

## STATE OF MINNESOTA

## SECOND SPECIAL SESSION — 2020

## THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, JULY 20, 2020

Pursuant to the Speaker of the House of Representatives, acting in accordance with Senate Concurrent Resolution No. 2, the House of Representatives convened at 10:00 a.m. and was called to order by Melissa Hortman, Speaker of the House.

Prayer was offered by Rabbi Harold Kravitz, Adath Jeshurun Congregation, Minnetonka, Minnesota.

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:

Acomb	Dehn	Heinrich	Lippert	Nornes	Stephenson
Albright	Demuth	Heintzeman	Lislegard	Novotny	Sundin
Anderson	Dettmer	Her	Long	O'Driscoll	Swedzinski
Backer	Drazkowski	Hertaus	Lucero	Olson	Tabke
Bahner	Ecklund	Hornstein	Lueck	O'Neill	Theis
Bahr	Edelson	Howard	Mahoney	Pelowski	Torkelson
Baker	Elkins	Huot	Mann	Persell	Urdahl
Becker-Finn	Erickson	Johnson	Mariani	Petersburg	Vang
Bennett	Fabian	Jordan	Marquart	Pierson	Vogel
Bernardy	Fischer	Jurgens	Masin	Pinto	Wagenius
Bierman	Franson	Kiel	McDonald	Poppe	Wazlawik
Boe	Freiberg	Klevorn	Mekeland	Poston	West
Brand	Gomez	Koegel	Miller	Pryor	Winkler
Cantrell	Green	Kotyza-Witthuhn	Moller	Quam	Wolgamott
Carlson, A.	Grossell	Koznick	Moran	Richardson	Xiong, J.
Carlson, L.	Gruenhagen	Kresha	Morrison	Robbins	Xiong, T.
Christensen	Gunther	Kunesh-Podein	Munson	Runbeck	Youakim
Clafin	Haley	Layman	Murphy	Sandell	Spk. Hortman
Considine	Halverson	Lee	Nash	Sandstede	
Daniels	Hamilton	Lesch	Nelson, M.	Sauke	
Daudt	Hansen	Liebling	Nelson, N.	Schomacker	
Davids	Hassan	Lien	Neu	Schultz	
Davnie	Hausman	Lillie	Noor	Scott	

A quorum was present.

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 CHIEF CLERK

S. F. No. 2 and H. F. No. 35, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Liebling moved that S. F. No. 2 be substituted for H. F. No. 35 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 12 and H. F. No. 33, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Cantrell moved that S. F. No. 12 be substituted for H. F. No. 33 and that the House File be indefinitely postponed. The motion prevailed.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Mahoney from the Jobs and Economic Development Finance Division to which was referred:

H. F. No. 28, A bill for an act relating to economic development; providing for exceptions to certain economic development grant programs during a peacetime emergency; amending Minnesota Statutes 2018, sections 116J.8748, subdivision 3; 116J.994, subdivision 6.

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

The report was adopted.

Mahoney from the Jobs and Economic Development Finance Division to which was referred:

H. F. No. 36, A bill for an act relating to unemployment insurance; temporarily modifying eligibility for secondary students.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **TEMPORARY UNEMPLOYMENT INSURANCE ELIGIBILITY FOR SECONDARY STUDENTS.**

(a) Notwithstanding Minnesota Statutes, section 268.085, subdivision 2, clause (3), an applicant who is 16 years of age or older on the date of application who establishes an unemployment insurance benefit account the week beginning Sunday, March 15, 2020, through the week ending Saturday, December 26, 2020, is eligible for unemployment benefits for any week that the applicant is a student in attendance at, doing distance learning through, or on vacation from a secondary school, including the period between academic years or terms, provided the applicant meets all other eligibility requirements under Minnesota Statutes, chapter 268.

(b) This section expires December 31, 2020.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies retroactively from March 15, 2020."

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

The report was adopted.

Mahoney from the Jobs and Economic Development Finance Division to which was referred:

H. F. No. 37, A bill for an act relating to economic development; creating the civil unrest immediate relief program; requiring reports; appropriating money.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Freiberg from the Committee on Government Operations to which was referred:

H. F. No. 71, A bill for an act relating to notaries; authorizing use of video appearance for real estate document notarization during public health emergency.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **REAL ESTATE DOCUMENT NOTARIZATION; APPEARANCE BY VIDEO AUTHORIZED DURING PEACETIME PUBLIC HEALTH EMERGENCY.**

(a) During and for 60 days after the expiration of a peacetime public health emergency, with respect to documents recorded pursuant to Minnesota Statutes, sections 507.24 and 507.27, the requirement to appear personally under Minnesota Statutes, section 358.56, is deemed met when the notarial officer and the individual making the statement or executing the signature, whether acting on behalf of themselves or in a representative capacity, are not in the same location but are physically located within the state of Minnesota and communicate via video conference in real time. The notarial officer shall, either directly or through an agent, create an audio and visual recording of the performance of the notarization and retain such recording as a notarial record for a period not less than ten years.

(b) For purposes of this section, "peacetime public health emergency" means any peacetime emergency declared by the governor in an executive order that relates to the infectious disease known as COVID-19.

**EFFECTIVE DATE.** This section is effective the day following final enactment and expires January 6, 2021."

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

The report was adopted.

**SECOND READING OF HOUSE BILLS**

H. F. No. 28 was read for the second time.

**SECOND READING OF SENATE BILLS**

S. F. Nos. 2 and 12 were read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Noor introduced:

H. F. No. 93, A bill for an act relating to unemployment insurance; extending unemployment insurance benefits to certain school employees.

The bill was read for the first time and referred to the Jobs and Economic Development Finance Division.

Poppe introduced:

H. F. No. 94, A bill for an act relating to education; establishing a short-call substitute teacher pilot program; requiring a report.

The bill was read for the first time and referred to the Committee on Education Policy.

Persell introduced:

H. F. No. 95, A bill for an act relating to energy; establishing a program to provide financial incentives for the production of wood pellets; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216B.

The bill was read for the first time and referred to the Energy and Climate Finance and Policy Division.

Erickson introduced:

H. F. No. 96, A bill for an act relating to education; modifying classroom placement and school attendance provisions; establishing an academic achievement rating system; codifying a teacher code of ethics in statute and repealing code of ethics in rule; modifying school meal policies; modifying teacher licensure provisions; restricting contracts with school employees; amending Minnesota Statutes 2018, sections 120A.36; 120A.38; 120B.11, subdivision 2; 121A.55; 122A.09, subdivision 2; 122A.181, subdivisions 1, 3, as amended, 4; 122A.182, subdivision 3, as amended; 122A.40, subdivision 3; 122A.41, by adding a subdivision; 124D.111; Minnesota Statutes 2019

Supplement, sections 120B.36, subdivision 1; 122A.635, subdivisions 1, 2, as amended; Laws 2019, First Special Session chapter 11, article 3, section 23, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; repealing Minnesota Statutes 2018, section 122A.09, subdivision 1; Minnesota Rules, part 8710.2100, subparts 1, 2.

The bill was read for the first time and referred to the Committee on Education Policy.

Dehn introduced:

H. F. No. 97, A bill for an act relating to public safety; repealing crime of falsely reporting police misconduct; repealing Minnesota Statutes 2018, section 609.505, subdivision 2.

The bill was read for the first time and referred to the Public Safety and Criminal Justice Reform Finance and Policy Division.

Dehn introduced:

H. F. No. 98, A bill for an act relating to public safety; regulating no-knock search warrants; amending Minnesota Statutes 2018, section 626.14.

The bill was read for the first time and referred to the Public Safety and Criminal Justice Reform Finance and Policy Division.

Layman introduced:

H. F. No. 99, A bill for an act relating to public safety; establishing a 911 telecommunicator working group to establish statewide standards for training and certification; requiring a report.

The bill was read for the first time and referred to the Public Safety and Criminal Justice Reform Finance and Policy Division.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Winkler from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day for Monday, July 20, 2020:

H. F. Nos. 1, 3 and 14.

Franson was excused between the hours of 10:30 a.m. and 10:50 p.m.

#### MOTIONS AND RESOLUTIONS

House Resolution No. 1 was reported to the House.

## HOUSE RESOLUTION No. 1

A House resolution declaring racism a public health crisis.

*Whereas*, race is a social construct with no biological basis; and

*Whereas*, racism is embedded in the foundation of America, beginning with chattel slavery in 1619; and

*Whereas*, much of the Black experience in America has been endured under slavery and Jim Crow, which created preferential opportunities for white people while subjecting people of color to hardships and disadvantages in every area of life; and

*Whereas*, public health disparities have persisted for over 400 years and there are long-standing, unaddressed disparities as well as systemic racism and other socioeconomic inequities; and

*Whereas*, the American Public Health Association defines racism as a social system with multiple dimensions: individual racism is internalized or interpersonal, and systemic racism is institutional or structural. Systemic racism is a system of structuring opportunity and assigning value based on the social interpretation of how one looks that unfairly disadvantages some individuals and communities, unfairly advantages other individuals and communities, and saps the strength of the whole society through the waste of human resources; and

*Whereas*, racism is complex and it is imperative to employ an intersectional lens and approach that considers the unique ways that racism intersects with disabilities, immigration, gender, documentation status, and LGBTQ+ communities; and

*Whereas*, racism causes persistent racial discrimination in housing, education, employment, and criminal justice; and

*Whereas*, the American Medical Association, the American Academy of Pediatrics, the American College of Obstetrics and Gynecologists, and the American Public Health Association recognize that racism is a social determinant of health that has a profound impact across the lifespan of an individual and that failure to address racism is an urgent public health issue that will exacerbate and perpetuate existing health inequities; and

*Whereas*, more than 100 studies have linked racism to worse health outcomes; and

*Whereas*, in Minnesota the highest excess death rates exist for Black and Indigenous communities, at every age demographic; and

*Whereas*, Minnesota must address persistent disparities in health outcomes and the social, economic, educational, and environmental inequities that contribute to them; and

*Whereas*, while there is no epidemiologic definition of crisis, the health impact of racism clearly rises to the definition proposed by Sandro Galea: "The problem must affect large numbers of people, it must threaten health over the long-term, and must require the adoption of large-scale solutions"; and

*Whereas*, racism is a public health crisis affecting our entire state and a comprehensive and intersectional approach is necessary to address the crisis, *Now, Therefore*,

*Be It Resolved* by the House of Representatives of the State of Minnesota that it declares racism a public health crisis; and

*Be It Further Resolved*, based upon this affirmation, the Minnesota House of Representatives will actively participate in the dismantling of racism by:

Collaborating with the state's law and justice agencies and the community to work to ensure public confidence that public safety is administered equitably;

Studying, evaluating, and conducting an assessment of the existing policies and practices of the Minnesota House of Representatives through an intersectional lens of racial equity, setting measurable goals to advance equity through these policies and practices;

Conducting an assessment related to all human resources, vendor selection, including reviewing internal processes and practices related to hiring, promotions, and leadership appointments;

Enhancing data-driven education efforts on understanding, addressing, and dismantling racism, and how racism affects public health, family stability, early childhood education, economic development, public safety, housing, and the delivery of human services;

Supporting local, regional, and federal initiatives that advance efforts to dismantle systemic racism, partnering with local organizations with a demonstrated track record of confronting racism, and meaningfully engaging with communities of color;

Convening a House Select Committee on Minnesota's response to addressing racism as a public health crisis to ensure House legislative efforts are analyzed through an intersectional race equity lens; and

Hereby encouraging the Governor and the Senate to also adopt resolutions affirming that racism is a public health crisis resulting in disparities in family stability, health and mental wellness, education, employment, economic development, public safety, criminal justice, and housing.

Richardson moved that House Resolution No. 1 be now adopted.

A roll call was requested and properly seconded.

The question was taken on the Richardson motion and the roll was called. There were 82 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Acomb	Dehn	Her	Lien	Nelson, M.	Sundin
Bahner	Demuth	Hornstein	Lillie	Noor	Tabke
Becker-Finn	Ecklund	Howard	Lippert	Olson	Urdahl
Bernardy	Edelson	Huot	Lislegard	Pelowski	Vang
Bierman	Elkins	Jordan	Long	Persell	Wagenius
Boe	Fischer	Jurgens	Mahoney	Pinto	Wazlawik
Brand	Freiberg	Klevorn	Mann	Poppe	Winkler
Cantrell	Gomez	Koegel	Mariani	Pryor	Wolgamott
Carlson, A.	Haley	Kotyza-Witthuhn	Marquart	Richardson	Xiong, J.
Carlson, L.	Halverson	Kunesh-Podein	Masin	Sandell	Xiong, T.
Christensen	Hamilton	Layman	Moller	Sandstede	Youakim
Clafin	Hansen	Lee	Moran	Sauke	Spk. Hortman
Considine	Hassan	Lesch	Morrison	Schultz	
Davnie	Hausman	Liebling	Murphy	Stephenson	

Those who voted in the negative were:

Albright	Daudt	Grossell	Lueck	Neu	Schomacker
Anderson	Davids	Gunther	McDonald	Nornes	Scott
Backer	Dettmer	Heinrich	Mekeland	Novotny	Swedzinski
Bahr	Drazkowski	Heintzeman	Miller	Petersburg	Torkelson
Baker	Erickson	Johnson	Munson	Poston	Vogel
Bennett	Fabian	Kiel	Nash	Robbins	
Daniels	Green	Lucero	Nelson, N.	Runbeck	

The motion prevailed and House Resolution No. 1 was adopted.

Winkler 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.

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

There being no objection, the order of business reverted to Calendar for the Day.

#### CALENDAR FOR THE DAY

H. F. No. 1 was reported to the House.

Mariani moved to amend H. F. No. 1 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2018, section 13.43, subdivision 9, is amended to read:

Subd. 9. **Peer counseling debriefing data.** (a) Data acquired by a peer ~~group member in a support counselor~~ when providing public safety peer counseling debriefing is private data on the person being debriefed are governed by section 181.9731.

(b) For purposes of this subdivision, ~~"public safety peer counseling debriefing" means a group process oriented debriefing session held for peace officers, firefighters, medical emergency persons, dispatchers, or other persons involved with public safety emergency services, that is established by any government entity providing public safety emergency services and is designed to help a person who has suffered an occupation related traumatic event begin the process of healing and effectively dealing with posttraumatic stress;~~



(1) "peer support counselor" has the meaning given in section 181.9731, subdivision 1, paragraph (c); and

(2) "public safety peer counseling" has the meaning given in section 181.9731, subdivision 1, paragraph (d).

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 2. Minnesota Statutes 2018, section 13.43, is amended by adding a subdivision to read:

Subd. 9a. **Critical incident stress management data.** (a) Data acquired by a critical incident stress management team member when providing critical incident stress management services are governed by section 181.9732.

(b) For purposes of this subdivision:

(1) "critical incident stress management services" has the meaning given in section 181.9732, subdivision 1, paragraph (c); and

(2) "critical incident stress management team member" has the meaning given in section 181.9732, subdivision 1, paragraph (e).

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 3. **[181.9731] PUBLIC SAFETY PEER COUNSELING.**

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

(b) "Emergency service provider" includes a peace officer, correctional officer, probation officer, supervision agent, firefighter, rescue squad member, dispatcher, hospital or emergency medical clinic personnel, a person who provides emergency medical services for a Minnesota licensed ambulance service, forensic science professional, or other person involved with public safety emergency services, either paid or volunteer.

(c) "Peer support counselor" means an individual who is:

(1) specially trained to provide public safety peer counseling services in accordance with standards that are both (i) established by an accredited mental health organization or network, and (ii) recognized by the commissioner of public safety; and

(2) designated by the emergency service provider's agency to provide such services.

