyohi County for construction and reconstruction of local roads to facilitate the construction of highway-rail grade separations at U.S. Highway 12 and Minnesota Highway 40 as part of one or more of the following highway-rail intersections associated with the Willmar Wye project: U.S. Highway 12, marked Trunk Highway 40, and Kandiyohi County State-Aid Highway 55.

Sec. 24. **REPORT ON FUTURE OF GLENSHEEN.**

The Board of Regents of the University of Minnesota must develop a plan for the future of Glensheen, the historic Congdon estate in Duluth, in cooperation and consultation with the city of Duluth, the Minnesota Historical Society, and other interested parties. The plan must address facility ownership, a multiphased asset renewal plan,

programmatic operations, and cultural interpretation. The plan must be submitted by January 16, 2017, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance, and capital investment, and as provided in Minnesota Statutes, section 3.195.

Sec. 25. **REPEALER.**

Minnesota Statutes 2014, section 123A.446, is repealed.

Sec. 26. **EFFECTIVE DATE.**

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

Delete the title and insert:

"A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2014, sections 16A.86, subdivision 3a; 85.34, subdivision 1; 115A.51; 116J.431, subdivisions 1, 2, 4, 6; 174.50, subdivision 7; 446A.072; 446A.073, as amended; 446A.081, subdivision 9; 446A.12, subdivision 1; Minnesota Statutes 2015 Supplement, sections 16A.967, subdivisions 2, 7; 85.015, subdivision 6; Laws 2002, chapter 393, section 22, subdivision 6, as amended; Laws 2010, chapter 189, section 7, subdivision 5; Laws 2012, chapter 293, sections 7, subdivision 3; 17, subdivision 4; Laws 2014, chapter 294, article 1, sections 7, subdivision 15; 17, subdivisions 6, 12; Laws 2015, First Special Session chapter 5, article 1, sections 10, subdivision 3; 19; repealing Minnesota Statutes 2014, section 123A.446."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 622 was re-referred to the Committee on Rules and Legislative Administration.

Torkelson from the Committee on Capital Investment to which was referred:

H. F. No. 3692, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2014, sections 219.166; 256E.37; 446A.072; 446A.073, as amended; 446A.081, subdivision 9; 446A.12, subdivision 1; 462A.37, subdivisions 1, 2, by adding a subdivision; Minnesota Statutes 2015 Supplement, sections 16A.967; 462A.37, subdivision 5; Laws 2015, chapter 75, article 1, section 3, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 174; 219; repealing Minnesota Statutes 2014, section 123A.446.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
APPROPRIATIONS

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless otherwise specified in this act, money appropriated in this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144.

**APPROPRIATIONS**

Sec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation**

**\$65,167,000**

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

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**

38,000,000

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

Subd. 3. **Chemical Sciences and Advanced Materials Science Building**

27,167,000

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

Subd. 4. **University Share**

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

**Subd. 5. Unspent Appropriations**

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

**Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES****Subdivision 1. Total Appropriation****\$72,723,000**

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

**Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)****35,500,000**

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

**Subd. 3. Minnesota State Community and Technical College****(a) Fergus Falls campus****978,000**

To design, renovate, furnish, and equip a new Center for Student and Workforce Success (CSWS) that integrates the Regional Workforce Center. The board must enter into a lease agreement with the commissioner of employment and economic development, or partners of the commissioner, for use of the workforce center subject to Minnesota Statutes, section 16A.695. The board must use nonstate money for the remainder of the cost of the renovation.

**(b) Wadena campus****820,000**

To design, renovate, furnish, and equip the relocation of the current library to underutilized space and converting the vacated space into a centralized student services center.

**Subd. 4. Northland Community and Technical College,  
East Grand Forks**

826,000

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

**Subd. 5. Riverland Community College, Albert Lea**

7,427,000

To design, construct, furnish, and equip the renovation and expansion of the Trade and Industrial Education Center on the Albert Lea campus of Riverland Community College.

**Subd. 6. South Central College, North Mankato**

8,600,000

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

**Subd. 7. St. Cloud State University**

18,572,000

To construct, renovate, furnish, and equip Eastman Hall for the relocation of consolidated student health services and academic programs.

**Subd. 8. Debt Service**

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

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

(c) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

**Subd. 9. Unspent Appropriations**

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

(b) The unspent portion of an appropriation for a project in this section that is complete is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 8 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

**Sec. 4. EDUCATION****Subdivision 1. Total Appropriation****\$16,070,000**

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

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

For library construction grants under Minnesota Statutes, section 134.45.

**Subd. 3. Red Lake Independent School District No. 38 Facility Projects**14,070,000

(a) This appropriation is from the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72. This appropriation is for the following projects at the Red Lake Elementary School and early childhood center: constructing, furnishing, and equipping new classrooms connecting the early childhood center and the elementary school; renovating classrooms, computer labs, cafeteria expansion, and student support areas; updating mechanical systems; and relocating the main entrance and administrative office.

(b) Before any capital loan contract is approved under this subdivision, the district must provide documentation acceptable to the commissioner on how the capital loan will be used. If any

portion of the appropriation remains after completion of the identified project components, the district may, with the commissioner's approval, use the money for other items identified in the review and comment submission.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. **Total Appropriation**

**\$2,050,000**

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

Subd. 2. **Asset Preservation**

2,000,000

For capital asset preservation improvements and betterments on both campuses of the Minnesota State Academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Minnesota State Academies Security Corridor**

50,000

For predesign for a safety corridor on the Minnesota State Academy for the Deaf campus.

Sec. 6. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**

**\$33,990,000**

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

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

Subd. 2. **Natural Resources Asset Preservation**

12,000,000

For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946: (1) the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation; and (2) this appropriation may be used for projects to remove life safety hazards such as building code violations or structural defects.



**Subd. 3. Flood Hazard Mitigation**3,500,000

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

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

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

(d) This appropriation includes \$750,000 for the city of Browns Valley project and \$1,800,000 for the city of Ortonville project.

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

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

**Subd. 4. Dam Renovation, Repair, Removal**9,000,000

(a) To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. Of this appropriation:

\$500,000 is for emergencies on state-owned dams;

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

\$2,500,000 is for repairs of the Lake Bronson dam;

\$500,000 is for a grant to the city of Pelican Rapids for engineering work for the Pelican Rapids dam;

\$200,000 is for a grant to the city of Norway Lake for engineering work on the Norway Lake dam;

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

\$100,000 is for a grant to St. Louis County for the Little Stone Lake dam; and

\$1,400,000 is for state dams at Brawner, Collinwood, Grindstone River, and Sullivan.

If the commissioner determines that a project is not ready to proceed, this appropriation may be used for other projects on the commissioner's priority list.

**Subd. 5. Trail Development**

6,190,000

\$2,590,000 is for the Glacial Lakes Trail, to complete an approximately six and one-quarter mile trail connection between New London and Sibley State Park, and repair of the bicycle trail in Sibley State Park.

\$3,600,000 is for acquisition and development in the Cuyuna Country State Recreation Area, including the Cuyuna Mountain Bike System.