(d) "Public safety peer counseling" means one or more sessions, led by a peer support counselor, designed to help an emergency service provider who experienced an occupation-related trauma, illness, or stress develop skills and strategies to better understand, cope with, and process emotions and memories tied to the trauma, illness, or stress. Public safety peer counseling includes group sessions led by a peer support counselor, one-to-one contact with a peer support counselor, and meetings with a peer support counselor to obtain referrals to appropriate mental health or community support services.

Subd. 2. **Peer support counselor; prohibition on being witness or party.** A peer support counselor may not provide public safety peer counseling to an emergency service provider if the emergency service provider is seeking public safety peer counseling to address a critical incident, as defined in section 181.9732, subdivision 1, paragraph (b), to which the peer support counselor is a witness. A peer support counselor may refer the person to another peer support counselor or other appropriate mental health or community support service.

Subd. 3. **Disclosure prohibited.** (a) Except as provided in subdivision 4, a peer support counselor or any person who receives public safety peer counseling shall not be required to disclose information to a third party that was obtained solely through the provision or receipt of public safety peer counseling.

(b) Government data on individuals receiving peer counseling are classified as private data on individuals, as defined by section 13.02, subdivision 12, but may be disclosed as provided in subdivision 4.

Subd. 4. **Exceptions.** The prohibition established under subdivision 3 does not apply if any of the following are true:

(1) the peer support counselor reasonably believes the disclosure is necessary to prevent harm to self by the person in receipt of public safety peer counseling or to prevent the person from harming another person, provided the disclosure is only for the purpose of preventing the person from harming self or others and limited to information necessary to prevent such harm;

(2) the person receiving public safety peer counseling discloses information that is required to be reported under the mandated reporting laws, including, but not limited to, the reporting of maltreatment of minors under section 626.556 and the reporting of maltreatment of vulnerable adults under section 626.557, provided the disclosure is only for the purpose of reporting maltreatment and limited to information necessary to make such a report;

(3) the person who received public safety peer counseling provides written consent authorizing disclosure of the information;

(4) the emergency service provider who received public safety peer counseling is deceased and the surviving spouse or administrator of the estate of the deceased emergency service provider gives written consent authorizing disclosure of the information; or

(5) the emergency service provider who received public safety peer counseling voluntarily testifies, in which case the peer support counselor may be compelled to testify on the same subject.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

#### Sec. 4. **[181.9732] CRITICAL INCIDENT STRESS MANAGEMENT.**

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

(b) "Critical incident" means an event that results in acute or cumulative psychological stress or trauma to an emergency service provider. Critical incident includes but is not limited to any encounter which may result in the death of or serious injury to another person such as fatal motor vehicle accidents, child abuse investigations, death investigations, and large scale man-made or natural disasters.

(c) "Critical incident stress management services" means consultation, risk assessment, education, intervention, and other crisis intervention services provided by a critical incident stress management team or critical incident stress management team member to an emergency service provider affected by a critical incident.

(d) "Critical incident stress management team" means a group organized to provide critical incident stress management to emergency service providers and consists of critical incident stress management team members. A critical incident stress management team may include members from any emergency service discipline, mental health professionals, and designated emergency service chaplains.

(e) "Critical incident stress management team member" means an individual who:

(1) is trained to provide critical incident stress management services in accordance with standards that are both (i) established by a nationally recognized critical incident stress management organization or network, and (ii) recognized by the commissioner of public safety;

(2) was approved to function as a critical incident stress management team member prior to the time critical incident stress management services are provided; and

(3) is approved to function as a critical incident stress management team member at the time the critical incident stress management services are provided.

(f) "Emergency service provider" includes a peace officer, correctional officer, probation officer, supervision agent, firefighter, rescue squad member, dispatcher, hospital or emergency medical clinic personnel, a person who provides emergency medical services for a Minnesota licensed ambulance service, forensic science professional, or other person involved with public safety emergency services, either paid or volunteer.

Subd. 2. **Team members; prohibition on being witness or party.** A person who otherwise qualifies as a critical incident stress management team member may not be part of a critical incident stress management team providing services to an emergency service provider if the critical incident stress management team member is a witness to the critical incident for which the person is receiving services.

Subd. 3. **Disclosure prohibited.** (a) Except as provided in subdivision 4, a critical incident stress management team member or any person who receives critical incident stress management services shall not be required to disclose information to a third party that was obtained solely through the provision or receipt of critical incident stress management services.

(b) Government data on individuals receiving critical incident stress management services are classified as private data on individuals, as defined by section 13.02, subdivision 12, but may be disclosed as provided in subdivision 4.

Subd. 4. **Exceptions.** The prohibition established under subdivision 3 does not apply if any of the following are true:

(1) the critical incident stress management team member reasonably believes the disclosure is necessary to prevent harm to self by the person in receipt of critical incident stress management services or to prevent the person from harming another person, provided the disclosure is only for the purpose of preventing the person from harming self or others and limited to information necessary to prevent such harm;

(2) the person receiving critical incident stress management services discloses information that is required to be reported under the mandated reporting laws, including, but not limited to, the reporting of maltreatment of minors under section 626.556 and the reporting of maltreatment of vulnerable adults under section 626.557, provided the disclosure is only for the purpose of reporting maltreatment and limited to information necessary to make such a report;

(3) the person who received critical incident stress management services provides written consent authorizing disclosure of the information;

(4) the emergency service provider who received critical incident stress management services is deceased and the surviving spouse or administrator of the estate of the deceased emergency service provider gives written consent authorizing disclosure of the information; or

(5) the emergency service provider who received critical incident stress management services voluntarily testifies, in which case the critical incident stress management team member may be compelled to testify on the same subject.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 5. **[299C.80] INDEPENDENT USE OF FORCE INVESTIGATIONS UNIT.**

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings provided.

(b) "Law enforcement agency" has the meaning given in section 626.84, subdivision 1, paragraph (f).

(c) "Officer-involved death" means the death of another that results from a peace officer's use of force while the officer is on duty or off duty but performing activities that are within the scope of the officer's law enforcement duties.

(d) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c).

(e) "Superintendent" means the superintendent of the Bureau of Criminal Apprehension.

(f) "Unit" means the independent Use of Force Investigations Unit.

**Subd. 2. Formation; special agent in charge; duty.** The superintendent shall form an independent Use of Force Investigations Unit within the Bureau of Criminal Apprehension to conduct officer-involved death investigations. The superintendent, in consultation with the commissioner of public safety, shall select a special agent in charge of the unit.

**Subd. 3. Additional duty.** The unit shall investigate all criminal sexual conduct cases involving peace officers, including criminal sexual conduct cases involving chief law enforcement officers. The unit may also investigate conflict of interest cases involving peace officers.

**Subd. 4. Staff; support.** The unit shall employ peace officers and staff to conduct investigations and the superintendent shall develop and implement policies and procedures to ensure no conflict of interest exists with agents assigned to investigate a particular incident. The superintendent may permit bureau resources not directly assigned to this unit to be used to assist the unit in fulfilling the duties assigned in this section.

**Subd. 5. Conflicts.** When a peace officer employed by the Bureau of Criminal Apprehension is the subject of an officer-involved death investigation, the investigation shall be conducted by an investigatory agency selected by the county attorney in the jurisdiction where the alleged offense took place.

**Subd. 6. Reporting.** As provided for in chapter 13, the superintendent must make all inactive investigative data that are public under section 13.82, subdivision 7, or other applicable law available on the bureau's website within 30 days of the end of the last criminal appeal of a subject of an investigation. By February 1 of each year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy the following information about the unit: the number of investigations initiated; the number of incidents investigated; the outcomes or current status of each investigation; the charging decisions made by the prosecuting authority of incidents investigated by the unit; the number of plea agreements reached in incidents investigated by the unit; and any other information relevant to the unit's mission.

**Subd. 7. Expiration.** The independent use of force investigations unit expires August 1, 2024.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 6. Minnesota Statutes 2018, section 415.16, is amended by adding a subdivision to read:

Subd. 1a. **Residency incentives for peace officers.** A statutory or home rule charter city or county may offer incentives to encourage a person hired as a peace officer, as defined in section 626.84, subdivision 1, paragraph (c), to be a resident of the city or county.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 7. Minnesota Statutes 2018, section 609.06, subdivision 1, is amended to read:

Subdivision 1. **When authorized.** Except as otherwise provided in ~~subdivision~~ subdivisions 2 and 3, reasonable force may be used upon or toward the person of another without the other's consent when the following circumstances exist or the actor reasonably believes them to exist:

- (1) when used by a public officer or one assisting a public officer under the public officer's direction:
  - (a) in effecting a lawful arrest; or
  - (b) in the execution of legal process; or
  - (c) in enforcing an order of the court; or
  - (d) in executing any other duty imposed upon the public officer by law; or
- (2) when used by a person not a public officer in arresting another in the cases and in the manner provided by law and delivering the other to an officer competent to receive the other into custody; or
- (3) when used by any person in resisting or aiding another to resist an offense against the person; or
- (4) when used by any person in lawful possession of real or personal property, or by another assisting the person in lawful possession, in resisting a trespass upon or other unlawful interference with such property; or
- (5) when used by any person to prevent the escape, or to retake following the escape, of a person lawfully held on a charge or conviction of a crime; or
- (6) when used by a parent, guardian, teacher, or other lawful custodian of a child or pupil, in the exercise of lawful authority, to restrain or correct such child or pupil; or
- (7) when used by a school employee or school bus driver, in the exercise of lawful authority, to restrain a child or pupil, or to prevent bodily harm or death to another; or
- (8) when used by a common carrier in expelling a passenger who refuses to obey a lawful requirement for the conduct of passengers and reasonable care is exercised with regard to the passenger's personal safety; or
- (9) when used to restrain a person with a mental illness or a person with a developmental disability from self-injury or injury to another or when used by one with authority to do so to compel compliance with reasonable requirements for the person's control, conduct, or treatment; or
- (10) when used by a public or private institution providing custody or treatment against one lawfully committed to it to compel compliance with reasonable requirements for the control, conduct, or treatment of the committed person.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 8. Minnesota Statutes 2018, section 609.06, is amended by adding a subdivision to read:

**Subd. 3. Limitations on the use of certain restraints.** (a) A peace officer may not use any of the following restraints unless section 609.066 authorizes the use of deadly force to protect the peace officer or another from death or great bodily harm:

(1) a choke hold;

(2) tying all of a person's limbs together behind the person's back to render the person immobile; or

(3) securing a person in any way that results in transporting the person face down in a vehicle.

(b) For the purposes of this subdivision, "choke hold" means a method by which a person applies sufficient pressure to a person to make breathing difficult or impossible, and includes but is not limited to any pressure to the neck, throat, or windpipe that may prevent or hinder breathing, or reduce intake of air. Choke hold also means applying pressure to a person's neck on either side of the windpipe, but not to the windpipe itself, to stop the flow of blood to the brain via the carotid arteries.

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

Sec. 9. **[626.5534] USE OF FORCE REPORTING.**

**Subdivision 1. Report required.** A chief law enforcement officer must provide the information requested by the Federal Bureau of Investigation about each incident of law enforcement use of force resulting in serious bodily injury or death, as those terms are defined in the Federal Bureau of Investigation's reporting requirements, to the superintendent of the Bureau of Criminal Apprehension. The superintendent shall adopt a reporting form for use by law enforcement agencies in making the report required under this section. The report must include for each incident all of the information requested by the Federal Bureau of Investigation.

**Subd. 2. Use of information collected.** A chief law enforcement officer must file the report under subdivision 1 once a month in the form required by the superintendent. The superintendent must summarize and analyze the information received and submit an annual written report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety. The superintendent shall submit the information to the Federal Bureau of Investigation.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 10. Minnesota Statutes 2018, section 626.841, is amended to read:

**626.841 BOARD; MEMBERS.**

The Board of Peace Officer Standards and Training shall be composed of the following ~~15~~ 17 members:

(1) two members to be appointed by the governor from among the county sheriffs in Minnesota;

(2) four members to be appointed by the governor from among peace officers in Minnesota municipalities, at least two of whom shall be chiefs of police;

(3) two members to be appointed by the governor from among peace officers, at least one of whom shall be a member of the Minnesota State Patrol Association;

(4) the superintendent of the Minnesota Bureau of Criminal Apprehension or a designee;

(5) two members appointed by the governor from among peace officers, or former peace officers, who are currently employed on a full-time basis in a professional peace officer education program;

(6) two members to be appointed by the governor, one member to be appointed from among administrators of Minnesota colleges or universities that offer professional peace officer education, and one member to be appointed from among the elected city officials in statutory or home rule charter cities of under 5,000 population outside the metropolitan area, as defined in section 473.121, subdivision 2; and

(7) ~~two~~ four members appointed by the governor from among the general public.

A chair shall be appointed by the governor from among the members. In making appointments the governor shall strive to achieve representation from among the geographic areas of the state.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 11. Minnesota Statutes 2018, section 626.843, is amended by adding a subdivision to read:

Subd. 1b. **Rules governing complaints.** If the board adopts rules to establish a subcommittee to investigate licensure actions, the subcommittee must have:

(1) one voting board member appointed from the general public; and

(2) three voting board members who are current or former peace officers.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 12. **[626.8434] WARRIOR-STYLE TRAINING PROHIBITED.**

Subdivision 1. **Definition.** For purposes of this section, "warrior-style training" means training for peace officers that dehumanizes people or encourages aggressive conduct by peace officers during encounters with others in a manner that deemphasizes the value of human life or constitutional rights, the result of which increases a peace officer's likelihood or willingness to use deadly force.

Subd. 2. **No continuing education credits or tuition reimbursement.** (a) The board may not certify a continuing education course that includes warrior-style training.

(b) The board may not grant continuing education credit to a peace officer for a course that includes warrior-style training.

(c) The board may not reimburse a law enforcement agency or a peace officer for a course that includes warrior-style training.

Subd. 3. **Training prohibited.** A law enforcement agency may not provide warrior-style training, directly or through a third party, to a peace officer.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 13. **[626.8435] ENSURING POLICE EXCELLENCE AND IMPROVING COMMUNITY RELATIONS ADVISORY COUNCIL.**

Subdivision 1. **Establishment and membership.** The Ensuring Police Excellence and Improving Community Relations Advisory Council is established under the Peace Officer Standards and Training Board. The council consists of the following 15 members:

(1) the superintendent of the Bureau of Criminal Apprehension, or a designee;

(2) the executive director of the Peace Officer Standards and Training Board, or a designee;

(3) the executive director of the Minnesota Police and Peace Officers Association, or a designee;

(4) the executive director of the Minnesota Sheriff's Association, or a designee;

(5) the executive director of the Minnesota Chiefs of Police Association, or a designee; and

(6) six community members, of which:

(i) four members shall represent the community-specific boards established under section 257.0768, reflecting one appointment made by each board;

(ii) one member shall be a mental health advocate and shall be appointed by the Minnesota chapter of the National Alliance on Mental Illness; and

(iii) one member shall be an advocate for victims and shall be appointed by Violence Free Minnesota; and

(7) four members appointed by the legislature, of which one shall be appointed by the speaker of the house, one by the house minority leader, one by the senate majority leader, and one by the senate minority leader.

The appointing authorities shall make their appointments by September 15, 2020, and shall ensure geographical balance when making appointments.

**Subd. 2. Purpose and duties.** (a) The purpose of the council is to assist the board in maintaining policies and regulating peace officers in a manner that ensures the protection of civil and human rights. The council shall provide for citizen involvement in policing policies, regulations, and supervision. The council shall advance policies and reforms that promote positive interactions between peace officers and the community.

(b) The board chair must place the council's recommendations to the board on the board's agenda within four months of receiving a recommendation from the council.

**Subd. 3. Organization.** The council shall be organized and administered under section 15.059, except that the council does not expire. Council members serve at the pleasure of the appointing authority. The council shall select a chairperson from among the members by majority vote at its first meeting. The executive director of the board shall serve as the council's executive secretary.

**Subd. 4. Meetings.** The council must meet at least quarterly. Meetings of the council are governed by chapter 13D. The executive director of the Peace Officer Standards and Training Board shall convene the council's first meeting, which must occur by September 1, 2020.

**Subd. 5. Office support.** The executive director of the Peace Officer Standards and Training Board shall provide the council with the necessary office space, supplies, equipment, and clerical support to effectively perform the duties imposed.

**Subd. 6. Reports.** The council shall submit a report by February 15 of each year to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and the board. At a minimum, the report shall include:



(1) all recommendations presented to the board and how the board acted on those recommendations;

(2) recommendations for statutory reform or legislative initiatives intended to promote police-community relations; and

(3) updates on the council's review and determinations.

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

Sec. 14. Minnesota Statutes 2018, section 626.845, is amended by adding a subdivision to read:

Subd. 3. **Peace officer data.** The board, in consultation with the Minnesota Chiefs of Police Association, Minnesota Sheriff's Association, and Minnesota Police and Peace Officers Association, shall create a central repository for peace officer data designated as public data under chapter 13. The database shall be designed to receive, in real time, the public data required to be submitted to the board by law enforcement agencies in section 626.8457, subdivision 3, paragraph (b). To assure the anonymity of individuals, the database must use encrypted data to track information transmitted on individual peace officers.

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

Sec. 15. Minnesota Statutes 2018, section 626.8452, is amended by adding a subdivision to read:

Subd. 1a. **Updated policy required.** (a) By September 1, 2020, the board, in consultation with interested parties, shall adopt an updated comprehensive written model policy on the use of force, including deadly force, by peace officers, and distribute this policy to the chief law enforcement officer of every law enforcement agency in the state. The model policy must recognize and respect the sanctity and value of all human life and the need to treat everyone with dignity and without prejudice. At a minimum, the policy must include:

(1) a duty for peace officers to intercede when present and observing another peace officer using force that is clearly beyond what is objectively reasonable under the law and the particular circumstances of the case, and in a position to do so;

(2) a duty for peace officers to report any illegal use of force by another peace officer to the officer's chief law enforcement officer; and

(3) a duty for peace officers to only use deadly force including techniques that are restricted by section 609.06, subdivision 3, as authorized in section 609.066. However, even in those circumstances, the policy must require that less lethal measures be considered first by the officer.

(b) The board shall incorporate all applicable standards in sections 609.06, subdivision 3, and 609.066, even if a standard has a delayed effective date. The revised model policy shall clearly identify the effective date of provisions with an effective date beyond September 1, 2020.

(c) By December 15, 2020, the chief law enforcement officer of every state and local law enforcement agency must update the policy required under subdivision 1 so that it is identical or substantially similar to the model policy developed by the board under subdivision 1a. The board must assist the chief law enforcement officer of each state and local law enforcement agency in developing and implementing policies under this subdivision.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 16. Minnesota Statutes 2018, section 626.8452, subdivision 4, is amended to read:

Subd. 4. **Record keeping required.** The head of every local and state law enforcement agency shall maintain written records of the agency's compliance with the requirements of subdivisions 1a, 2, and 3.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 17. Minnesota Statutes 2018, section 626.8452, subdivision 5, is amended to read:

Subd. 5. **Licensing sanctions; injunctive relief.** The board has authority to inspect state and local law enforcement agency policies to ensure compliance with this section. The board may conduct this inspection based upon a complaint it receives about a particular agency or through a random selection process. The board may impose licensing sanctions and seek injunctive relief under section 214.11 for failure to comply with the requirements of this section.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 18. Minnesota Statutes 2018, section 626.8457, subdivision 3, is amended to read:

Subd. 3. **Report on alleged misconduct; database; report.** (a) A chief law enforcement officer shall report annually to the board summary data regarding the investigation and disposition of cases involving alleged misconduct, indicating the total number of investigations, the total number by each subject matter, the number dismissed as unfounded, and the number dismissed on grounds that the allegation was unsubstantiated.

(b) Beginning January 15, 2021, a chief law enforcement officer, in real time, must submit individual peace officer data classified as public and submitted using encrypted data that the board determines is necessary to:

(1) evaluate the effectiveness of statutorily required training;

(2) assist the Ensuring Police Excellence and Improving Community Relations Advisory Council in accomplishing the council's duties; and

(3) allow for the board, the Ensuring Police Excellence and Improving Community Relations Advisory Council, and the board's complaint investigation committee to identify patterns of behavior that suggest an officer is in crisis or is likely to violate a board-mandated model policy.

(c) The reporting obligation in paragraph (b) is ongoing. A chief law enforcement officer must update data within 30 days of final disposition of a complaint or investigation.

(d) Law enforcement agencies and political subdivisions are prohibited from entering into a confidentiality agreement that would prevent disclosure of the data identified in paragraph (b) to the board. Any such confidentiality agreement is void as to the requirements of this section.

(e) By February 1 of each year, the board shall prepare a report that contains summary data provided under paragraph (b). The board must post the report on its publicly accessible website and provide a copy to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 19. Minnesota Statutes 2018, section 626.8469, is amended to read:

**626.8469 TRAINING IN CRISIS RESPONSE, CONFLICT MANAGEMENT, AND CULTURAL DIVERSITY.**

Subdivision 1. **In-service training required.** Beginning July 1, 2018, the chief law enforcement officer of every state and local law enforcement agency shall provide in-service training in crisis intervention and mental illness crises; conflict management and mediation; ensuring safer interactions between peace officers and persons with autism; and recognizing and valuing community diversity and cultural differences to include implicit bias training to every peace officer and part-time peace officer employed by the agency. The training shall comply with learning objectives developed and approved by the board ~~and~~, shall meet board requirements for board-approved continuing education credit, and shall be provided by an approved entity. The board shall create a list of approved entities and training courses and make the list available to the chief law enforcement officer of every state and local law enforcement agency. Crisis intervention and mental illness crisis training shall meet the standards in subdivision 1a. The training shall consist of at least 16 continuing education credits with a minimum of six hours for crisis intervention and mental illness crisis training and four hours to ensure safer interactions between peace officers and persons with autism within an officer's three-year licensing cycle. Each peace officer with a license renewal date after June 30, 2018, is not required to complete this training until the officer's next full three-year licensing cycle.

Subd. 1a. **Crisis intervention and mental illness crisis training.** (a) The board, in consultation with the commissioner of human services and mental health stakeholders, shall create a list of approved entities and training courses to instruct peace officers in techniques for responding to a mental illness crisis. A course must include scenario-based instruction and cover most of the following issues:

- (1) techniques for relating to individuals with mental illnesses and the individuals' families;
- (2) techniques for crisis de-escalation;
- (3) techniques for relating to diverse communities and education on mental illness diversity;
- (4) mental illnesses and the criminal justice system;
- (5) community resources and supports for individuals experiencing a mental illness crisis and for the individuals' families;
- (6) psychotropic medications and the medications' side effects;
- (7) co-occurring mental illnesses and substance use disorders;
- (8) suicide prevention; and
- (9) mental illnesses and disorders and the symptoms.

(b) A course must also include training on children and families of individuals with mental illnesses to enable officers to respond appropriately to others who are present during a mental illness crisis. The board shall update the list of approved entities and training courses periodically as it considers appropriate.

Subd. 2. **Record keeping required.** The head of every local and state law enforcement agency shall maintain written records of the agency's compliance with the requirements of ~~subdivision 1.~~ subdivisions 1 and 1a including, at a minimum:

- (1) documentation of the training provider;

(2) documentation of the content of the training provided;

(3) documentation that crisis intervention and mental illness crisis training included scenario-based instruction in compliance with the standards described in subdivision 1a;

(4) compiled evaluations; and

(5) explanation of expenditure of funds.

The documentation is subject to periodic review by the board, and shall be made available submitted to the board at its request. The board shall include in the compliance reviews required in section 626.8459 an evaluation of the effectiveness of in-service training provided under this section in reducing officer use of force and diverting people experiencing a mental illness crisis from arrest.

Subd. 3. **Licensing sanctions; injunctive relief.** The board may impose licensing sanctions and seek injunctive relief under section 214.11 for failure to comply with the requirements of this section.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 20. **[626.8474] AUTISM TRAINING.**

Subdivision 1. **Learning objectives required.** (a) By January 1, 2021, the board shall prepare learning objectives for preservice and in-service training on ensuring safer interactions between peace officers and persons with autism. At a minimum, the objectives must address the following:

(1) autism overview and behavioral understanding;

(2) best practices for interventions and de-escalation strategies;

(3) prevention and crisis reduction models; and

(4) objective review of tools and technology available.

(b) In developing the learning objectives, the board shall consult with, at a minimum:

(1) individuals with autism;

(2) family members of individuals with autism;

(3) autism experts; and

(4) peace officers.

Subd. 2. **Preservice training required.** (a) The learning objectives developed pursuant to subdivision 1 must be included in the required curriculum of professional peace officer educational programs.

(b) A person is not eligible to take the peace officer licensing examination after July 1, 2021, unless the individual has received the training described in paragraph (a).

Subd. 3. **In-service training required.** Beginning July 1, 2021, the chief law enforcement officer of every state and local law enforcement agency shall provide in-service autism training to every peace officer and part-time peace officer employed by the agency. The training must comply with the learning objectives developed and approved by

the board and must meet board requirements for board-approved continuing education credit. The training must consist of at least four continuing education credits of the credits required under section 626.8469 within an officer's three-year licensing cycle. Each peace officer with a license renewal date after June 30, 2021, is not required to complete this training until the officer's next full three-year licensing cycle.

Subd. 4. **Record keeping required.** The head of every local and state law enforcement agency shall maintain written records of the agency's compliance with the requirements of subdivision 3. The documentation is subject to periodic review by the board, and must be made available to the board at its request.

Subd. 5. **Licensing sanctions; injunctive relief.** The board may impose licensing sanctions and seek injunctive relief under section 214.11 for failure to comply with the requirements of this section.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 21. **[626.8475] DUTY TO INTERCEDE AND REPORT.**

(a) Regardless of tenure or rank, a peace officer must intercede when:

(1) present and observing another peace officer using force in violation of section 609.066, subdivision 2, or otherwise beyond that which is objectively reasonable under the circumstances; and

(2) physically or verbally able to do so.

(b) A peace officer who observes another employee or peace officer use force that exceeds the degree of force permitted by law has the duty to report the incident in writing within 24 hours to the chief law enforcement officer of the agency that employs the reporting peace officer.

(c) A peace officer who breaches a duty established in this subdivision is subject to discipline by the board under Minnesota Rules, part 6700.1600.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 22. **[626.892] PEACE OFFICER GRIEVANCE ARBITRATION SELECTION PROCEDURE.**

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

(b) "Commissioner" means the commissioner of the Bureau of Mediation Services.

(c) "Employer" means a political subdivision or law enforcement agency employing a peace officer.

(d) "Grievance" means a dispute or disagreement regarding any written disciplinary action, discharge, or termination decision of a peace officer arising under a collective bargaining agreement covering peace officers.

(e) "Grievance arbitration" means binding arbitration of a grievance under the grievance procedure in a collective bargaining agreement covering peace officers, as required by this section or sections 179A.04, 179A.20, and 179A.21, subdivision 3, to the extent those sections are consistent with this section.

(f) "Grievance procedure" has the meaning given in section 179A.20, subdivision 4, except as otherwise provided in this section or to the extent inconsistent with this section.

(g) "Peace officer" means a licensed peace officer or part-time peace officer subject to licensure under sections 626.84 to 626.863.

Subd. 2. **Applicability.** (a) Notwithstanding any contrary provision of law, home rule charter, ordinance, or resolution, the arbitrator selection procedure established under this section shall apply to all peace officer grievance arbitrations for written disciplinary action, discharge, or termination heard on or after the effective date.

(b) The grievance procedure for all collective bargaining agreements covering peace officers negotiated on or after the day following final enactment must include the arbitrator selection procedure established in this section.

(c) This section does not authorize arbitrators appointed under this section to hear arbitrations of public employees who are not peace officers.

Subd. 3. **Fees.** All fees charged by arbitrators under this section shall be in accordance with a schedule of fees established by the commissioner on an annual basis.

Subd. 4. **Roster of arbitrators.** The commissioner, in consultation with community and law enforcement stakeholders, shall appoint a roster of six persons suited and qualified by training and experience to act as arbitrators for peace officer grievance arbitrations under this section. In making these appointments, and as applicable, the commissioner may consider the factors set forth in Minnesota Rules, parts 5530.0600 and 5530.0700, subpart 6, as well as a candidate's experience and training in cultural competency, racism, implicit bias, and recognizing and valuing community diversity and cultural differences. The appointments are effective immediately upon filing with the secretary of state. Arbitrators on the roster created by this subdivision shall not serve as an arbitrator in a labor arbitration other than a grievance arbitration as defined in this section.

Subd. 5. **Applications.** The secretary of state shall solicit and accept applications in the same manner as for open appointments under section 15.0597.

Subd. 6. **Terms.** (a) Initial appointments to the roster of arbitrators shall be made as follows:

(1) two appointments to expire on the first Monday in January 2023;

(2) two appointments to expire on the first Monday in January 2024; and

(3) two appointments to expire on the first Monday in January 2025.

(b) Subsequent appointments to the roster of arbitrators shall be for three-year terms to expire on the first Monday in January, with the terms of no more than two arbitrators to expire in the same year.

(c) An arbitrator may be re-appointed to the roster upon expiration of the arbitrator's term. If the arbitrator is not re-appointed, the arbitrator may continue to serve until a successor is appointed, but in no case later than July 1 of the year in which the arbitrator's term expires.

Subd. 7. **Applicability of Minnesota Rules, chapter 5530.** To the extent consistent with this section, the following provisions of Minnesota Rules apply to arbitrators on the roster of arbitrators established under this section:

(1) Minnesota Rules, part 5530.0500 (status of arbitrators);

(2) Minnesota Rules, part 5530.0800 (arbitrator conduct and standards); and

(3) Minnesota Rules, part 5530.1000 (arbitration proceedings).

Subd. 8. **Performance measures.** To the extent applicable, the commissioner shall track the performance measures set forth in Minnesota Rules, part 5530.1200.

Subd. 9. **Removal; vacancies.** An arbitrator appointed to the roster of arbitrators may be removed from the roster only by the commissioner in accordance with the procedures set forth in Minnesota Rules, part 5530.1300. A vacancy on the roster caused by a removal, a resignation, or another reason shall be filled by the commissioner as necessary to fill the remainder of the arbitrator's term. A vacancy on the roster occurring with less than six months remaining in the arbitrator's term shall be filled for the existing term and the following three-year term.

Subd. 10. **Training.** (a) A person appointed to the arbitrator roster under this section must complete training as required by the commissioner during the person's appointment. At a minimum, an initial training must include:

(1) at least six hours on the topics of cultural competency, racism, implicit bias, and recognizing and valuing community diversity and cultural differences; and

(2) at least six hours on topics related to the daily experience of peace officers, which may include ride-alongs with on-duty officers or other activities that provide exposure to the environments, choices, and judgments required of officers in the field.

The commissioner may adopt rules establishing training requirements consistent with this subdivision.

(b) An arbitrator appointed to the roster of arbitrators in 2020 must complete the required initial training by July 1, 2021. An arbitrator appointed to the roster of arbitrators after 2020 must complete the required initial training within six months of the arbitrator's appointment.

(c) All costs associated with the required training must be borne by the arbitrator.

Subd. 11. **Selection of arbitrators.** The commissioner shall assign or appoint an arbitrator or panel of arbitrators from the roster to a peace officer grievance arbitration under this section on rotation through the roster alphabetically ordered by last name. The parties shall not participate in, negotiate for, or agree to the selection of an arbitrator or arbitration panel under this section. The arbitrator or panel shall decide the grievance, and the decision is binding subject to the provisions of chapter 572B.