**Subd. 6. Champlin Mill Pond**

3,300,000

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

**Subd. 7. Unspent Appropriations**

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

**Sec. 7. POLLUTION CONTROL AGENCY**

**Subdivision 1. Total Appropriation**

**\$20,505,000**

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

**Subd. 2. St. Louis River Cleanup**

12,705,000

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

**Subd. 3. Redwood-Cottonwood Rivers Joint Powers - Lake Redwood Reclamation and Enhancement Project**

7,800,000

For a grant to the Redwood-Cottonwood Rivers control area, a joint powers entity, to predesign, design, construct, and equip the reservoir reclamation and enhancement of the 66-acre Lake Redwood Reservoir, to remove approximately 650,000 cubic yards of sediment and increase its depth from approximately 2.8 feet to approximately 20 feet in order to secure renewable energy capacity of the hydroelectric dam which is impeded by lack of water capacity, reduce the flow of pollutants to the Minnesota River, and increase fish habitat and enhance recreational opportunities.

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

**Subdivision 1. Total Appropriation**

**\$7,000,000**

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

**Subd. 2. Reinvest in Minnesota (RIM) Reserve Program**

6,000,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

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

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

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

1,000,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an

in-lieu fee agreement approved by the U.S. Army Corps of Engineers under section 404 of the Clean Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Sec. 9. **RURAL FINANCE AUTHORITY**

**\$35,000,000**

For the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is from the bond proceeds account in the rural finance administration fund and is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

Sec. 10. **MINNESOTA ZOOLOGICAL GARDEN**

Subdivision 1. **Total Appropriation**

**\$4,000,000**

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

Subd. 2. **Asset Preservation**

**4,000,000**

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

Sec. 11. **ADMINISTRATION**Subdivision 1. **Total Appropriation****\$9,850,000**

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

Subd. 2. **Centennial Parking Ramp**7,000,000

To complete design and for structural repairs to the Centennial parking ramp, including removal of the top deck green space to provide additional parking capacity, repairing damaged post-tension cables, and installation of a deck surface protection coating.

Subd. 3. **Capital Asset Preservation and Replacement Account**2,500,000

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

Subd. 4. **Capitol Complex Monuments and Memorials**350,000

To design and complete critical repairs to the Peace Officers and Roy Wilkins memorials located on the Capitol complex.

Sec. 12. **MN.IT****\$1,432,000**

To the commissioner of administration to predesign, design, construct, renovate, furnish, and equip existing state data center facilities at the Bureau of Criminal Apprehension's Maryland Avenue office building and at the Department of Revenue's Stassen Office Building for the purpose of decommissioning and repurposing into usable office space.

Sec. 13. **MILITARY AFFAIRS****\$2,500,000**

To the adjutant general for asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 14. **PUBLIC SAFETY****\$3,521,000**

To the commissioner of administration to design and construct a joint emergency railroad and pipeline emergency response training facility at Camp Ripley, including the construction of stations and capital infrastructure needed for mock disaster training.

Sec. 15. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**

**\$334,782,000**

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

Subd. 2. **Local Bridge Replacement and Rehabilitation**

90,000,000

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

Subd. 3. **Local Road Improvement Fund Grants**

137,200,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) This appropriation includes money for a grant to the city of Baxter for acquisition of land or interests in land, environmental analysis and environmental cleanup, predesign, design, engineering, and construction of improvements to Cypress Drive, including expansion to a four-lane divided urban roadway, between Excelsior Road and College Road.

(c) Of this amount, \$1,000,000 is for a grant to the town of Appleton in Swift County for upgrades to an existing township road to provide for a paved, ten-ton capacity township road extending between marked Trunk Highways 7 and 119.

(d) Of this amount, \$25,000,000 is for a grant to Hennepin County for design, right-of-way acquisition, engineering, and construction of public improvements related to the Interstate Highway 35W and Lake Street access project and related improvements within the Interstate Highway 35W corridor. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project has been committed to the project.

(e) Of this amount, \$20,500,000 is for a grant to Ramsey County for preliminary and final design, environmental documentation, and construction of the interchange of marked Interstate Highway 694 and Rice Street in Ramsey County.

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

**Subd. 4. Rail Grade Separations**

26,749,000

(a) \$14,762,000 is for a grant to the city of Red Wing for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road.

(b) \$11,987,000 is for a grant to Anoka County for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Anoka County State-Aid Highway 78, known as Hanson Boulevard, in Coon Rapids.

**Subd. 5. Railroad Warning Devices**

1,000,000

To design, construct, and equip new rail grade crossing warning safety devices at active highway-rail grade crossings, or to replace active highway-rail grade warning safety devices that have reached the end of their useful life.

**Subd. 6. Minnesota Valley Regional Rail Authority**

4,000,000

For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of a portion of the railroad track between Winthrop and Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this section is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62. This appropriation is in addition to the appropriations in Laws 2006, chapter 258, section 16, subdivision 6; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; and Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4.

**Subd. 7. Hennepin County - U.S. Highway 12**

15,000,000

From the bond proceeds account in the trunk highway fund for projects, including preliminary and final design, engineering, environmental analysis, right-of-way acquisition, construction, and reconstruction on marked U.S. Highway 12 as follows:

(1) realignment at the intersections with Hennepin County State-Aid Highway 92;

(2) realignment and safety improvements at the intersection with Hennepin County State-Aid Highway 90; and

(3) safety median improvements from the interchange with Wayzata Boulevard in Wayzata to approximately one-half mile east of the interchange with Hennepin County State-Aid Highway 6.

**Subd. 8. Chaska - Trunk Highway 212 Interchange**

8,000,000

From the bond proceeds account in the trunk highway fund for right-of-way acquisition and construction of an interchange at marked Trunk Highway 212 and Carver County Road 140 in the city of Chaska, to support the development of approximately 400 acres of property in the city of Chaska's comprehensive plan.

**Subd. 9. Anoka County - I-35W Interchange in Columbus**

13,000,000

From the bond proceeds account in the trunk highway fund for a grant to Anoka County to: (1) complete the design, land acquisition, engineering, and construction of an interchange at the intersection of marked Interstate Highway 35W, marked Trunk Highway 97, and County State-Aid Highway 23, and (2) realign and make associated improvements to County State-Aid Highway 54, known as West Freeway Drive, in the city of Columbus.

**Subdivision 10. I-94/Brockton Lane Interchange**

34,000,000

From the bond proceeds account in the trunk highway fund for the I-94/Brockton Lane Interchange Project to construct an interchange and auxiliary lanes on marked Interstate Highway 94 east of the Hennepin County State-Aid Highway 101 (Brockton Lane) overpass in the city of Dayton.

**Subd. 11. Trunk Highway Bonds - Debt Service 2017**

618,000

From the trunk highway fund in fiscal year 2017 for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall transfer the deficiency amount under the statutory open appropriation, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

**Subd. 12. Red Wing - Highway 61 Reconstruction**

833,000

From the trunk highway fund in fiscal year 2017 for State Project No. 2514-122, consisting of engineering and reconstruction of the segment of marked U.S. Highway 61 in Red Wing from westerly



of Old West Main Street to easterly of Potter Street and is for trunk highway costs in excess of the engineer's estimate and associated program delivery.