Subd. 12. **Interaction with other laws.** (a) Sections 179A.21, subdivision 2, and 572B.11, paragraph (a), and rules for arbitrator selection promulgated pursuant to section 179A.04 shall not apply to discipline-related grievance arbitrations involving peace officers governed under this section.

(b) Notwithstanding any contrary provision of law, home rule charter, ordinance, or resolution, peace officers, through their certified exclusive representatives, shall not have the right to negotiate for or agree to a collective bargaining agreement or a grievance arbitration selection procedure with their employers that is inconsistent with this section.

(c) The arbitrator selection procedure for peace officer grievance arbitrations established under this section supersedes any inconsistent provisions in chapter 179A or 572B or in Minnesota Rules, chapters 5500 to 5530 and 7315 to 7325. Other arbitration requirements in those chapters remain in full force and effect for peace officer grievance arbitrations, except as provided in this section or to the extent inconsistent with this section.

**EFFECTIVE DATE.** This section is effective September 1, 2020, except that subdivision 2, paragraph (b), is effective the day following final enactment.

Sec. 23. Laws 2019, First Special Session chapter 5, article 1, section 13, subdivision 4, is amended to read:

Subd. 4. **Peace Officer Training Assistance**

\$6,000,000 each year is to support and strengthen law enforcement training and implement best practices. The base for this activity is \$0 in fiscal year ~~2022~~ 2024 and thereafter.

Sec. 24. **APPROPRIATION; BUREAU OF MEDIATION SERVICES.**

\$120,000 in fiscal year 2021 is appropriated from the general fund to the Bureau of Mediation Services for rulemaking, staffing, and other costs associated with peace officer grievance procedures. The base for this appropriation is \$47,000 in fiscal year 2022 and thereafter.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 25. **APPROPRIATION FOR INDEPENDENT USE OF FORCE INVESTIGATIONS UNIT IN BCA.**

\$3,365,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of public safety to establish and operate the independent Use of Force Investigations Unit in the Bureau of Criminal Apprehension. The base for this appropriation is \$3,272,000 in fiscal years 2022 and 2023. The base for this appropriation is \$0 in fiscal year 2024.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 26. **APPROPRIATION; AUTISM TRAINING.**

\$8,000 is appropriated from the general fund to the Bureau of Criminal Apprehension for the fiscal year ending June 30, 2021, to implement autism training.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 27. **APPROPRIATION; DATABASE.**

\$1,500,000 in fiscal year 2021 is appropriated from the general fund to the Peace Officer Standards and Training Board to design, build, implement, and operate a database to receive the public data required to be submitted to the board by law enforcement agencies in Minnesota Statutes, section 626.8457, subdivision 3, paragraph (b). The base for this activity is \$1,500,000 in fiscal years 2022 and 2023 and \$0 in fiscal year 2024 and thereafter.

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

Sec. 28. **REPEALER.**

Minnesota Statutes 2018, section 181.973, is repealed.

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



Delete the title and insert:

"A bill for an act relating to public safety; providing for law enforcement; providing peer counseling, critical incident stress management, residency incentives, crisis intervention and mental illness crisis training, autism training, and duty to intercede and report for peace officers; providing for reporting of force; expanding membership of the Board of Peace Officer Standards and Training; prohibiting warrior-style training; providing for a community relations advisory council; providing for certain peace officer data; providing for peace officer grievance arbitration selection procedure; providing for reports; appropriating money; amending Minnesota Statutes 2018, sections 13.43, subdivision 9, by adding a subdivision; 415.16, by adding a subdivision; 609.06, subdivision 1, by adding a subdivision; 626.841; 626.843, by adding a subdivision; 626.845, by adding a subdivision; 626.8452, subdivisions 4, 5, by adding a subdivision; 626.8457, subdivision 3; 626.8469; Laws 2019, First Special Session chapter 5, article 1, section 13, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 181; 299C; 626; repealing Minnesota Statutes 2018, section 181.973."

Moller moved to amend the Mariani amendment to H. F. No. 1 as follows:

Page 6, line 31, after "data" insert "for officer-involved death investigations"

The motion prevailed and the amendment to the amendment was adopted.

Kunesh-Podein moved to amend the Mariani amendment, as amended, to H. F. No. 1 as follows:

Page 22, after line 13, insert:

"Sec. 23. Laws 2019, First Special Session chapter 5, article 1, section 12, subdivision 7, is amended to read:

Subd. 7. <b>Office of Justice Programs</b>	40,147,000	40,082,000
Appropriations by Fund		
General	40,051,000	39,986,000
State Government Special Revenue	96,000	96,000

(a) **Base Adjustment**

To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), the general fund base is increased by \$2,000 in fiscal years 2022 and 2023.

(b) **Administration Costs**

Up to 2.5 percent of the grant funds appropriated in this subdivision may be used by the commissioner to administer the grant program.

**(c) Indigenous Women Task Force**

\$105,000 the first year and \$45,000 the second year are for expenses related to the task force on missing and murdered indigenous women. This appropriation is available until June 30, 2021. These are onetime appropriations.

**(d) Domestic Abuse Prevention Grants**

\$200,000 each year is for a grant to a domestic abuse prevention program that provides interdisciplinary, trauma-informed treatment and evidence-informed intervention for veterans and current or former service members and their whole families affected by domestic violence. The grantee must offer a combination of services for perpetrators of domestic violence and their families, including individual and group therapy, evaluation and research of programming, and short- and long-term case management services to ensure stabilization and increase in their overall mental health functioning and well-being. These appropriations are onetime.

**(e) Criminal Sexual Conduct Statutory Reform Working Group**

\$20,000 the first year and \$14,000 the second year are to convene, administer, and implement the criminal sexual conduct statutory reform working group. These appropriations are onetime.

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

Page 22, after line 21, insert:

"Sec. 24. Laws 2019, First Special Session chapter 5, article 2, section 28, subdivision 4, is amended to read:

Subd. 4. **Report.** The task force shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety, human services, and state government on the work of the task force, including but not limited to the issues to be examined in subdivision 1, and shall include in the report institutional policies and practices or proposed institutional policies and practices that are effective in reducing gender violence and increasing the safety of indigenous women and girls. The report shall include recommendations to reduce and end violence against indigenous women and girls and help victims and communities heal from gender violence and violence against indigenous women and girls. ~~The A~~ report shall be submitted to the legislative committees by December 15, 2020, and a final report shall be submitted by June 30, 2021.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 25. Laws 2019, First Special Session chapter 5, article 2, section 28, subdivision 5, is amended to read:

Subd. 5. **Expiration.** Notwithstanding Minnesota Statutes, section 15.059, the task force expires ~~December 31, 2020~~ June 30, 2021.

**EFFECTIVE DATE.** This section is effective August 1, 2020."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Mariani moved to amend the Mariani amendment, as amended, to H. F. No. 1 as follows:

Page 23, line 9, delete "\$1,500,000" and insert "\$3,500,000"

Page 23, line 13, delete "\$1,500,000" and insert "\$500,000" and delete "years" and insert "year" and delete "and 2023 and \$0 in fiscal year 2024"

Page 23, after line 14, insert:

**Sec. 28. APPROPRIATION; ENSURING POLICE EXCELLENCE AND IMPROVING COMMUNITY RELATIONS ADVISORY COUNCIL.**

\$23,000 in fiscal year 2021 is appropriated from the general fund to the Peace Officer Standards and Training Board for costs associated with providing office space, supplies, equipment, and clerical support to the Ensuring Police Excellence and Improving Community Relations Advisory Council. The base for this appropriation is \$20,000 in fiscal year 2022 and thereafter.

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

**Sec. 29. APPROPRIATION; DATA SYSTEM STAFFING.**

\$96,000 in fiscal year 2021 is appropriated from the general fund to the Peace Officer Standards and Training Board for costs associated with staffing the database that receives the public data required to be submitted to the board by law enforcement agencies. The base for this appropriation is \$128,000 in fiscal year 2022 and thereafter.

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

**Sec. 30. APPROPRIATION; PEACE OFFICER CRISIS INTERVENTION AND MENTAL ILLNESS CRISIS TRAINING.**

\$145,000 in fiscal year 2021 is appropriated from the general fund to the Peace Officer Standards and Training Board to reimburse law enforcement agency crisis intervention and mental illness crisis training expenses for training that is provided by approved entities according to Minnesota Statutes, section 626.8469, subdivision 1a. The base for this appropriation is \$137,000 in fiscal year 2022 and thereafter.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Moran moved to amend the Mariani amendment, as amended, to H. F. No. 1 as follows:

Page 9, after line 9, insert:

"Sec. 9. Minnesota Statutes 2018, section 609.066, is amended by adding a subdivision to read:

**Subd. 1a. Legislative intent.** The legislature hereby finds and declares the following:

(1) that the authority to use deadly force, conferred on peace officers by this section, is a critical responsibility that shall be exercised judiciously and with respect for human rights and dignity and for the sanctity of every human life. The legislature further finds and declares that every person has a right to be free from excessive use of force by officers acting under color of law;

(2) as set forth below, it is the intent of the legislature that peace officers use deadly force only when necessary in defense of human life or to prevent great bodily harm. In determining whether deadly force is necessary, officers shall evaluate each situation in light of the particular circumstances of each case;

(3) that the decision by a peace officer to use deadly force shall be evaluated from the perspective of a reasonable officer in the same situation, based on the totality of the circumstances known to or perceived by the officer at the time, rather than with the benefit of hindsight, and that the totality of the circumstances shall account for occasions when officers may be forced to make quick judgments about using deadly force; and

(4) that peace officers should exercise special care when interacting with individuals with known physical, mental health, developmental, or intellectual disabilities as an individual's disability may affect the individual's ability to understand or comply with commands from peace officers.

**EFFECTIVE DATE.** This section is effective March 1, 2021.

Sec. 10. Minnesota Statutes 2018, section 609.066, subdivision 2, is amended to read:

Subd. 2. **Use of deadly force.** (a) Notwithstanding the provisions of section 609.06 or 609.065, the use of deadly force by a peace officer in the line of duty is justified only ~~when~~ if an objectively reasonable officer would believe, based on the totality of the circumstances known to the officer at the time and without the benefit of hindsight, that such force is necessary:

(1) to protect the peace officer or another from ~~apparent~~ death or great bodily harm, provided that the threat:

(i) can be articulated with specificity by the law enforcement officer;

(ii) is reasonably likely to occur absent action by the law enforcement officer; and

(iii) must be addressed through the use of deadly force without unreasonable delay; or

(2) to effect the arrest or capture, or prevent the escape, of a person whom the peace officer knows or has reasonable grounds to believe has committed or attempted to commit a felony ~~involving the use or threatened use of deadly force; or~~ and the officer reasonably believes that the person will cause death or great bodily harm to another person under the threat criteria in clause (1), items (i) to (iii), unless immediately apprehended.

(3) ~~to effect the arrest or capture, or prevent the escape, of a person whom the officer knows or has reasonable grounds to believe has committed or attempted to commit a felony if the officer reasonably believes that the person will cause death or great bodily harm if the person's apprehension is delayed.~~

(b) A peace officer shall not use deadly force against a person based on the danger the person poses to self if an objectively reasonable officer would believe, based on the totality of the circumstances known to the officer at the time and without the benefit of hindsight, that the person does not pose a threat of death or great bodily harm to the peace officer or to another under the threat criteria in paragraph (a), clause (1), items (i) to (iii).

**EFFECTIVE DATE.** This section is effective March 1, 2021."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Nash moved to amend the Mariani amendment, as amended, to H. F. No. 1 as follows:

Page 22, after line 21, insert:

"Sec. 24. **CIVIL UNREST INVESTIGATORY COMMISSION.**

Subdivision 1. **Purpose; finding of facts and time line of public responses.** (a) The legislature and governor of the state of Minnesota recognize that the civil unrest that occurred in Minnesota in May and June of 2020 raises questions about the nature of orders given, responses made, and actions taken by civil authorities. The Minnesota public lacks a comprehensive and accurate timeline of events and the role played in those events by local authorities, state military and police, appointed and elected officials, and all other responsible parties whose duties commanded the public response to the unprecedented events that tragically unfolded.

(b) Civil authorities remain actively engaged at this moment in time to perform ongoing duties and manage the ongoing public interests in responding to unrest, and to help affected citizens.

(c) However, the creation of an accurate timeline of civic responses is a crucial task that must be completed to provide confidence to the Minnesota public regarding the capacity of civil government in the current and future responses. Further, an investigation into decisions and actions cannot be undertaken by persons currently in state or local government, whose ongoing duties and past responsibilities render the persons too involved for dispassionate analysis.

(d) Therefore, a Civil Unrest Investigatory Commission is established to examine and create a public record of all actions, choices, orders, and responses by all local governments, police and military authorities, and elected officials who were crucial to the government's response to the civil unrest that unfolded in May and June 2020.

Subd. 2. **Duties of commission.** The commission must take public and private testimony, hold public meetings, construct a timeline of official responses and actions, and issue a public report with an accurate and dispassionate analysis of the responses of Minnesota appointed and elected officials.

Subd. 3. **Cooperation.** The commission must be given access to all records and documents held by any government entity that are in any way associated with the civil unrest of May and June 2020. Within legal and constitutional rights, all elected and appointed officials must cooperate with requests made by the commission.

Subd. 4. **Data.** All materials and information held by or created by the commission must be made public upon completion of the report required under this act.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 25. **COMMISSION STRUCTURE.**

(a) The chief justice of the Minnesota Supreme Court must appoint a panel of ten neutral persons to constitute the Civil Unrest Investigatory Commission. Appointees must: (1) have no current involvement with any political party; (2) have played no role in the events of May and June 2020; and (3) have the highest personal probity and ability to command public confidence. Members must be chosen for expertise in management of public crises and knowledge of government responses to civil unrest.

(b) The commission must be established by August 15, 2020. The chief justice must designate one member of the panel to serve as chair.

(c) The chief justice must determine the pay and expenses received by the panel. A member's total pay, not including expenses, must not exceed \$1,000.

(d) The Office of the Legislative Auditor is appropriated on an open and standing basis an amount of funds that are, in the determination of the chair of the commission, necessary to meet the panel's expenses to conduct duties under this act.

(e) The commission may issue subpoenas, take testimony under oath, and hire outside investigators and counsel.

(f) The legislative auditor must act as fiscal agent for the commission and must provide administrative support to the commission.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 26. **DUTIES AND REPORT.**

(a) The Civil Unrest Investigatory Commission must:

(1) conduct and record interviews of all elected and appointed officials who played a role in the response to civil unrest as it occurred in May and June 2020;

(2) establish a timeline of decisions taken and choices made by elected officials;

(3) conduct a review of the responses of police, national guard, and other responders;

(4) create a timeline of events, with a detailed explanation of the choices made by public officials; and

(5) issue a report no later than December 15, 2020, with the commission's findings.

(b) The commission may:

(1) determine, if possible, whether actions taken were consistent with the duties of elected and appointed officials; and

(2) suggest best practices that should be considered for future responses in the event of civil unrest.

**EFFECTIVE DATE.** This section is effective August 1, 2020.

Sec. 27. **APPROPRIATION.**

\$250,000 in fiscal year 2021 is appropriated from the general fund to the Minnesota Supreme Court on a onetime basis for costs associated with the Civil Unrest Investigatory Commission."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Nash amendment to the Mariani amendment, as amended, and the roll was called. There were 61 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Hamilton	Lucero	O'Driscoll	Theis
Anderson	Drazkowski	Heinrich	Lueck	O'Neill	Torkelson
Backer	Ecklund	Heintzeman	Marquart	Petersburg	Urdahl
Bahr	Fabian	Hertaus	McDonald	Pierson	Vogel
Baker	Franson	Johnson	Miller	Poston	West
Bennett	Garofalo	Jurgens	Munson	Quam	Wolgammott
Boe	Green	Kiel	Nash	Robbins	
Daniels	Grossell	Koznick	Nelson, N.	Runbeck	
Daudt	Gruenhagen	Kresha	Neu	Schomacker	
Davids	Gunther	Layman	Nornes	Scott	
Demuth	Haley	Lislegard	Novotny	Swedzinski	

Those who voted in the negative were:

Acomb	Davnie	Hornstein	Lillie	Noor	Stephenson
Bahner	Dehn	Howard	Lippert	Olson	Sundin
Becker-Finn	Edelson	Huot	Long	Pelowski	Tabke
Bernardy	Elkins	Jordan	Mahoney	Persell	Vang
Bierman	Fischer	Klevorn	Mann	Pinto	Wagenius
Brand	Freiberg	Koegel	Mariani	Poppe	Wazlawik
Cantrell	Gomez	Kotyza-Witthuhn	Masin	Pryor	Winkler
Carlson, A.	Halverson	Kunesh-Podein	Moller	Richardson	Xiong, J.
Carlson, L.	Hansen	Lee	Moran	Sandell	Xiong, T.
Christensen	Hassan	Lesch	Morrison	Sandstede	Youakim
Claflin	Hausman	Liebling	Murphy	Sauke	Spk. Hortman
Considine	Her	Lien	Nelson, M.	Schultz	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Her moved to amend the Mariani amendment, as amended, to H. F. No. 1 as follows:

Page 20, line 10, after "candidate's" insert "familiarity with labor law, the grievance process, and the law enforcement profession; or"

The motion prevailed and the amendment to the amendment, as amended, was adopted.

The question recurred on the Mariani amendment, as amended, to H. F. No. 1. The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 1, A bill for an act relating to public safety; providing for law enforcement; providing peer counseling, critical incident stress management, residency incentives, crisis intervention and mental illness crisis training, autism training, and duty to intercede and report for peace officers; regulating use of force; expanding membership of the Board of Peace Officer Standards and Training; prohibiting warrior-style training; providing for a community relations advisory council; providing for certain peace officer data; providing for peace officer grievance arbitration selection procedure; providing for reports; appropriating money; amending Minnesota Statutes 2018, sections 13.43, subdivision 9, by adding a subdivision; 415.16, by adding a subdivision; 609.06, subdivision 1, by adding a subdivision; 609.066, subdivision 2, by adding a subdivision; 626.841; 626.843, by adding a subdivision; 626.845, by adding a subdivision; 626.8452, subdivisions 4, 5, by adding a subdivision; 626.8457, subdivision 3; 626.8469; Laws 2019, First Special Session chapter 5, article 1, sections 12, subdivision 7; 13, subdivision 4; article 2, section 28, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapters 181; 299C; 626; repealing Minnesota Statutes 2018, section 181.973.

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

The question was taken on the passage of the bill and the roll was called. There were 102 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Acomb	Dehn	Howard	Lippert	Olson	Schultz
Albright	Demuth	Huot	Lislegard	O'Neill	Scott
Bahner	Ecklund	Johnson	Long	Pelowski	Stephenson
Baker	Edelson	Jordan	Mahoney	Persell	Swedzinski
Becker-Finn	Elkins	Jurgens	Mann	Petersburg	Tabke
Bennett	Fischer	Kiel	Mariani	Pierson	Theis
Bernardy	Freiberg	Klevorn	Marquart	Pinto	Urdahl
Bierman	Garofalo	Koegel	Masin	Poppe	Vang
Boe	Gomez	Kotzya-Witthuhn	Miller	Poston	Wagenius
Brand	Haley	Koznick	Moller	Pryor	Wazlawik
Cantrell	Halverson	Kresha	Moran	Quam	West
Carlson, A.	Hamilton	Kunesh-Podein	Morrison	Richardson	Winkler
Carlson, L.	Hansen	Lee	Murphy	Robbins	Wolgamott
Christensen	Hassan	Lesch	Nelson, M.	Sandell	Xiong, J.
Clafin	Hausman	Liebling	Noor	Sandstede	Xiong, T.
Considine	Her	Lien	Novotny	Sauke	Youakim
Davnie	Hornstein	Lillie	O'Driscoll	Schomacker	Spk. Hortman

Those who voted in the negative were:

Anderson	Davids	Green	Heintzeman	Munson	Runbeck
Backer	Dettmer	Grossell	Layman	Nash	Sundin
Bahr	Drazkowski	Gruenhagen	Lucero	Nelson, N.	Torkelson
Daniels	Fabian	Gunther	Lueck	Neu	Vogel
Daudt	Franson	Heinrich	McDonald	Nornes	

The bill was passed, as amended, and its title agreed to.



Pursuant to rule 1.50, Winkler moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

H. F. No. 3 was reported to the House.

Murphy moved to amend H. F. No. 3, the first engrossment, as follows:

Page 2, line 31, delete "75,381,000" and insert "85,381,000"

Page 3, line 2, delete "38,495,000" and insert "48,495,000"

Page 4, line 19, delete "82,010,000" and insert "92,010,000"

Page 4, line 24, delete "64,103,000" and insert "74,103,000"

Page 4, delete line 33

Page 4, line 34, delete "equip Phase 1" and insert "To design phases 1 and 2"

Page 7, lines 7 and 10, delete "22,951,000" and insert "2,951,000"

Page 9, line 30, after "Austin," insert "Breckenridge,"

Page 9, line 31, after "Browns Valley," insert "Carver,"

Page 10, line 2, delete "and"

Page 10, line 3, before the period, insert ", and Waseca"

Page 11, delete lines 9 to 26 and insert:

"(a) For predesign, design, and engineering of projects to mitigate the threat to property, public safety, and water quality from rising water levels at the Canisteo and Hill Annex mine complexes. The commissioner must give priority to work that addresses the most immediate risks to public safety. If the predesign, design, and engineering for the Canisteo and Hill Annex mine complexes is complete, the commissioner may use any remaining money from this appropriation to construct mitigation measures at the Canisteo or Hill Annex mine complex.

(b) The commissioner, in cooperation with the Department of Iron Range Resources and Rehabilitation, Western Mesabi Mine Planning Board, and Itasca County, shall provide a status report on this project to the chairs and ranking minority members of the legislative committees with jurisdiction over capital investment and environment and natural resources finance by October 1, 2020, February 15, 2021, April 15, 2021, July 1, 2021, and September 1, 2021. This report must include but is not limited to

recommendations on lease ownership and costs, the findings of the pit wall stability study, final engineering, and design work, including cost estimates to complete the outlet and recommendations on ownership, operations, and maintenance of the constructed outlet."

Page 13, line 4, after "For" insert "the acquisition of lands for"

Page 13, delete lines 7 to 11 and insert:

"For engineering of all phases, and wetland and public waters mitigation for the Blazing Star Trail, under Minnesota Statutes, section 85.015, subdivision 19, between the communities of Albert Lea and Hayward, connecting both communities to Myre-Big Island State Park."

Page 16, line 30, delete "construct, and equip" and insert "and engineer"

Page 17, line 2, after the period, insert "This is phase 1 of the project."

Page 17, line 22, after the period, insert "This is phase 1 of the project."

Page 18, delete line 28

Page 26, line 11, delete "the site in Blaine" and insert "a site"

Page 26, line 26, delete "acquire" and insert "construct a"

Page 26, delete line 27

Page 32, line 8, delete everything before the period and insert "connect Scout Drive to Dehler Drive, and 19th Street South to Scout Drive"

Page 45, delete lines 3 to 10 and insert:

"For a grant to Ramsey County to design, construct, furnish, and equip a maintenance building for the Nordic ski competition and winter recreation area, including related earthwork and landscaping, and for a marker commemorating the Olympic accomplishments of Minnesotan Jessie Diggins, in Battle Creek Regional Park."

Page 58, line 25, delete "16,000,000" and insert "8,500,000"

Page 58, line 30, delete "5,000,000" and insert "12,500,000"

Page 58, line 32, delete "and design" and insert ", design, construct, furnish, and equip"

Page 59, delete lines 29 to 34

Page 60, delete lines 1 and 2 and insert:

"For a grant to the city of New Ulm to design, acquire, install, furnish, and equip a capital improvement permanent shade structure system for the German Park amphitheater, compliant with the Americans with Disabilities Act."

Page 61, delete lines 11 to 16 and insert "a regional sport facility. This appropriation includes money to renovate and expand the Municipal Athletic Facility, to demolish the grandstand at Dick Putz field, and to design, construct, furnish and equip a new grandstand at Dick Putz Field. This appropriation"

Page 66, line 15, after "design" insert "and engineer"

Page 67, line 21, before the period, insert ", which may also include acquisition of real property needed for the wastewater infrastructure improvements"

Page 69, line 24, after "predesign," insert "environmental review,"

Page 69, line 25, after "collection" insert "system"

Page 69, line 26, delete "water" and insert "wastewater"

Page 69, line 27, after "within" insert "one and"

Page 69, line 28, delete "mile" and insert "miles"

Page 76, line 20, delete "improvement" and insert "investment"

Page 77, delete lines 15 to 21 and insert:

"From the bond proceeds account in the trunk highway fund for reconstruction of trunk highways that experience frequent flooding in Sibley County and Le Sueur County, to modify the elevation of the roadways and reduce closures due to river flooding, for portions of the projects that are eligible for trunk highway bond proceeds."

Page 104, line 4, delete "general" and insert "special revenue"

Page 138, after line 20, insert:

"(d) Notwithstanding any law to the contrary, the maximum effort capital loan authorized in 2018 for Independent School District No. 38, Red Lake, must be repaid as a capital grant and loan according to the provisions of section 12."

Page 138, after line 20, insert:

**"Sec. 42. LAKE VERMILION-SOUDAN UNDERGROUND MINE STATE PARK; SECONDARY UNIT DESIGNATION.**

The commissioner of natural resources must manage the area within the statutory boundary of Lake Vermilion-Soudan Underground Mine State Park that is located south of State Highway 169 as a secondary unit within the state park, as authorized in Minnesota Statutes, section 86A.08. The secondary unit is designated a state

recreation area and must be managed in a manner consistent with Minnesota Statutes, section 86A.05, subdivision 3. Within the secondary unit, in addition to other activities authorized in Lake Vermilion-Soudan Underground Mine State Park, the commissioner must permit ingress and egress on designated routes by off-highway vehicles, as defined in Minnesota Statutes, section 84.771, into campgrounds and overnight facilities developed south of State Highway 169."

Page 139, after line 30, insert:

"Sec. 3. Minnesota Statutes 2018, section 272.38, subdivision 1, is amended to read:

Subdivision 1. **Taxes to be first paid.** (a) No structures, standing timber, minerals, sand, gravel, peat, subsoil, or topsoil shall be removed from any tract of land until all the taxes assessed against such tract and due and payable shall have been fully paid and discharged. When the commissioner of management and budget or the county auditor has reason to believe that any such structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil will be removed from such tract before such taxes shall have been paid, either may direct the county attorney to bring suit in the name of the state to enjoin any and all persons from removing such structure, timber, minerals, sand, gravel, peat, subsoil, or topsoil therefrom until such taxes are paid. No bond shall be required of plaintiff in such suit.

(b) If the county auditor determines that the removal of a structure is in the public interest, including the health, safety, and well-being of the surrounding area, and that removal will not impair the collection of property taxes, the county auditor may waive the requirements of this subdivision.

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

Page 150, after line 13, insert:

"Sec. 7. **SCHOOL BUILDING EFFICIENCIES; DULUTH SCHOOL DISTRICT.**

Subdivision 1. **Plan.** (a) Independent School District No. 709, Duluth, must develop a plan to sell Historic Old Central High School to another party. The plan must document the current operating costs of the facility, the expected maintenance costs for the facility over the next 20 years, and describe the alternatives for the programs and staff currently located at Historic Old Central High School.

(b) The plan must also document potential building projects, which may include:

(1) constructing or acquiring new administrative space;

(2) adding transportation maintenance and bus storage facilities;

(3) improving roads and infrastructure; and

(4) preparing sites for building or demolishing the Duluth Central High School facility constructed in 1971.

(c) The plan must be submitted by the school board to the commissioner of education after the hearing required in subdivision 2.

(d) The commissioner must examine the plan, and if the commissioner concludes that the plan will yield financial, student, and staff efficiencies for the district, approve the plan.

Subd. 2. **Public hearing.** At least 30 days prior to submitting the projects listed in the plan developed under subdivision 1 for review and comment, the school board must hold a public hearing on the plan and the building projects. The school board must allow public testimony on the proposal.

Subd. 3. **Review and comment.** The district must submit the projects included in the plan to the commissioner of education for review and comment under Minnesota Statutes, section 123B.71.

Subd. 4. **Bond authorization.** (a) Independent School District No. 709, Duluth, may issue general obligation bonds in an amount not to exceed \$31,500,000 under this section to finance the school facility plan approved by the district and the commissioner of education under subdivision 1. The district must comply with Minnesota Statutes, chapter 475, except Minnesota Statutes, sections 475.58 and 475.59. The authority to issue bonds under this section is in addition to any other bonding authority granted to the district.

(b) At least 20 days before the issuance of bonds or the final certification of levies under this section, the district must publish notice of the intended projects, the amount of the bonds to be issued, and the total amount of the district's debt.

(c) The debt service required by the bonds issued is debt service revenue under Minnesota Statutes, section 123B.53.

Subd. 5. **Long-term facilities maintenance revenue.** The commissioner of education must ensure that the district's long-term facilities maintenance plan under Minnesota Statutes, section 123B.595, reflects the savings outlined in the plan developed in subdivision 1.

Subd. 6. **Report.** On February 15 of each even-numbered year, Independent School District No. 709, Duluth, must submit a report on the outcomes and efficiencies achieved under this section to the commissioner of education and to the chairs and ranking minority members of the legislative committees having jurisdiction over education finance.

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

Page 181, line 3, delete "act" and insert "article"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Davids moved to amend H. F. No. 3, the first engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
GENERAL OBLIGATION BONDS

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, clause (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, clauses (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act:

(1) 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;

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

(3) 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; and

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

## APPROPRIATIONS

### Sec. 2. UNIVERSITY OF MINNESOTA

#### Subdivision 1. Total Appropriation

\$75,381,000

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)

38,495,000

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

#### Subd. 3. Twin Cities - Institute of Child Development Building

29,200,000

To predesign, design, renovate, expand, furnish, and equip research, learning, and outreach spaces in the Institute of Child Development building on the Twin Cities campus. This project includes the demolition and replacement of the 1968 building addition.

#### Subd. 4. Duluth - A. B. Anderson Hall Renovation

4,400,000

To predesign, design, renovate, furnish, and equip campus teaching and learning spaces, including mechanical systems, in A. B. Anderson Hall on the Duluth campus.

#### Subd. 5. Twin Cities - Fraser Hall Chemistry Undergraduate Teaching Laboratory

3,286,000

To predesign and design (1) the renovation of Fraser Hall, and (2) an addition to Fraser Hall, for an undergraduate chemistry teaching laboratory facility on the Twin Cities campus. This project includes design of the demolition of obsolete portions of Fraser Hall.

**Subd. 6. University Share**

Except for the appropriations 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. 7. 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****\$82,010,000**

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)**64,103,000

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

**Subd. 3. Anoka-Ramsey Community College**16,282,000

To design, renovate, and equip the business and nursing building at Anoka-Ramsey Community College, Coon Rapids campus.

**Subd. 4. Minneapolis Community and Technical College**990,000

To design Phases 1 and 2 and renovate and equip Phase 1 of the Management Education Center shared with Metropolitan State University on the Minneapolis Community and Technical College campus to support baccalaureate programming expansion.