**Subd. 13. Port Development Assistance**

5,000,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

**Sec. 16. METROPOLITAN COUNCIL**

**Subdivision 1. Total Appropriation**

**\$23,350,000**

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

**Subd. 2. Metro Orange Line BRT**

12,100,000

Up to \$12,100,000, but an amount that is no more than ten percent of the total project cost, is for the Metropolitan Council, or for the Metropolitan Council to make grants to political subdivisions, to construct capital improvements along the I-35W corridor for completion of the Metro Orange Bus Rapid Transit (BRT) Line.

The Metro Orange BRT Line must not follow a route that requires an underpass or tunnel to be built under I-494 at Knox Avenue, but must follow the Penn Avenue route after coming down into the circle on the bottom of Knox Avenue on the north side of I-494.

**Subd. 3. Mall of America Station**

8,750,000

For design and construction of improvements to the Mall of America Station on the Hiawatha Corridor light rail transit line, subject to Minnesota Statutes, section 16A.695. The Metropolitan Council must consult with the city of Bloomington throughout the design and construction process.

**Subd. 4. Metropolitan Cities Inflow and Infiltration Grants**

2,500,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city must be identified by the council as a contributor of excessive

inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Sec. 17. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation**

**\$70,071,000**

To the commissioner of administration, or another named agency, for the purposes specified in this section.

Subd. 2. **Minnesota Security Hospital - St. Peter**

57,611,000

To complete design, remodel, construct, furnish, and equip the second phase of the two-phase project to remodel existing and to develop new residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center. This does not include construction of a new 48-bed transitional housing unit. This appropriation includes money to: demolish, renovate, and remodel existing space; construct new space; address fire and life safety, and other building code deficiencies; replace or renovate interior finishes; purchase furnishings, fixtures, and equipment; replace or renovate the Minnesota Security Hospital building's HVAC, plumbing, electrical, security, and life safety systems; tuck-point; replace windows and doors; design and abate asbestos and hazardous materials; and complete site work necessary to support the programmed use of the facilities on the St. Peter Regional Treatment Center upper campus.

Subd. 3. **Child and Adolescent Behavioral Health Services**

7,530,000

To purchase land in or near the city of Willmar for, and to predesign, design, construct, furnish, and equip, a 16-bed psychiatric hospital facility of approximately 17,500 to 18,000 square feet that will house the Child and Adolescent Behavioral Health Services (CABHS) program. The facility shall include space for single bedrooms, bathing and toilets, dining, living, group and treatment rooms, education space, visitation, clinic/professional staff, operations staff, patient storage, operations storage, food preparation, HVAC/telecommunications/data equipment, a small area for indoor recreation, and a secure outdoor activity space. The property for the facility will provide for staff and visitor parking, outdoor activities, and appropriate side, front, and rear setbacks.

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

2,250,000

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

**Subd. 5. Regional Medical Examiner's Facility**

2,680,000

For a grant to Hennepin County to design an approximately 67,000 square foot regional, state-of-the-art medical examiner's facility. The facility shall: (1) provide forensic death investigation and autopsy services for Dakota, Hennepin, and Scott Counties with the flexibility to accommodate future partner counties and agencies; (2) serve as a teaching facility for the state, on the science of forensic pathology; and (3) be located in the city of Bloomington as a site that best supports access needs for the three founding counties and reasonable scene response times for the geographic service area.

**Sec. 18. VETERANS AFFAIRS**

**\$4,000,000**

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

**Sec. 19. CORRECTIONS**

**Subdivision 1. Total Appropriation**

**\$28,900,000**

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

**Subd. 2. Asset Preservation**

8,000,000

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

**Subd. 3. Minnesota Correctional Facility - St. Cloud**19,000,000

To construct and equip a new intake unit and a loading dock with a secure connection to a new central warehouse at the Minnesota Correctional Facility – St. Cloud.

**Subd. 4. Minnesota Correctional Facility - Moose Lake**1,900,000

To expand and renovate the outdated master control center to improve security and efficiency at the Minnesota Correctional Facility - Moose Lake. The renovation includes updating fire alarm panels and mechanical and electrical systems and improving visibility of the visiting area.

**Subd. 5. Unspent Appropriations**

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

**Sec. 20. EMPLOYMENT AND ECONOMIC DEVELOPMENT****Subdivision 1. Total Appropriation****\$58,541,000**

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

**Subd. 2. Transportation Economic Development**6,000,000

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

**Subd. 3. Greater Minnesota Business Development Public Infrastructure Grants**10,000,000

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

**Subd. 4. Innovative Business Development Public Infrastructure Grants**2,000,000

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

**Subd. 5. Duluth - Steam Plant**21,000,000

For a grant to the city of Duluth to complete the design of and to renovate, construct, furnish, and equip an upgrade to the municipal district heating facility and systems, including conversion of the distribution system along Superior Street from steam, with no condensate return, to closed-loop hot water, subject to Minnesota

Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed from nonstate sources.

**Subd. 6. Litchfield - Phase 2 Power Generation Improvements**

3,000,000

For a grant to the city of Litchfield to design and construct electrical generation improvements in the city of Litchfield to expand the current standby capacity, including replacement of two old generators. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

**Subd. 7. Madelia**

98,000

For a grant to the city of Madelia for repair and replacement of a capital nature of public infrastructure damaged by a fire in Madelia in February 2016. This appropriation does not require a nonstate contribution.

**Subd. 8. St. James - Public Infrastructure**

3,443,000

For a grant to the city of St. James. Of this amount, \$2,193,000 is for engineering, right-of-way acquisition, and reconstruction of streets, sidewalks, storm water and sanitary sewer, water mains, lighting, utilities, and other capital improvements of publicly owned infrastructure required for the reconstruction of marked Trunk Highway 4 in the city of St. James, and \$1,250,000 is to replace the storm sewer drain which serves St. James Lake and the entire southern section of the City of St. James.

**Subd. 9. St. Paul - Science Museum of Minnesota Building Preservation**

13,000,000

For a grant to the city of St. Paul for predesign, design, and construction work to replace water-damaged elements of the Science Museum of Minnesota's exterior envelope and some resultant interior damage caused by latent design and construction defects, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount has been committed to the project from nonstate sources. Capital costs paid by the Science Museum of Minnesota since January 1, 2014, relating to the water intrusion damage, shall count towards the match requirement.

Sec. 21. **PUBLIC FACILITIES AUTHORITY**

**Subdivision 1. Total Appropriation**

**\$150,300,000**

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

**Subd. 2. State Match for Federal Grants**

17,000,000

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

**Subd. 3. Water Infrastructure Funding Program**

70,000,000

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

(b) \$51,500,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) \$18,500,000 is for drinking water projects listed on the commissioner of health's project priority list in the fundable range under the drinking water revolving fund program.

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

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

46,500,000

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

**Subd. 5. Lewis and Clark Regional Water System**

11,500,000

This appropriation is from the general fund in fiscal year 2017 for a grant to the Lewis and Clark Joint Powers Board to acquire land, design, engineer, and construct facilities and infrastructure necessary to complete Phase 3 of the Lewis and Clark Regional Water System project, including extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquiring and installing a supervisory control and data acquisition (SCADA) system. This is

a onetime appropriation and is not available until the commissioner of management and budget determines that at least \$9,000,000 is committed to the Phase 3 of the project from nonstate sources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

**Subd. 6. East Grand Forks**

5,300,000

For a grant to the city of East Grand Forks to design and construct wastewater infrastructure improvements interconnecting the wastewater system of East Grand Forks to the wastewater treatment system in Grand Forks, North Dakota. This appropriation may not be used for improvements outside the state. This appropriation is in addition to grants under Minnesota Statutes, section 446A.072. A nonstate match is not required.

**Sec. 22. MINNESOTA HISTORICAL SOCIETY**

\$2,500,000

To the Minnesota Historical Society for capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

**Sec. 23. BOND SALE EXPENSES**

**Subdivision 1. Total Appropriation**

\$935,000

To the commissioner of management and budget for the purposes specified in this section.

**Subd. 2. Bond Proceeds Fund**

865,000

From the bond proceeds fund for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

**Subd. 3. Trunk Highway Fund**

70,000

From the bond proceeds account in the trunk highway fund for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

**Sec. 24. BOND SALE AUTHORIZATIONS.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$623,514,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the bond proceeds account in the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$227,200,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$14,070,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 4. **Trunk highway bonds.** To provide the money appropriated in subdivision 1 from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$70,070,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

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

(a) The bond sale authorization in Laws 1990, chapter 610, article 1, section 30, subdivision 1, as amended, is reduced by \$3,129.

(b) The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, as amended, is reduced by \$24,480.

(c) The bond sale authorization in Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by \$96,992.

(d) The bond sale authorization in Laws 1999, chapter 240, article 1, section 13, subdivision 1, as amended, is reduced by \$212,472.

(e) The bond sale authorization in Laws 2000, chapter 492, article 1, section 26, subdivision 1, as amended, is reduced by \$7,933,538.

(f) The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended, is reduced by \$188,471.

(g) The bond sale authorization in Laws 2002, First Special Session chapter 1, section 9, subdivision 1, s reduced by \$217,959.

(h) The bond sale authorization in Laws 2003, First Special Session chapter 19, article 3, section 2, is reduced by \$201,530.

(i) The bond sale authorization in Laws 2003, First Special Session chapter 19, article 4, section 4, is reduced by \$326,534.

(j) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended, is reduced by \$3,366,628.

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



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

(m) \$2,335,000 of the appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 9, subdivision 2, to the commissioner of natural resources for disaster relief, is canceled, and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

Sec. 26. Laws 2015, First Special Session chapter 5, article 1, section 19, is amended to read:

Sec. 19. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2017, no more than ~~\$1,267,459,000~~ \$1,239,580,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 27. **APPROPRIATIONS GIVEN EFFECT ONLY ONCE.**

Except for appropriations for ..... if an appropriation in this act is enacted more than once in the 2016 legislative session for the same purpose, the appropriation must be given effect only once. If the appropriations for the same purpose are for different amounts, the lowest of the amounts is to be given effect.

Sec. 28. **EFFECTIVE DATE.**

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

ARTICLE 2  
MISCELLANEOUS

Section 1. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 2, is amended to read:

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

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

(c) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, not to exceed \$19,000,000 net of costs of issuance, for the purposes as provided under this paragraph ~~(a)~~, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under paragraph (e). The bonds authorized by this paragraph are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian; and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least \$9,000,000 is committed to this project phase. Upon completion of Phase 2, the unspent, unencumbered portion of the appropriation in this subdivision is available for the purposes of Phase 3, which includes extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquiring and installing a supervisory control and data acquisition (SCADA) system.

(d) Appropriation bonds may be issued in one or more issues or 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 appropriation bonds may not exceed 25 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

(e) 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, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

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

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

Sec. 2. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 7, is amended to read:

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under this section and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated ~~to the commissioner;~~

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

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

Sec. 3. Minnesota Statutes 2015 Supplement, section 85.015, subdivision 6, is amended to read:

Subd. 6. **Minnesota Valley Trail, Hennepin, Dakota, Scott, Carver, Sibley and Le Sueur Counties.** (a) The trail shall originate at Fort Snelling State Park and thence extend generally southwesterly along the Minnesota River Valley through Hennepin, Dakota, Scott, Carver, Sibley, and Le Sueur Counties to the city of Le Sueur, and there terminate. The trail shall include the following state waysides: (a) Rice Lake Wayside, in Scott County; (b) Carver Rapids Wayside, in Scott County; (c) Lawrence wayside, in Scott county; (d) Belle Plaine Wayside, in Carver, Scott, and Sibley Counties; (e) Blakeley Wayside, in Scott County; and (f) Rush River Wayside, in Sibley County.

(b) The trail shall be developed primarily for riding and hiking. Motorized vehicles are prohibited from that portion of the trail on the north side of the Minnesota River, lying between Fort Snelling State Park and Rice Lake Wayside. ~~That portion of the trail on the north side of the Minnesota River, lying between the Bloomington Ferry Bridge pedestrian crossing and the Cedar Avenue Bridge, must be a paved trail developed primarily for hiking and bicycling.~~

(c) In establishing, developing, maintaining, and operating the trail the commissioner shall cooperate with local units of government and private individuals and groups whenever feasible.

Sec. 4. Minnesota Statutes 2014, section 85.34, subdivision 1, is amended to read:

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

Sec. 5. Minnesota Statutes 2014, section 116J.431, subdivision 1, is amended to read:

Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall make grants to counties or cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible economic development project. The county or city receiving a grant must provide for the remainder of the costs of the project, either in cash or in kind. In-kind contributions may include the value of site preparation other than the public infrastructure needed for the project.

(b) The purpose of the grants made under this section is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development.

(c) In awarding grants under this section, the commissioner must adhere to the criteria under subdivision 4.

(d) If the commissioner awards a grant for less than 50 percent of the project, the commissioner shall provide the applicant and the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over economic development finance a written explanation of the reason less than 50 percent of the capital costs were awarded in the grant.

Sec. 6. Minnesota Statutes 2014, section 116J.431, subdivision 2, is amended to read:

Subd. 2. **Eligible projects.** An economic development project for which a county or city may be eligible to receive a grant under this section includes:

(1) manufacturing;

(2) technology;

(3) warehousing and distribution;

(4) research and development;

(5) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use; or

(6) industrial park development that would be used by any other business listed in this subdivision even if no business has committed to locate in the industrial park at the time the grant application is made.