**Subd. 5. Pine Technical and Community College**635,000

To design the renovation of the main building allied health space and an addition of the technical trade and applied learning labs at Pine Technical and Community College.

**Subd. 6. 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. 7. 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 this section 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****\$22,951,000**

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

**Subd. 2. Library Construction Grants**22,951,000

For library construction grants under Minnesota Statutes, section 134.45.

**Sec. 5. MINNESOTA STATE ACADEMIES****Subdivision 1. Total Appropriation****\$6,830,000**

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

**Subd. 2. Asset Preservation**1,000,000

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. Safety Corridor**5,830,000

To design, construct, furnish, and equip a safety corridor on the Minnesota State Academy for the Deaf campus, including but not limited to abatement of asbestos and hazardous materials, construction, and renovations necessary to establish a central point of access, a reception and visitor area, and security monitoring with connections to Smith, Quinn, and Noyes Halls. This appropriation also includes money to predesign, design, renovate, furnish, and equip Smith and Quinn Halls, including but not limited to abatement of asbestos and hazardous materials, interior space, restrooms, offices, classrooms, science labs, and technology labs.

**Sec. 6. PERPICH CENTER FOR ARTS EDUCATION****Subdivision 1. Total Appropriation****\$750,000**

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

**Subd. 2. Asset Preservation**750,000

For capital asset preservation improvements and betterments at the Perpich Center for Arts Education, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 7. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**

**\$96,395,000**

(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**

25,000,000

(a) 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, 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.

(b) \$5,000,000 of this appropriation is for the Soudan mine shaft rehabilitation. The Soudan mine shaft rehabilitation project is exempt from using the Designer Selection Board process as defined in Minnesota Statutes, section 16B.33, and is exempt from any requirement for a minimum number of proposals as set forth in Minnesota Statutes, section 16C.33, subdivision 5, paragraph (c).

Subd. 3. **Flood Hazard Mitigation**

15,000,000

(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) To the extent practical, levee projects 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, based on need and consideration of available leveraging of federal, state, and local funds.

(d) This appropriation may be used for projects in the following municipalities: Afton, Austin, Browns Valley, Delano, Faribault, Golden Valley, Halstad, Hawley, Hendrum, Inver Grove Heights, Jordan, Montevideo, Moorhead, Newfolden, Nielsville, Owatonna, Round Lake Township in Jackson County, and Sioux Valley Township in Jackson County.

(e) This appropriation also may be used for projects in the following watershed districts: Bois de Sioux Watershed District, Buffalo-Red River Watershed District, Cedar River Watershed District; Southern Minnesota Rivers Basin Area II, Lower Minnesota River Watershed District, Middle Snake Tamarac Rivers Watershed District, Prior Lake-Spring Lake Watershed District, Red Lake Watershed District, Roseau River Watershed District, Shell Rock River Watershed District, Two Rivers Watershed District, Upper Minnesota River Watershed District, and Wild Rice River Watershed District.

(f) For any project listed in this subdivision that the commissioner determines is not ready to proceed, does not have the nonstate match committed, or does not expend all the money granted to it, the commissioner may allocate that project's unexpended money to a priority project on the commissioner's list.

(g) To the extent practicable and consistent with the project, recipients of appropriations for flood control projects in this subdivision shall create wetlands that are eligible for wetland replacement credit to replace wetlands drained or filled as the result of repair, reconstruction, replacement, or rehabilitation of an existing public road under Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

(h) 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. Canisteo and Hill Annex Open-Pit Mine Groups**

2,000,000

For predesign, design, engineering, and construction of projects to mitigate the threat to property, public safety, and water quality from rising water levels at the Canisteo and Hill Annex mine complexes. The commissioner must give priority to work that addresses the most immediate risks to public safety. If the predesign, design, and engineering for the Canisteo and Hill Annex mine complexes is complete, the commissioner may use any remaining money from this appropriation only for similar work to address issues related to rising water levels in other mine complexes in the taconite assistance area. If the appropriation for these projects is not sufficient to complete them, the commissioner must use money appropriated for asset preservation under subdivision 2.

**Subd. 5. Dam Renovation, Repair, Removal**

20,000,000

(a) For design, engineering, and construction to repair, reconstruct, or remove publicly owned dams and respond to dam safety emergencies on publicly owned dams. Of this appropriation, \$18,000,000 is for the reconstruction of the Lake Bronson Dam in Lake Bronson State Park.

(b) The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. 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. 6. State Park and Recreation Area Accessibility** 3,000,000

For the predesign, design, and construction of accessibility improvements at William O'Brien State Park.

**Subd. 7. Lake Vermilion-Soudan Underground Mine State Park** 5,800,000

For the predesign, design, and construction of a campground and related infrastructure at Lake Vermilion-Soudan Underground Mine State Park.

**Subd. 8. Shade Tree Program** 1,000,000

For grants to cities, counties, townships, and park and recreation boards in cities of the first class, for the removal and the planting of shade trees on public land to provide environmental benefits; replace trees lost to forest pests, disease, or storm; or to establish a more diverse community forest better able to withstand disease and forest pests. The commissioner must give priority to grant requests to remove and replace trees with active infestations of emerald ash borer. For purposes of this appropriation, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value. Any tree planted with money under this subdivision must be a climate-adapted species to Minnesota.

**Subd. 9. Forests for the Future** 1,000,000

For the forests for the future program under Minnesota Statutes, section 84.66.

**Subd. 10. Blazing Star State Trail** 1,000,000

For construction of a bridge over Albert Lea Lake and associated trail work for a trail connection of the Blazing Star Trail under Minnesota Statutes, section 85.015, subdivision 19, from Albert Lea to Hayward.

**Subd. 11. Camp Ripley; Veterans State Trail** 1,000,000

For construction of the Camp Ripley/Veterans State Trail under Minnesota Statutes, section 85.015, subdivision 28.

**Subd. 12. Heartland State Trail; Detroit Lakes to Frazee Segment** 2,000,000

For land acquisition, final engineering, and design of the proposed Heartland State Trail between its current terminus at Becker County CSAH 10 and Trunk Highway 87 in Frazee, and for the construction of a trail bridge over Becker County CSAH 10.

**Subd. 13. Heartland State Trail; Itasca State Park Connector** 2,000,000

For final engineering and design of the trail segment of the Heartland State Trail located within Itasca State Park and for the construction of a trail tunnel under Trunk Highway 71.

**Subd. 14. Lake City; Hok-Si-La Park Water and Sewer Extension** 587,000

For a grant to the city of Lake City to design, engineer, and construct a water and sewer connection from the city's sewer distribution and collection point to Hok-Si-La Park.

**Subd. 15. Lake City; Ohuta Beach Breakwater** 1,058,000

For a grant to the city of Lake City to design and construct a breakwater at Ohuta Beach in Lake City at Ohuta Park.

**Subd. 16. Mankato; Riverbank Restoration** 7,200,000

For a grant to the city of Mankato to:

(1) stabilize the Minnesota River riverbank in the Land of Memories Park to reduce erosion and protect well 15;

(2) stabilize the Minnesota River riverbank to protect Mankato's riverfront, including the Minnesota River Trail trailhead, and regional Water Resource Recovery Facility; and

(3) install in-channel stream stabilization infrastructure in Indian Creek to reduce erosion and improve water quality in the Minnesota River-Mankato watershed.

**Subd. 17. Otter Tail County; Perham to Pelican Rapids Regional Trail** 1,600,000

For a grant to Otter Tail County to construct the McDonald Lake segment of the Perham to Pelican Rapids Regional Trail, which goes from the intersection of County State-Aid Highway 41 and 440th Street to the intersection of County State-Aid Highway 34 and County State-Aid Highway 35.

**Subd. 18. Rochester; Cascade Park****2,500,000**

For a grant to the city of Rochester to predesign, design, construct, furnish, and equip improvements of a capital nature, including a pavilion, an amphitheater, performance facilities, picnic shelters, restroom facilities, play areas, park access, and landscaping.

**Subd. 19. Scott County; McMahon Lake Flood Mitigation****600,000**

For the state share of a flood hazard mitigation grant to Scott County for publicly owned capital improvements to prevent or alleviate flood damage on McMahon Lake under Minnesota Statutes, section 103F.161.

**Subd. 20. Silver Bay; Trailhead Center****1,100,000**

For a grant to the city of Silver Bay to predesign, design, construct, furnish, and equip a multimodal trailhead center for the various hiking, bicycling, snowmobile, and all-terrain vehicle trails that converge in the area. The center includes separated trail access for motorized and nonmotorized users and open space for trail users, parking, a wayside rest area, and a new trailhead center building that includes lavatories and showers.

**Subd. 21. St. Louis County; Voyageur Country ATV Trail****950,000**

For a grant to St. Louis County for design, right-of-way acquisition, and construction of Phase I of the Voyageur Country ATV Trail connections in the areas of Orr, Ash River, Kabetogama Township, and International Falls to the Voyageur Country ATV Trail system.

**Subd. 22. Winona; Mississippi Riverfront Trail****2,000,000**

For a grant under Minnesota Statutes, section 85.019, to the city of Winona to construct a paved trail from Levee Park to Lions Park along the Mississippi River in the city of Winona.

**Subd. 23. 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. 8. POLLUTION CONTROL AGENCY****Subdivision 1. Total Appropriation****\$27,146,000**

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

**Subd. 2. Clay County**7,500,000

For a grant to Clay County under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54, in order to acquire land, design, construct, renovate, and equip a new resource recovery campus consisting of a new solid waste transfer station and problem materials management facility.

**Subd. 3. Dakota and Scott Counties**2,000,000

For a capital assistance grant under Minnesota Statutes, sections 115A.54 to 115A.541, to Dakota County or Scott County to acquire land, design, construct, and equip a new regional household hazardous waste collection and recycling facility to be located at a site in Dakota County or Scott County that best supports access needs for the residents of Dakota and Scott Counties.

**Subd. 4. Pope-Douglas; Solid Waste Facility**5,000,000

For a grant to the Pope-Douglas Solid Waste Management Joint Powers Board under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54. This appropriation may be used to design, construct, and equip a new organics composting facility in Douglas County; and to design, construct, and equip a new environmental learning center in Alexandria for problem materials recycling and disposal of household hazardous waste. This appropriation may also be used to acquire land and for demolition costs associated with the projects described in this section and is intended to replace outdated public facilities and infrastructure to serve the recycling and composting needs of Douglas, Pope, Otter Tail, Grant, Stevens, Stearns, Benton, and Sherburne Counties.

**Subd. 5. Ramsey-Washington**7,000,000

For a grant to Ramsey County under the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54, in order to design, construct, furnish, and equip the expansion of and upgrades to the Ramsey/Washington Recycling and Energy facility, jointly owned by Ramsey and Washington Counties, located on Red Rock Road in Newport. The project includes engineering and the acquisition and installation of major equipment to process organics and increase recycling of plastics, cardboard, and metals.

**Subd. 6. Brookston; Closed Landfill Cleanup**1,330,000

To design and construct remedial systems and acquire land at closed landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42. The agency must follow the agency priorities, which includes a construction project at the Brookston Area Landfill.

**Subd. 7. Coon Rapids**316,000

For a grant to the city of Coon Rapids under the solid waste capital assistance grants program in Minnesota Statutes, section 115A.54, for expanding and improving the Coon Rapids Recycling Center, including constructing, furnishing, and equipping a building for polystyrene foam processing, a cold storage building, a covered storage area, and constructing driving lanes and parking areas.

**Subd. 8. Todd County; Solid Waste Facility**4,000,000

For a grant to Todd County under the solid waste capital assistance grants program under Minnesota Statutes, section 115A.54, to design, construct, and equip a new solid waste transfer station, and to renovate the existing transfer station and household hazardous waste facility.

**Sec. 9. BOARD OF WATER AND SOIL RESOURCES****Subdivision 1. Total Appropriation****\$24,000,000**

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

**Subd. 2. Local Government Roads Wetland Replacement Program**15,000,000

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.

**Subd. 3. Local Government Roads Wetland Replacement Program**8,000,000

From the general fund to the board to administer its statutory responsibilities and acquire wetland banking credits to replace those wetlands drained or filled as a result of repairing, reconstructing, replacing, or rehabilitating existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1.



Notwithstanding Minnesota Statutes, section 103G.222, subdivision 3, the board may implement the wetland replacement program when consistent with the watershed approach of section 404 of the federal Clean Water Act. The purchase price paid for acquiring wetland credits must be 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. Of this appropriation, up to \$560,000 is available for the development of the required elements of an in-lieu fee wetland mitigation program in accordance with Minnesota Statutes, section 103G.2242, subdivision 3, and up to \$440,000 is available for mitigation stewardship in accordance with Minnesota Statutes, section 103B.103, subdivision 3. This appropriation is onetime.

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

1,000,000

To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and to 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. 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. 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. Up to five percent of this appropriation may be used for restoration and enhancement.

**Sec. 10. AGRICULTURE**

**\$20,779,000**

To the commissioner of administration to construct, renovate, and equip the Department of Agriculture/Department of Health Laboratory Building in St. Paul, including but not limited to creating a dedicated biosafety level 3 laboratory space, to meet safety, energy, and operational efficiency needs. \$779,000 of this appropriation is from the general fund for relocation expenses associated with this project.

**Sec. 11. MINNESOTA ZOOLOGICAL GARDEN**

**Subdivision 1. Total Appropriation**

**\$13,000,000**

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

**Subd. 2. Asset Preservation**13,000,000

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 in poor 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. Notwithstanding the specified uses of money under Minnesota Statutes, section 16B.307, this appropriation may be used to design, construct, furnish, and equip the renovation of the monorail structure as an elevated pedestrian trail.

**Sec. 12. ADMINISTRATION****Subdivision 1. Total Appropriation****\$5,750,000**

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

**Subd. 2. Capital Asset Preservation and Replacement Account**4,500,000

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

**Subd. 3. Ford Building**170,000

To design the abatement of hazardous materials and demolition of the Ford Building and associated infrastructure located on the Capitol complex as the first phase of overall site redevelopment. This appropriation may also be used to design modifications necessary to maintain access to the Capitol complex tunnel system as well as to provide security, irrigation, and landscaping for the site.

Before beginning demolition, the commissioner must develop an executable design feature to be implemented in the interior or exterior of the building constructed on the site or incorporated into the site design. The design feature must reflect portions of the original exterior facade design, which might include design elements of the main entry way, or must incorporate a significant reuse of terra cotta ornamentation if determined to be in sufficient good condition for reuse.

**Subd. 4. Capitol Complex - Physical Security Upgrades Phase II**980,000

To design, construct, and equip upgrades to the physical security elements and systems for one or more of the buildings listed in this subdivision, their attached tunnel systems, their surrounding

grounds, and parking facilities as identified in the 2017 Minnesota State Capitol Complex Physical Security Predesign completed by Miller Dunwiddie. This appropriation includes money for work associated with one or more of the following buildings: Administration, Centennial, Judicial, Ag/Health Lab, Minnesota History Center, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.

Subd. 5. **Capitol Complex Tunnel; ADA Compliance** 100,000

To predesign capital improvements to the tunnel connecting the State Office Building with the State Capitol, necessary to bring the tunnel into compliance with the Americans with Disabilities Act (ADA).

Sec. 13. **AMATEUR SPORTS COMMISSION**

Subdivision 1. **Total Appropriation** **\$5,937,000**

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

Subd. 2. **Asset Preservation** 837,000

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

Subd. 3. **National Sports Center; Field Development and Maintenance Facility** 3,000,000

For demolition of a maintenance facility and to construct and equip a new maintenance facility for the National Sports Center in Blaine.