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

Sec. 7. Minnesota Statutes 2014, section 116J.431, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a county or city must include in its application a resolution of the county or city council certifying that the required local match is available. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) the project is an eligible project as defined under subdivision 2;

(2) the project ~~will~~ is expected to result in or will attract substantial public and private capital investment and provide substantial economic benefit to the county or city in which the project would be located;

(3) the project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the project cannot be reasonably accommodated within the county or city in which the business is currently located, or the business would otherwise relocate to another state; and

(4) the project is expected to or will create or ~~maintain~~ retain full-time jobs.

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

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

Sec. 8. Minnesota Statutes 2014, section 116J.431, subdivision 6, is amended to read:

Subd. 6. **Maximum grant amount.** A county or city may receive no more than ~~\$1,000,000~~ \$2,000,000 in two years for one or more projects.

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

Sec. 9. Minnesota Statutes 2014, section 174.50, subdivision 7, is amended to read:

Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions.

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

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

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

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

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

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

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

(f) The maximum grant amount for a local bridge replacement or rehabilitation project under this section is \$5,000,000.

Sec. 10. Minnesota Statutes 2014, section 446A.072, is amended to read:

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

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

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

(1) whose projects are listed on the Pollution Control Agency's project priority list or the commissioner of health's project priority list;

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

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

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

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

(1) calculate the essential project component percentage based on the portion of project costs necessary to convey or treat the existing wastewater flows and loadings or, for drinking water projects, to provide safe drinking water to meet existing needs, which must be multiplied by the total project cost to determine the eligible project cost for the program under this section; and

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

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

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

(b) For a governmental unit receiving a loan from the clean water revolving fund under section 446A.07, the authority may provide assistance under this section in the form of a grant if the average annual residential wastewater system cost after completion of the project would otherwise exceed 1.4 percent of the median household income of the project service area. In determining whether the average annual residential wastewater system cost would exceed 1.4 percent, the authority must consider the total costs associated with building, operating, and maintaining the wastewater system, including existing wastewater debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the clean water revolving fund loan under section 446A.07, subdivision 7. The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential wastewater system cost to 1.4 percent of median household income in the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

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

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

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

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

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

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

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

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

Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or~~ grant under this section shall establish a system replacement fund and shall annually deposit a minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or~~ expansion, or replacement of the treatment wastewater or drinking water system, or replacement of the treatment system at the end of its useful life. Money must remain in the account for the life of the corresponding project loan from the authority or USDA/RECD, unless use of the fund is approved in writing by the authority for major rehabilitation, expansion, or replacement of the ~~treatment~~ wastewater or drinking water system. By March 1 each year during the life of the loan, each recipient shall submit a report to the authority regarding the amount deposited and the fund balance for the prior calendar year. A recipient is not required to maintain a fund balance greater than the amount of the grant received. Failure to comply with the requirements of this subdivision shall result in the authority assessing a penalty fee to the recipient equal to one percent of the supplemental assistance amount for each year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as required constitutes a default on the loan.~~

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

- (1) the project is consistent with the county comprehensive land use plan, if the county has adopted one;
- (2) the project is consistent with the county water plan, if the county has adopted one; and
- (3) the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, part 7080.0305.

Sec. 11. Minnesota Statutes 2014, section 446A.073, as amended by Laws 2015, First Special Session chapter 4, article 4, sections 127, 128, and 129, is amended to read:



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

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

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

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

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

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

Subd. 2. **Grant application.** Application for a grant must be made to the authority on forms prescribed by the authority ~~for the total maximum daily load grant program, with additional information as required by the authority,~~ including a project schedule and cost estimate for the work necessary to comply with the ~~point source wasteload allocation requirements listed in subdivision 1.~~ The Pollution Control Agency shall:

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

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

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

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

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

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

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

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

Sec. 12. Minnesota Statutes 2014, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

(5) to earn interest on fund accounts;

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

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

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

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

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

~~(b) Principal forgiveness or grants under paragraph (a), clause (8), must only be provided if the average annual residential drinking water system cost after completion of the project would otherwise exceed 1.2 percent of the median household income in the project service area. In determining whether the average annual residential drinking water system cost would exceed 1.2 percent, the authority must consider the total costs associated with building, operating, and maintaining the drinking water system, including debt service and operation and maintenance costs. Debt service costs for the proposed project must be calculated based on the maximum loan term permitted for the drinking water revolving fund loan under this section. The amount of the principal forgiveness or grant must be equal to 80 percent of the amount needed to reduce the average annual residential drinking water system cost to 1.2 percent of median household income in the project service area, to a maximum of \$4,000,000 or \$15,000 per connection, whichever is less, and not to exceed 80 percent of the total project cost.~~

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

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

Sec. 13. Minnesota Statutes 2014, section 446A.12, subdivision 1, is amended to read:

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

Sec. 14. Laws 2002, chapter 393, section 22, subdivision 6, as amended by Laws 2005, chapter 20, article 1, section 43, and Laws 2013, chapter 136, section 10, is amended to read:

**Subd. 6. Fergus Falls Regional Treatment Center**

3,000,000

To design, renovate, construct, furnish, and equip ancillary support and program facilities, including improvements to basic infrastructure, such as sanitary and storm sewer and water lines, public streets, curb, gutter, street lights, or sidewalks, to make improvements for building envelope and structural integrity for the purposes of stabilizing the buildings for sale, for hazardous materials abatement, and for demolition of all or portions of surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure to facilitate the redevelopment of the Fergus Falls Regional Treatment Center campus. If the property is sold or transferred to a local unit of government, the unspent portion of this appropriation may be granted to the local unit of government that acquires the campus for the purposes stated in this subdivision.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds in this subdivision are available until December 31, ~~2016~~ 2018.

Sec. 15. Laws 2010, chapter 189, section 7, subdivision 5, is amended to read:

**Subd. 5. Dam Renovation and Removal**

4,750,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

This appropriation includes money for the following projects:

- (a) Byllesby Dam, Dakota and Goodhue Counties
- (b) Champlin Mill Pond Dam, Hennepin County
- (c) Clayton Lake Dam, Pine County
- (d) Drayton Dam, Kittson County
- (e) Hallock Dam, Kittson County
- (f) Lake Bronson Dam, Kittson County
- (g) Lanesboro Dam, Fillmore County
- (h) Milaca Dam, Mille Lacs County
- (i) Montevideo Dam, Chippewa County
- (j) Pike River Dam, St. Louis County

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list. Notwithstanding the match requirements in Minnesota Statutes, section 103G.511, a grant to the city of Lanesboro does not require any nonstate match.

Sec. 16. Laws 2012, chapter 293, section 7, subdivision 3, is amended to read:

**Subd. 3. Dam Repair, Reconstruction, and Removal**

3,000,000

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

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

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

For a grant to the Minneapolis Park and Recreation Board to predesign, design, engineer, reconstruct, renovate, furnish, and equip the Phillips Community Center indoor competitive swimming pool and to predesign, design, engineer, and construct an additional indoor multipurpose family pool and facilities associated with an aquatic center in the community center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner determines that at least \$350,000 is committed from nonstate sources. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2018.

Sec. 18. Laws 2014, chapter 294, article 1, section 7, subdivision 15, is amended to read:

Subd. 15. **Grant County Trail Grant** 100,000

For a grant to Grant County for predesign, acquisition, ~~and~~ or improvements for a trail from the city of Elbow Lake to Pomme de Terre Lake. The commissioner of natural resources may allocate any amount not needed to complete this project to state trail acquisition and improvements under Minnesota Statutes, section 85.015.

Sec. 19. Laws 2014, chapter 294, article 1, section 17, subdivision 6, is amended to read:

Subd. 6. **Inver Grove Heights - Heritage Village Park** 2,000,000

\$1,500,000 of this appropriation is for a grant to the city of Inver Grove Heights and \$500,000 of this appropriation is for a grant to Dakota County. This appropriation is for public infrastructure improvements and land acquisition in and adjacent to the Heritage Village Park, the Mississippi River Trail, and the Rock Island Swing Bridge. These improvements will include but are not limited to motor vehicle access, utility service, stormwater treatment, and trail and sidewalk connections. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 20. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

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

For a grant to the city of West St. Paul to predesign, design, and construct a ~~pedestrian bridge for the North Urban Regional Trail as an overpass~~ grade separated crossing of Robert Street in the area

near Wentworth Avenue in West St. Paul for the River to River Regional Greenway. This appropriation may also be used to acquire property or purchase rights-of-way needed for ~~bridge~~ construction. A nonstate match is not required.

Sec. 21. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, is amended to read:

Subd. 3. **Local Road Improvement Fund Grants**

8,910,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

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

(c) This appropriation includes \$3,770,000 for a grant to Kandiyohi County for construction and reconstruction of local roads to facilitate the construction of highway-rail grade separations at U.S. Highway 12 and Minnesota Highway 40 as part of one or more of the following highway-rail intersections associated with the Willmar Wye project: U.S. Highway 12, marked Trunk Highway 40, and Kandiyohi County State-Aid Highway 55.

Sec. 22. **REPORT ON FUTURE OF GLENSHEEN.**

The Board of Regents of the University of Minnesota must develop a plan for the future of Glensheen, the historic Congdon estate in Duluth, in cooperation and consultation with the city of Duluth, the Minnesota Historical Society, and other interested parties. The plan must address facility ownership, a multiphased asset renewal plan, programmatic operations, and cultural interpretation. The plan must be submitted by January 16, 2017, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance, and capital investment, and as provided in Minnesota Statutes, section 3.195.

Sec. 23. **REPEALER.**

Minnesota Statutes 2014, section 123A.446, is repealed.

Sec. 24. **EFFECTIVE DATE.**

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

Delete the title and insert:

"A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2014, sections 85.34, subdivision 1; 116J.431, subdivisions 1, 2, 4, 6; 174.50, subdivision 7; 446A.072; 446A.073, as amended; 446A.081, subdivision 9; 446A.12, subdivision 1; Minnesota Statutes 2015 Supplement, sections 16A.967, subdivisions 2, 7; 85.015, subdivision 6; Laws 2002, chapter 393, section 22, subdivision 6, as amended; Laws 2010, chapter 189, section 7, subdivision 5; Laws 2012, chapter 293, sections 7, subdivision 3; 17, subdivision 4; Laws 2014, chapter 294, article 1, sections 7, subdivision 15; 17, subdivisions 6, 12; Laws 2015, First Special Session chapter 5, article 1, sections 10, subdivision 3; 19; repealing Minnesota Statutes 2014, section 123A.446."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Peppin moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Garofalo.

Hansen was excused for the remainder of today's session.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

## **REPORTS OF STANDING COMMITTEES AND DIVISIONS**

Peppin from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 622, A bill for an act relating to capital investment; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; modifying previous appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2014, sections 16A.86, subdivision 3a; 85.34, subdivision 1; 115A.51; 116J.431, subdivisions 1, 2, 4, 6; 174.50, subdivision 7; 446A.072; 446A.073, as amended; 446A.081, subdivision 9; 446A.12, subdivision 1; Minnesota Statutes 2015 Supplement, sections 16A.967, subdivisions 2, 7; 85.015, subdivision 6; Laws 2002, chapter 393, section 22, subdivision 6, as amended; Laws

2010, chapter 189, section 7, subdivision 5; Laws 2012, chapter 293, sections 7, subdivision 3; 17, subdivision 4; Laws 2014, chapter 294, article 1, sections 7, subdivision 15; 17, subdivisions 6, 12; Laws 2015, First Special Session chapter 5, article 1, sections 10, subdivision 3; 19; repealing Minnesota Statutes 2014, section 123A.446.

Reported the same back with the recommendation that the bill be placed on the General Register.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. No. 622 was read for the second time.

Thissen was excused between the hours of 4:50 p.m. and 5:15 p.m.

## CALENDAR FOR THE DAY

H. F. No. 3353, A bill for an act relating to agriculture; establishing voluntary solar site management practices for solar sites; proposing coding for new law in Minnesota Statutes, chapter 216B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Davnie	Heintzeman	Lillie	Nelson	Schoen
Allen	Dean, M.	Hertaus	Loeffler	Newberger	Schomacker
Anderson, C.	Dehn, R.	Hilstrom	Lohmer	Newton	Schultz
Anderson, P.	Drazkowski	Hoppe	Loon	Nornes	Scott
Anderson, S.	Ecklund	Hornstein	Loonan	Norton	Simonson
Anzelc	Erhardt	Hortman	Lucero	O'Driscoll	Slocum
Applebaum	Erickson	Howe	Lueck	O'Neill	Smith
Atkins	Fabian	Isaacson	Mack	Pelowski	Sundin
Backer	Fenton	Johnson, B.	Mahoney	Peppin	Swedzinski
Baker	Fischer	Johnson, C.	Marquart	Persell	Torkelson
Barrett	Flanagan	Johnson, S.	Masin	Petersburg	Uglen
Bennett	Franson	Kahn	McDonald	Peterson	Urdahl
Bernardy	Freiberg	Kelly	McNamara	Pierson	Vogel
Bly	Garofalo	Kiel	Melin	Pinto	Wagenius
Carlson	Green	Knoblach	Metsa	Poppe	Ward
Christensen	Gunther	Koznick	Miller	Pugh	Whelan
Clark	Hackbarth	Kresha	Moran	Quam	Wills
Considine	Halverson	Laine	Mullery	Rarick	Yarusso
Cornish	Hamilton	Lesch	Murphy, E.	Rosenthal	Youakim
Daniels	Hancock	Liebling	Murphy, M.	Runbeck	Zerwas
Davids	Hausman	Lien	Nash	Sanders	Spk. Daudt

The bill was passed and its title agreed to.



Pierson was excused for the remainder of today's session.