Subd. 4. **Mighty Ducks** 2,000,000

For grants to local government units under Minnesota Statutes, section 240A.09, paragraph (b), to improve indoor air quality or eliminate R-22. This appropriation shall not be used to acquire ice resurfacing or edging equipment.

Subd. 5. **Construction and Renovation of Public Skate Parks** 100,000

For grants under Minnesota Statutes, section 240A.20, subdivision 2, clause (2), for design of skate parks from designers with expertise in the field of skate park design.

Sec. 14. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation** **\$24,545,000**

To the adjutant general for the purposes specified in this section.

**Subd. 2. Rosemount Readiness Center**1,000,000

To design the renovation of existing space at the Rosemount Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements.

**Subd. 3. Fergus Falls Readiness Center**2,100,000

To design and renovate existing space at the Fergus Falls Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements, and to construct an addition on the existing property.

**Subd. 4. Moorhead Readiness Center**5,345,000

To design and renovate existing space at the Moorhead Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements, and to construct an addition on the existing property.

**Subd. 5. Marshall Readiness Center**3,100,000

To design and renovate existing space at the Marshall Readiness Center, including mechanical, electrical, building envelope, energy efficiency, and life safety improvements, and to construct an addition on the existing property.

**Subd. 6. Camp Ripley; Military Museum**13,000,000

To acquire land or interest in land, and to predesign, design, construct, furnish, and equip a facility outside the boundaries of Camp Ripley in Morrison County for the Minnesota Military Museum. This appropriation includes money for a visitor's center and gift shop; administrative offices; work, storage, and exhibit space; landscaping; parking; and other amenities and infrastructure for the museum. The adjutant general may enter into a lease or management agreement for the museum, subject to Minnesota Statutes, section 16A.695.

**Sec. 15. PUBLIC SAFETY****Subdivision 1. Total Appropriation****\$50,355,000**

To the commissioner of public safety or other named entity for the purposes specified in this section.

**Subd. 2. State Emergency Operations Center**29,545,000

To the commissioner of administration to acquire the site in Blaine, update the predesign, and to design, construct, furnish, and equip a new State Emergency Operations Center and Homeland

Security and Emergency Management Office. This appropriation may also be used to design and complete hazardous materials abatement and demolition as needed on the acquired site.

**Subd. 3. Southern Minnesota BCA Regional Office and Laboratory** 100,000

To the commissioner of administration for predesign of a new Bureau of Criminal Apprehension regional office and laboratory facility in the Mankato area.

**Subd. 4. Chisholm; Public Safety Facility** 1,910,000

For a grant to the city of Chisholm to acquire land, prepare the site, predesign, and design a new public safety facility for fire protection and law enforcement.

**Subd. 5. Crystal; Police Department Expansion** 4,000,000

For a grant to the city of Crystal to design, construct, furnish, and equip an expansion of the city's police department facility.

**Subd. 6. Edina; South Metro Public Safety Training Facility** 1,000,000

For a grant to the city of Edina to predesign, design, construct, expand, renovate, furnish, and equip a tactical training building at the South Metro Public Safety Training Facility to provide year-round flexible space for different training scenarios.

**Subd. 7. Maple Grove; North Metro Range** 3,500,000

For a grant to the city of Maple Grove to design, construct, furnish, and equip an expansion of the Maple Grove North Metro Range regional public safety training facility. The project includes facilities to provide law enforcement officers training in de-escalation and crisis intervention techniques.

**Subd. 8. Minneapolis; Emergency Operations Center and Fire Training Facility** 800,000

For a grant to the city of Minneapolis for predesign, design, engineering, and construction of the expansion of the Emergency Operations Center and Fire Training Facility.

**Subd. 9. Virginia; Regional Public Safety Center and Training Facility** 9,500,000

For a grant to the city of Virginia to acquire a site, demolish existing structures and prepare the site, and to predesign, design, construct, furnish, and equip a regional public safety center and

training facility for the police and fire departments, emergency medical services, regional emergency services training, emergency operations, and other regional community needs.

Sec. 16. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**

**\$323,209,000**

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

Subd. 2. **Local Road Improvement Fund Grants**

75,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for eligible trunk highway corridor improvement projects under Minnesota Statutes, section 174.52, subdivision 2, 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. Of this appropriation, at least \$5,000,000 is for projects on town roads.

Subd. 3. **Anoka County; East River Road**

1,500,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to Anoka County to complete the preliminary engineering, environmental analysis, and final design of interchange construction and associated improvements to Anoka County State-Aid Highway 1, known as East River Road, at marked Trunk Highway 610 in the city of Coon Rapids.

Subd. 4. **Anoka County; Marked U.S. Highway 10/169**

8,400,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to Anoka County for environmental analysis, preliminary engineering, and final design for the interchanges on marked U.S. Highway 10/169 at County State-Aid Highway 56 (Ramsey Boulevard) and County State-Aid Highway 57 (Sunfish Lake Boulevard) and the associated railroad grade separations, frontage roads, backage roads, and connecting local streets to support the U.S. Highway 10/169 improvements in the city of Ramsey.

Subd. 5. **Anoka County; Marked Trunk Highway 65 Interchange**

1,500,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to Anoka County to complete preliminary engineering, environmental

analysis, and final design of a grade separation and associated improvements to Anoka County State-Aid Highway 12, known as 109th Avenue, at marked Trunk Highway 65 in the city of Blaine.

**Subd. 6. Dakota County; Diffley Road**

4,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for one or more grants to Dakota County, the city of Eagan, and Independent School District No. 196, Rosemount-Apple Valley-Eagan, to reconstruct Diffley Road between Lexington Avenue and Braddock Trail, and Daniel Drive at Diffley Road.

**Subd. 7. Golden Valley; Douglas Drive and Highway 55**

6,500,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of Golden Valley to construct public safety improvements at the intersection of Douglas Drive and Highway 55, including a box culvert underpass across Highway 55, a roundabout and extended frontage road south of Highway 55, retaining wall construction, underground utility relocation, sidewalk and trail connections to existing facilities, Americans with Disabilities Act-compliant facilities, and landscaping.

**Subd. 8. Maple Grove; Trunk Highway 610 Local Road Improvements**

13,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of Maple Grove or Hennepin County, or both, in amounts determined by the commissioner to acquire right-of-way, predesign, design, engineer, and construct roadway connections between marked Trunk Highway 610 and I-94, and the extension to County Road 30 in Hennepin County. The project includes completion of the update of the environmental impact statement with an environmental assessment for the project.

**Subd. 9. Oak Park Heights; Realignment of 60th Street**

790,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of Oak Park Heights to design, engineer, construct, furnish, and equip a realignment of 60th Street, lying south of State Highway 36, from Krueger Lane to a current service road east of Norell Avenue and west of Nova Scotia Avenue, including the installation of a roundabout at the intersection with Norell Avenue. This project includes off-street trails and sidewalks, and public safety improvements, utility relocations and connections, trail connections, accessibility features, and landscaping and storm water management, all in conjunction with the realignment of 60th Street.

**Subd. 10. Ramsey County; I-35E and County Road J Interchange** 1,500,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to Ramsey County to complete the preliminary engineering and environmental analysis for a full access interchange on County Road J at Interstate Highway 35E and associated improvements on County Road J supporting the interchange from Centerville Road to Otter Lake Road in the cities of North Oaks and Lino Lakes and White Bear Township.

**Subd. 11. Richfield; 77th Street Underpass** 6,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of Richfield for the extension of 77th Street under marked Trunk Highway 77/Cedar Avenue project in the city of Richfield. This appropriation is added to the appropriation in Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 7, as amended by Laws 2017, First Special Session chapter 8, article 2, section 32.

**Subd. 12. Sartell; Local Roads** 5,500,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of Sartell for improvements to Scout Drive to 50th Avenue South. Improvements include predesign, design, engineering, acquisition of right-of-way, replacement or repair of utilities, street reconstruction, and other improvements or upgrades related to street work.

**Subd. 13. Sibley County; Scenic Byway 6 Reconstruction** 14,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to Sibley County to predesign, design, engineer, acquire right-of-way for, and construct improvements to Sibley County State-Aid Highway 6, known as Scenic Byway 6, to raise the road to meet the 50-year flood level, provide for a walking and bicycling lane, and reconstruct the intersection of Scenic Byway 6 and Sibley County State-Aid Highway 5.

**Subd. 14. Scott County; Highway 13 and Yosemite Interchange** \$5,269,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to Scott County to acquire land, predesign, and design local road improvements, including accommodations for bicycles and



pedestrians, to support a programmed interchange at the intersection of marked Trunk Highway 13 and Dakota Avenue in Savage.

**Subd. 15. Sherburne County; Zimmerman Interchange Project**

2,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to Sherburne County for environmental analysis, preliminary engineering, and final design of the local road portions of the proposed interchange project at marked U.S. Highway 169 and Sherburne County State-Aid Highway 4 in Zimmerman. Any money remaining upon completion of the design process may be used to acquire right-of-way needed for the local road portions of the interchange project.

**Subd. 16. Zumbrota; Jefferson Drive**

3,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of Zumbrota to predesign, design, and reconstruct a segment of Jefferson Drive and the adjacent trail in the city of Zumbrota, including a culvert extension, and replacement of or improvements to side street connections, pedestrian crossing facilities, storm sewer, drainage, sanitary sewer, and water lines.

**Subd. 17. Local Bridge Replacement and Rehabilitation**

30,000,000

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. 18. St. Paul; Third Street/Kellogg Boulevard Bridge**

52,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of St. Paul to demolish and remove the existing Third Street/Kellogg Boulevard bridge over the BNSF railroad, Commercial Street, and marked Interstate Highway 94, and for acquisition of right-of-way, design, construction engineering, and construction of a replacement bridge that includes multimodal elements for bicycles, pedestrians, vehicles, and mass transit. This appropriation also may be used for any roadway approach reconstruction work identified within the project limits, including right-of-way acquisition, design, and construction engineering.

**Subd. 19. Safe Routes to School; Pedestrian and Bicycle Facilities**

3,000,000

For grants under Minnesota Statutes, section 174.40.

**Subd. 20. Rail Service Improvement**4,000,000

For rail service improvement grants under Minnesota Statutes, section 222.50.

**Subd. 21. Port Development Assistance**14,000,000

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

**Subd. 22. Passenger Rail**3,000,000

(a) For intercity passenger rail implementation on Phase 1 corridors identified in the 2015 update to the state rail plan under Minnesota Statutes, section 174.03, subdivision 1b. This appropriation is only for projects that are determined to be eligible for United States Department of Transportation funding. \$1,500,000 of this appropriation is for a project issued a Finding of No Significant Impact (FONSI) by the Federal Railroad Administration on a Tier 2 project level environmental assessment.

(b) Notwithstanding any law to the contrary, a portion or phase of an intercity passenger rail project may be accomplished with one or more state appropriations, and an intercity passenger rail project need not be completed with any one appropriation. This appropriation is available for program delivery and capital improvements and betterments, including preliminary engineering, design, final engineering, environmental analysis and mitigation, acquisition of land and right-of-way, rail crossings and bridge improvements, station improvements, and railroad appurtenances.

(c) Projects may include the Northern Lights Express service between Minneapolis and St. Paul and Duluth, a second daily Amtrak train between Minneapolis and St. Paul and Chicago, and extension of the Northstar Commuter Rail service to St. Cloud.

**Subd. 23. Greater Minnesota Transit Capital Program**2,000,000

For capital assistance for publicly owned greater Minnesota transit systems to acquire property, predesign, design, construct, furnish, and equip transit capital facilities under Minnesota Statutes, section 174.24, subdivision 3c.

**Subd. 24. International Falls-Koochiching County Airport Improvements**1,800,000

For a grant to the International Falls-Koochiching County Airport Commission to provide for the nonfederal share of a project at International Falls Airport for land acquisition, predesign, design, and reconstruction of the runway, taxiway, and apron.

**Subd. 25. Rochester International Airport Runway and Associated Improvements**

11,400,000

(a) The following appropriations are for one or more grants to the city of Rochester for improvements to the Rochester International Airport in phases. If any of these appropriations for a specified phase is not needed to complete that phase, the unexpended and unencumbered amount may be applied to another phase of the Rochester Airport project for which an appropriation is made in this subdivision. Each appropriation for a phase is available when the commissioner of management and budget determines that an amount sufficient to complete that phase is committed to the project.

(b) \$1,025,000 is appropriated for Phase 1, to reconstruct the middle portion of runway 2/20 and to construct associated grading and drainage improvements at the Rochester International Airport.

(c) \$3,400,000 is appropriated for Phase 2, for property acquisition; site mitigation; relocation of 31st Ave. SW and County Road 30; utility and navigational aid repositioning; grading and drainage improvements; removal of taxiways; reconstruction of the southern portion of runway 2 and runway shoulders; and installation of lighting and signage at the Rochester International Airport.

(d) \$4,100,000 is appropriated for Phase 3, to modify airport fencing; construct an extension of runway 2, taxiways, and shoulders; site preparation and grading; reconstruction of a portion of runway 2, taxiways, and shoulders; installation of lighting and signage at the Rochester International Airport; and acquire and install instrument approach improvements.

(e) \$625,000 is appropriated for Phase 4, to construct improvements to taxiway B and shoulders, to make grading and drainage improvements, and to install lighting and signage at the Rochester International Airport.

(f) \$1,025,000 is appropriated for Phase 5, to demolish and reconstruct a portion of taxiway B and shoulders; to reposition navigational aids; for grading and drainage improvements; and to install lighting and signage at the Rochester International Airport.

(g) \$1,225,000 is appropriated for Phase 6, to reconstruct taxiway and runway intersections; to remove taxiways A6, E, F, G, and a portion of runway 20; and to reconstruct taxiway D at the Rochester International Airport.

**Subd. 26. Thief River Falls; Airport**

5,500,000

For a grant to the Thief River Falls Regional Airport Authority to predesign, design, construct, furnish, and equip a new cargo hangar building to include office space, a parking area, and connection to roadway and utilities.

**Subd. 27. Rogers; Pedestrian and Bike Bridge**2,200,000

For a grant to the city of Rogers to acquire property for and to design and construct a pedestrian and bicycle bridge over marked Interstate Highway 94 approximately one mile northwest of the interchange at marked Trunk Highway 101. This appropriation includes money for construction of a bituminous trail to connect to the existing trail system.

**Subd. 28. Shakopee; Highway 169 Pedestrian and Bicycle Overpass**2,000,000

For a grant to the city of Shakopee to acquire land or interests in land, predesign, design, engineer, and construct a pedestrian and bicycle overpass over marked Trunk Highway 169, and establish new trail segments, to connect the Southbridge neighborhood and Quarry Lake Park.

**Subd. 29. Minnesota Valley Regional Rail Authority; Winthrop to Hanley Falls Improvements**10,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate a portion of the railroad track between Winthrop and Hanley Falls. The grant under this subdivision may also be used for any required environmental analysis and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this subdivision 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 under 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; Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4; Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 7; and Laws 2018, chapter 214, article 1, section 16, subdivision 4.

**Subd. 30. Northfield; Regional Transit Hub**1,750,000

For a grant to the city of Northfield to acquire real property; prepare the site, including any environmental remediation; and predesign, design, construct, furnish, and equip a regional transit hub, including a pavilion, railroad quiet zone safety improvements, and trail connections.

**Subd. 31. Albert Lea; Highway 65 Flood Mitigation**800,000

For a grant to the city of Albert Lea for preliminary design, final design, right-of-way acquisition if needed, environmental remediation, site preparation, including demolition of existing

buildings and structures deemed undesirable for storm water drainage ponds, soil excavation and disposal, lining of pond, retaining walls, and storm sewer drainage systems, and construction of storm water drainage ponds and storm water drainage systems for city storm water drainage in connection with the marked U.S. Highway 65 flood mitigation project in Albert Lea. The flood mitigation project is to raise the roadway above flood levels.