S. F. No. 2857, A bill for an act relating to human services; modifying the disability waiver rate system; amending Minnesota Statutes 2014, section 256B.0916, subdivision 8; repealing Laws 2015, chapter 71, article 7, section 56.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Davnie	Hausman	Lien	Nash	Schoen
Allen	Dean, M.	Heintzeman	Lillie	Nelson	Schomacker
Anderson, C.	Dehn, R.	Hertaus	Loeffler	Newberger	Schultz
Anderson, P.	Drazkowski	Hilstrom	Lohmer	Newton	Scott
Anderson, S.	Ecklund	Hoppe	Loon	Nornes	Simonson
Anzelc	Erhardt	Hornstein	Loonan	Norton	Slocum
Applebaum	Erickson	Hortman	Lucero	O'Driscoll	Smith
Atkins	Fabian	Howe	Lueck	O'Neill	Sundin
Backer	Fenton	Isaacson	Mack	Pelowski	Swedzinski
Baker	Fischer	Johnson, B.	Mahoney	Peppin	Torkelson
Barrett	Flanagan	Johnson, C.	Marquart	Persell	Uglen
Bennett	Franson	Johnson, S.	Masin	Petersburg	Urdahl
Bernardy	Freiberg	Kahn	McDonald	Peterson	Vogel
Bly	Garofalo	Kelly	McNamara	Pinto	Wagenius
Carlson	Green	Kiel	Melin	Poppe	Ward
Christensen	Gruenhagen	Knoblach	Metsa	Pugh	Whelan
Clark	Gunther	Koznick	Miller	Quam	Wills
Considine	Hackbarth	Kresha	Moran	Rarick	Yarusso
Cornish	Halverson	Laine	Mullery	Rosenthal	Youakim
Daniels	Hamilton	Lesch	Murphy, E.	Runbeck	Zerwas
Davids	Hancock	Liebling	Murphy, M.	Sanders	Spk. Daudt

The bill was passed and its title agreed to.

S. F. No. 2881, A bill for an act relating to human services; extending the sunset of an existing exception to the consumer-directed community supports budget methodology; amending Laws 2012, chapter 247, article 4, section 47, as amended.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Anderson, P.	Applebaum	Baker	Bernardy	Christensen
Allen	Anderson, S.	Atkins	Barrett	Bly	Clark
Anderson, C.	Anzelc	Backer	Bennett	Carlson	Considine

Cornish	Gruenhagen	Kahn	Mahoney	O'Driscoll	Scott
Daniels	Gunther	Kelly	Marquart	O'Neill	Simonson
Davids	Hackbarth	Kiel	Masin	Pelowski	Slocum
Davnie	Halverson	Knoblach	McDonald	Peppin	Smith
Dean, M.	Hamilton	Koznick	McNamara	Persell	Sundin
Dehn, R.	Hancock	Kresha	Melin	Petersburg	Swedzinski
Drazkowski	Hausman	Laine	Metsa	Peterson	Torkelson
Ecklund	Heintzeman	Lesch	Miller	Pinto	Uglem
Erhardt	Hertaus	Liebling	Moran	Poppe	Urdahl
Erickson	Hilstrom	Lien	Mullery	Pugh	Vogel
Fabian	Hoppe	Lillie	Murphy, E.	Quam	Wagenius
Fenton	Hornstein	Loeffler	Murphy, M.	Rarick	Ward
Fischer	Hortman	Lohmer	Nash	Rosenthal	Whelan
Flanagan	Howe	Loon	Nelson	Runbeck	Wills
Franson	Isaacson	Loonan	Newberger	Sanders	Yarusso
Freiberg	Johnson, B.	Lucero	Newton	Schoen	Youakim
Garofalo	Johnson, C.	Lueck	Nornes	Schomacker	Zerwas
Green	Johnson, S.	Mack	Norton	Schultz	Spk. Daudt

The bill was passed and its title agreed to.

H. F. No. 3548, A bill for an act relating to transportation; amending certain regulations and penalties governing special transportation service providers; setting requirements for nonemergency medical transportation providers related to background studies; amending Minnesota Statutes 2014, section 174.30, subdivisions 1, 4a, 8, by adding a subdivision; Minnesota Statutes 2015 Supplement, sections 174.30, subdivisions 4, 10; 256B.0625, subdivision 17.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Davnie	Hausman	Lien	Nash	Schoen
Allen	Dean, M.	Heintzeman	Lillie	Nelson	Schomacker
Anderson, C.	Dehn, R.	Hertaus	Loeffler	Newberger	Schultz
Anderson, P.	Drazkowski	Hilstrom	Lohmer	Newton	Scott
Anderson, S.	Ecklund	Hoppe	Loon	Nornes	Simonson
Anzelc	Erhardt	Hornstein	Loonan	Norton	Slocum
Applebaum	Erickson	Hortman	Lucero	O'Driscoll	Smith
Atkins	Fabian	Howe	Lueck	O'Neill	Sundin
Backer	Fenton	Isaacson	Mack	Pelowski	Swedzinski
Baker	Fischer	Johnson, B.	Mahoney	Peppin	Torkelson
Barrett	Flanagan	Johnson, C.	Marquart	Persell	Uglem
Bennett	Franson	Johnson, S.	Masin	Petersburg	Urdahl
Bernardy	Freiberg	Kahn	McDonald	Peterson	Vogel
Bly	Garofalo	Kelly	McNamara	Pinto	Wagenius
Carlson	Green	Kiel	Melin	Poppe	Ward
Christensen	Gruenhagen	Knoblach	Metsa	Pugh	Whelan
Clark	Gunther	Koznick	Miller	Quam	Wills
Considine	Hackbarth	Kresha	Moran	Rarick	Yarusso
Cornish	Halverson	Laine	Mullery	Rosenthal	Youakim
Daniels	Hamilton	Lesch	Murphy, E.	Runbeck	Zerwas
Davids	Hancock	Liebling	Murphy, M.	Sanders	Spk. Daudt

The bill was passed and its title agreed to.

**REPORT FROM THE COMMITTEE ON RULES  
AND LEGISLATIVE ADMINISTRATION**

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Friday, May 20, 2016 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 659, 963, 1412, 2342, 3255, 3584 and 3585; and S. F. Nos. 2381, 2414, 2665, 2985, 3047, 3113 and 3131.

There being no objection, the order of business reverted to Messages from the Senate.

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1372, A bill for an act relating to civil law; providing trusts for animal care; modifying certain probate provisions; enacting the Revised Uniform Fiduciary Access to Digital Assets Act; clarifying certain provisions for receiverships and assignments for the benefit of creditors; providing for a short form of assignment for recording with a deed to transfer real property; updating references throughout Minnesota Statutes to include limited liability companies under the Minnesota Revised Uniform Limited Liability Company Act; clarifying certain fees; making other business organization clarifying changes; amending Minnesota Statutes 2014, sections 5.001, subdivision 2; 5.25, subdivisions 1, 3; 115D.03, subdivision 6a; 116J.395, subdivision 3; 211B.15, subdivision 1; 216B.1612, subdivision 2; 302A.651, subdivision 4; 308B.005, subdivision 18; 319B.02, subdivisions 10, 12; 322C.0201, subdivision 4; 322C.0205, subdivision 1; 322C.0208; 322C.1011, subdivisions 1, 2; 484.73, subdivision 2; 524.1-201; 524.2-102; 524.2-202; 524.2-301; 524.2-403; 524.2-404; 524.2-606; 524.3-406; 524.3-1201; 524.3-1203, subdivision 5; 559.17, subdivision 2; 576.22; 576.29, subdivision 1; 576.30; 576.45, subdivision 3; 576.47; 577.12; 577.15; Minnesota Statutes 2015 Supplement, sections 5.25, subdivision 5; 124E.05, subdivision 1; 302A.471, subdivision 1; 322C.0105, subdivision 1a; 322C.0407, subdivision 4; 322C.1007, subdivision 1; 501C.0110; 501C.0402; 501C.0409; proposing coding for new law in Minnesota Statutes, chapters 501C; 524; proposing coding for new law as Minnesota Statutes, chapter 521A.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2294, A bill for an act relating to marriage; eliminating waiting period for issuance of a marriage license; amending Minnesota Statutes 2015 Supplement, section 517.08, subdivision 1b.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2552, A bill for an act relating to orders for protection; eliminating mandatory hearing requirement for subsequent orders and extensions; amending Minnesota Statutes 2014, section 518B.01, subdivisions 6a, 11, 18.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2607, A bill for an act relating to human services; modifying certain nursing facilities requirements; amending Minnesota Statutes 2014, section 144A.071, subdivisions 4c, 4d; Minnesota Statutes 2015 Supplement, section 256B.441, subdivisions 13, 53.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2777, A bill for an act relating to public safety; health; courts; authorizing ex parte hearings to determine when an emergency medical service person has a significant exposure to a source individual's bodily fluids; authorizing peace officers to take a noncompliant source individual into temporary custody to collect a blood sample; amending Minnesota Statutes 2014, section 144.7407, subdivision 2.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3102, A bill for an act relating to lawful gambling; modifying provisions relating to gambling managers; providing for certain raffles; increasing prize limits; prescribing local regulation; amending Minnesota Statutes 2014, sections 349.12, subdivision 19, by adding subdivisions; 349.13; 349.168, subdivision 1; 349.17, by adding a subdivision; 349.213, subdivision 1; Minnesota Statutes 2015 Supplement, sections 349.12, subdivisions 18, 21a; 349.173; 349.211, subdivision 1.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3281, A bill for an act relating to lawful gambling; providing for raffle boards; amending Minnesota Statutes 2014, sections 297E.02, subdivisions 6a, 7; 349.2125, subdivision 1; 349.2127, subdivisions 2, 3, 4.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3370, A bill for an act relating to public safety; requiring written statement for change of information by registered predatory offenders; authorizing access to registration data by child protection workers for determination of child residence with predatory offender; amending Minnesota Statutes 2014, sections 243.166, subdivision 7, by adding a subdivision; 299C.093.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3588, A bill for an act relating to transportation; governing certain motor vehicle weight limits; providing for an increase in weight limits for certain vehicles powered by natural gas; making technical changes; amending Minnesota Statutes 2014, section 169.824, subdivision 2, by adding a subdivision.

JOANNE M. ZOFF, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 748, A bill for an act relating to disaster assistance; appropriating money for relief.

JOANNE M. ZOFF, Secretary of the Senate

Albright moved that the House refuse to concur in the Senate amendments to H. F. No. 748, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2553, A bill for an act relating to orders for protection; eliminating respondent filing fee requirements; amending Minnesota Statutes 2014, section 518B.01, subdivision 3a.

JOANNE M. ZOFF, Secretary of the Senate

O'Neill moved that the House refuse to concur in the Senate amendments to H. F. No. 2553, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 498, A bill for an act relating to data practices; classifying portable recording system data; establishing requirements for the destruction of data; requiring policies; imposing requirements on vendors and providing for damage awards; amending Minnesota Statutes 2014, section 13.82, subdivision 15, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 626.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Latz, Kent and Ingebrigtsen.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

JOANNE M. ZOFF, Secretary of the Senate

Cornish moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 498. The motion prevailed.

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1440, A bill for an act relating to health; making changes to the Minnesota prescription monitoring program; amending Minnesota Statutes 2014, section 152.126, subdivisions 1, 3, 5, 6; repealing Laws 2014, chapter 286, article 7, section 4.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Rosen, Sheran and Benson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

JOANNE M. ZOFF, Secretary of the Senate

Baker moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1440. The motion prevailed.

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3018, A bill for an act relating to agriculture; making various policy and technical changes to agricultural-related provisions; modifying certain agricultural-related appropriations; amending Minnesota Statutes 2014, sections 17.53, subdivision 16; 18B.345; 28A.085, subdivision 1; 31.122; 31.94; Minnesota Statutes 2015 Supplement, sections 41A.14; 583.215; Laws 2015, First Special Session chapter 4, article 1, section 2, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Laws 2015, First Special Session chapter 4, article 2, section 81.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Sparks, Dahms and Eken.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

JOANNE M. ZOFF, Secretary of the Senate

Anderson, P., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3018. The motion prevailed.

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3368, A bill for an act relating to transportation; modifying permit requirements for temporary use of certain rights-of-way; amending Minnesota Statutes 2014, section 160.27, by adding subdivisions; Minnesota Statutes 2015 Supplement, section 160.27, subdivision 10.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Koenen, Jensen and Dahms.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

JOANNE M. ZOFF, Secretary of the Senate

Drazkowski moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3368. The motion prevailed.

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3589, A bill for an act relating to transportation; authorizing and governing implementation of requirements of the federal REAL ID Act; amending certain requirements governing driver's licenses and Minnesota identification cards; requiring rulemaking to implement a two-tier license system; amending Minnesota Statutes 2014, sections 97A.405, subdivision 2; 171.01, subdivision 37, by adding a subdivision; 171.017; 171.06, subdivision 3; 171.07, subdivisions 1, 4, 6, 7, 15, by adding subdivisions; 171.071, subdivision 3; 171.072; 171.12, subdivision 7; 171.27; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Laws 2009, chapter 92, section 1, as amended.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Dibble, Kent and Rosen.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

JOANNE M. ZOFF, Secretary of the Senate

Peppin moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3589. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 3376.

JOANNE M. ZOFF, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 3376, A bill for an act relating to environment; providing for sulfate effluent permit compliance.

The bill was read for the first time.

Metsa moved that S. F. No. 3376 and H. F. No. 3726, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.



## ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 748:

Albright, Torkelson, Swedzinski, Vogel and Hausman.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2553:

O'Neill, Lohmer and Hilstrom.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 498:

Cornish; Johnson, B., and Hilstrom.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1440:

Baker, Liebling and Zerwas.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3018:

Anderson, P.; Hamilton and Poppe.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3368:

Drazkowski, Fabian and Hertaus.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3589:

Smith, Albright and Pelowski.

## ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 9:00 a.m., Thursday, May 19, 2016. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and Speaker pro tempore Garofalo declared the House stands adjourned until 9:00 a.m., Thursday, May 19, 2016.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