**Subd. 32. Chisago County; U.S. Highway 8 Reconstruction**

8,000,000

(a) For a grant to Chisago County to predesign, design, engineer, and construct a reconstruction of marked U.S. Highway 8 from Karmel Avenue in Chisago City to Interstate 35 and pedestrian and bike trails along and crossings of this portion of U.S. Highway 8. This reconstruction may include expanding segments of U.S. Highway 8 to four lanes, constructing or reconstructing frontage roads and backage roads, and realigning local roads to consolidate, remove, and relocate access onto and off of U.S. Highway 8. This appropriation is for the portion of the project that is eligible for use of proceeds of general obligation bonds. This appropriation is available until the project is completed or abandoned.

(b) Amounts planned by the Department of Transportation for the resurfacing of U.S. Highway 8, as reflected in MnDOT's Metro District Ten-Year Capital Highway Investment Study 2020-2029, shall instead be applied to the reconstruction of U.S. Highway 8 to supplement appropriations for that purpose from any fund in this section.

**Subd. 33. Henderson; Trunk Highway 93 to U.S. Highway 169 Reconstruction**

1,800,000

For projects eligible for general obligation bond proceeds that are associated with the reconstruction of marked Trunk Highway 93 from Henderson to marked U.S. Highway 169, to raise the roadway elevation and prevent closures due to river flooding.

**Subd. 34. Olmsted County; Trunk Highway 14 and County Road 104 Interchange Construction**

6,000,000

For general obligation bond eligible portions of a project to predesign, design, engineer, construct, furnish, and equip an interchange at marked Trunk Highway 14 and County Road 104, including a flyover at 7th Street NW, in Olmstead County, and associated infrastructure and road work to accommodate the interchange.

**Subd. 35. Washington County; Interchange at Highway 36 and County Road 15**

3,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to Washington County for engineering and property and easement acquisition, in conjunction with an interchange at marked Trunk Highway 36 and County State-Aid Highway 15, known as Manning Avenue, in Washington County.

**Subd. 36. Koochiching County; CSAH 24 Rail Grade Separation**

3,000,000

For a grant to Koochiching County to acquire land for and to predesign, design, engineer, and construct a rail grade crossing separation where County State-Aid Highway 24 crosses Canadian National railroad tracks near the cities of Ranier and International Falls.

**Subd. 37. Red Wing; Rail Grade Separation**

10,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for a grant to the city of Red Wing for right-of-way acquisition, environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road. This appropriation is in addition to the appropriation for the same purpose in Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 4.

**Sec. 17. METROPOLITAN COUNCIL**

**Subdivision 1. Total Appropriation**

**\$87,900,000**

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

**Subd. 2. Metropolitan Cities Inflow and Infiltration Grants**

5,000,000

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.

**Subd. 3. Metropolitan Regional Parks and Trails**

5,000,000

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

**Subd. 4. Bus Rapid Transit Lines**

55,000,000

For design, engineering, right-of-way acquisition, and construction of the B line bus rapid transit line between Minneapolis and St. Paul, and the D line bus rapid transit line between Brooklyn Center and Bloomington. To the extent money remains after the B line and D line projects are completed, this appropriation is also for preliminary design, design, and engineering of the E line bus rapid transit from Minneapolis to Southdale Transit Center.

**Subd. 5. Carver County; Lake Waconia**

2,500,000

For a grant to Carver County to design, construct, and equip a waterfront pavilion with restrooms and a concession building, and to design, construct, and equip utility connections at Lake Waconia Regional Park.

**Subd. 6. Dakota County; Veterans Memorial Greenway**

5,000,000

For a grant to Dakota County to construct improvements for the Veterans Memorial Greenway, including memorials, a community gathering space, and a new trail connection between Lebanon Hills Regional Park and the Mississippi River.

**Subd. 7. Minneapolis Park and Recreation Board; Mississippi River Trail Connection at 26th Avenue North**

3,000,000

(a) For a grant to the Minneapolis Park and Recreation Board to design and construct a trail connection paralleling the Mississippi River between 26th Avenue North and the Minneapolis Grand Rounds at Ole Olson Park, all within Above the Falls Regional Park. This appropriation is intended to augment work being completed by the city of Minneapolis to reconstruct and create a multimodal corridor beginning at Theodore Wirth Regional Park and extending east to the Mississippi River along 26th Avenue North.

(b) All project lighting must follow the International Dark Sky Community Program guidelines, published June 2018, and follow best practices for bird-safe lighting. The height of any beacon light must comply with the Minneapolis shoreland overlay district ordinance governing height of structures. A beacon light must be off from March 15 to May 31 and August 15 to October 31 each year, and off between the hours of 11 p.m. and 6 a.m. at all other times of the year. All lighting must be shielded and use bird-safe light colors.

Subd. 8. **Ramsey County; Battle Creek Winter Recreation Area** 1,800,000

For a grant to Ramsey County for design and construction of a Nordic ski competition and winter recreation area to include a 2.5 kilometer cross-country ski trail loop, upgrades to utilities and other park infrastructure, and a marker commemorating the Olympic accomplishments of Minnesotan Jessie Diggins in Battle Creek Regional Park.

Subd. 9. **St. Paul; Como Zoo** 1,000,000

For a grant to the city of St. Paul to improve and replace outdated mechanical systems and other building structural components to achieve greater energy efficiency at Como Zoo.

Subd. 10. **St. Paul; Wakan Tipi** 1,000,000

For a grant to the city of St. Paul for the Wakan Tipi Center project. The city may enter into a lease or management agreement under Minnesota Statutes, section 16A.695. This appropriation is added to the appropriation for the Nature Sanctuary Visitor Center in Laws 2018, chapter 214, article 1, section 17, subdivision 6, and is for the same purposes.

Subd. 11. **Three Rivers Park District; Mississippi Gateway** 5,000,000

For a grant to Three Rivers Park District to predesign, design, and engineer improvements to the Mississippi Gateway Regional Park, and to construct a canopy walkway and playground development, pedestrian trail connections, landscape restoration and enhancements, and habitat restoration.

Subd. 12. **White Bear Lake Communities; Lake Links Trail** 3,600,000

For grants to complete design and construction of a multiuse paved trail and route for pedestrians, bicycles, and wheelchairs around White Bear Lake in Ramsey and Washington Counties, as follows:



(1) \$2,600,000 of this appropriation is for a grant to the city of Dellwood in Washington County to design, engineer, construct, and equip trail improvements consistent with the completed preliminary engineering along or parallel with the shore of White Bear Lake between the Mahtomedi city limits and the western line of Washington County;

(2) \$500,000 of this appropriation is for a grant to White Bear Township in Ramsey County to design, engineer, construct, and equip trail improvements along and parallel with the shore of White Bear Lake between the Washington County line and the city limits of the city of White Bear Lake, Ramsey County; and

(3) \$500,000 of this appropriation is for a grant to the city of White Bear Lake in Ramsey County to design, engineer, construct, and equip trail improvements along or parallel with the shore of White Bear Lake between the eastern city limits of White Bear Lake and Pacific Avenue.

Sec. 18. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation**

**\$27,409,000**

To the commissioner of administration, or other named entity, 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 Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **St. Peter Regional Treatment Center Campus - Phase 2**

**1,794,000**

To design the second phase of a multiphase project to develop additional residential, program, activity, and ancillary facilities for the Minnesota sex offender program on the lower campus of the St. Peter Regional Treatment Center.

Subd. 4. **Child and Adolescent Behavioral Health Services Facility**

**1,750,000**

For design, construction, and furnishing of a large motor activity and ancillary space for the Child and Adolescent Behavioral Health Hospital. The appropriation also includes money for design and construction of a small maintenance shed, courtyard interiors, a parking lot, playground equipment, and landscaping activities.

**Subd. 5. Regional Behavioral Health Crisis Facilities Grant Program** 10,000,000

To the commissioner of human services for regional behavioral health crisis facilities grants under Minnesota Statutes, section 245G.011.

**Subd. 6. St. Louis Park; Perspectives Family Center** 4,500,000

To the commissioner of human services for a grant to the city of St. Louis Park to construct, furnish, and equip the expansion and renovation of the existing Perspectives Family Center facility in St. Louis Park subject to Minnesota Statutes, section 16A.695. The expanded and renovated facility must be used to promote the public welfare by providing any or all of the following programs and services: (1) supportive housing programs for homeless women and their children; (2) mental and chemical health programs; (3) employment services; (4) academic, social skills, and nutritional programs for homeless and at-risk children; (5) an all-day therapeutic early childhood development program for homeless and at-risk children; and (6) a culturally sensitive safe and nurturing environment for at-risk children to meet with their nonresidential parents.

**Subd. 7. St. Louis County; Regional Behavioral Health Crisis Facility** 1,365,000

To the commissioner of human services for a grant to St. Louis County for a regional behavioral health crisis facility. This appropriation is in addition to and for the same purposes as the grant awarded to the county under Minnesota Statutes, section 245G.011.

**Sec. 19. VETERANS AFFAIRS**

**Subdivision 1. Total Appropriation** **\$8,450,000**

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 the veterans homes in Minneapolis, Hastings, Fergus Falls, Silver Bay, and Luverne, and the Little Falls Cemetery, to be spent in accordance with Minnesota Statutes, section 16B.307.

**Subd. 3. Fergus Falls Veterans Home Greenhouse** 100,000

To design, construct, and equip a new greenhouse at the Minnesota Veterans Home in Fergus Falls.

**Subd. 4. Martin County; Veterans Memorial** 350,000

For a grant to Martin County to design and construct a memorial to those who have served in the military of the United States of America and those who have died in the line of duty.

**Sec. 20. CORRECTIONS**

**Subdivision 1. Total Appropriation** **\$44,498,000**

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

**Subd. 2. Asset Preservation** 25,000,000

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 - Willow River** 1,877,000

To design, construct, and equip a communications system to accommodate a new radio tower, a microwave system, electrical and data connectivity, and an environmentally controlled, secure structure to house the communications equipment at the Minnesota Correctional Facility - Willow River.

**Subd. 4. Minnesota Correctional Facility - Faribault** 954,000

To predesign and design the construction and renovation of new and existing buildings at the Minnesota Correctional Facility - Faribault, in order to upgrade the minimum security housing unit (Dakota Building) and expand offender programming space.

**Subd. 5. Minnesota Correctional Facility - St. Cloud** 800,000

To design, renovate, construct, equip, and install a new fire suppression system in Living Units A, B, and C at the Minnesota Correctional Facility - St. Cloud. This installation includes but is not limited to cells, common areas, and control areas and must comply with all applicable codes.

**Subd. 6. Minnesota Correctional Facility - Stillwater** 2,600,000

To design, renovate, construct, equip, and install a fire suppression system in four living units at the Minnesota Correctional Facility - Stillwater. This installation includes but is not limited to the cells, common areas, and control areas in Buildings 3, 5, 9, and 12 and must comply with all applicable codes.

**Subd. 7. Minnesota Correctional Facility - Togo**2,600,000

To design, construct, and equip a new sewer treatment system at the Minnesota Correctional Facility - Togo. The system includes but is not limited to settling ponds, pumping stations, and other underground infrastructure improvements associated with the sewer system complying with all Pollution Control Agency and code requirements. As part of the project, the existing septic system/drain field shall be decommissioned.

**Subd. 8. Arrowhead Regional Corrections Joint Powers Board**3,250,000

For a grant to the Arrowhead Regional Corrections Joint Powers Board to renovate, remodel, and complete other capital improvements to buildings that support vocational, educational, and farm work programming and experiences at the Northeast Regional Corrections Center.

**Subd. 9. Carlton County; Regional Corrections Facility**2,000,000

For a grant to Carlton County for predesign and design of a corrections facility providing emphasis on serving as a regional facility for female offenders. This statewide demonstration project shall address current state requirements of parity in serving male and female offenders under Minnesota Statutes, section 241.70, subdivision 1, and will use the Sequential Intercept Model to improve service and system-level responses for adults with mental and substance abuse disorders in the criminal justice system.

**Subd. 10. Martin County Justice Center**2,167,000

For a grant to Martin County for site preparation, predesign, and design of a new county justice center to provide space for functions related to the county justice system, which may include the county jail, courtrooms, court offices and related purposes, offices for the sheriff and other law enforcement personnel, county and state corrections, the county attorney, dispatch, and emergency management.

**Subd. 11. Prairie Lake Youth JPB; School and Recreation Center**2,500,000

For a grant to the Prairie Lake Youth Joint Powers Board to predesign, design, construct, furnish, and equip an indoor recreation and educational building adjoining the current building for the Prairie Lakes Youth Program.

**Subd. 12. Winona County Jail**750,000

For a grant to Winona County to acquire land for a new county jail.

**Subd. 13. 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. 21. EMPLOYMENT AND ECONOMIC DEVELOPMENT****Subdivision 1. Total Appropriation** **\$150,241,000**

To the commissioner of employment and economic development, or other named entity, for the purposes specified in this section.

**Subd. 2. Greater Minnesota Business Development Public Infrastructure** **10,000,000**

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

**Subd. 3. Innovative Business Development Public Infrastructure** **2,000,000**

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

**Subd. 4. Transportation Economic Development Infrastructure** **3,000,000**

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

**Subd. 5. Workforce Center; Asset Preservation** **642,000**

To the commissioner of administration for asset preservation improvements and betterments of a capital nature at the South Minneapolis CareerForce location to be spent in accordance with Minnesota Statutes, section 16B.307.

**Subd. 6. Alexandria; Runestone Community Center Expansion** **5,600,000**

For a grant to the city of Alexandria to design, construct, furnish, and equip an expansion and renovation of the Runestone Community Center in Alexandria.

**Subd. 7. Annandale; Infrastructure Improvements** **4,090,000**

For a grant to the city of Annandale for predesign, design, construction, and replacement or renovation of street, storm sewer, sanitary sewer, water main, and other capital improvements that

are made necessary by, or are most economically completed if performed at the same time as, road work on marked Trunk Highways 24 and 55 in the city of Annandale.

**Subd. 8. Becker; Business Park Public Infrastructure** 20,500,000

For a grant to the city of Becker to acquire land, predesign, design, construct, furnish, and equip public infrastructure, including water, sanitary sewer, storm sewer and drainage systems, roads, and lighting for a business park in the city of Becker. A portion of the water infrastructure for the business park will be installed in Becker Township.

**Subd. 9. Becker County; Museum** 1,850,000

For a grant to Becker County to predesign, design, construct, furnish, and equip a new county museum facility.

**Subd. 10. Champlin; Mississippi Point Park Improvements** 3,450,000

For a grant to the city of Champlin to predesign, design, acquire, install, construct, furnish, and equip capital improvements in Mississippi Point Park, including an Americans with Disabilities Act (ADA) accessible boat docking system and picnic pavilion.

**Subd. 11. Chatfield; Center for the Arts** 8,700,000

For a grant to the city of Chatfield economic development authority to predesign, design, renovate, construct, furnish, and equip the Chatfield Center for the Arts in the city of Chatfield, which is generally described as the renovation of the 1916 high school and the installation of a linking structure and related improvements to serve both the 1936 auditorium building and the 1916 school building. The renovation includes interior, exterior, and amenity improvements within the high school building; improvements to the electrical, plumbing, and HVAC systems throughout the property; and general improvements to the buildings and land that are known as the Chatfield Center for the Arts, currently owned by the economic development authority.

**Subd. 12. Crookston; Colborn Property Development** 895,000

For a grant to the city of Crookston for development of the southern end of the city limits commonly known as the Colborn Property. This appropriation includes money for construction of roads and storm water infrastructure, for site preparation, and for other improvements of publicly owned infrastructure.

**Subd. 13. Deephaven; Northome Avenue Bridge** 750,000

For a grant to the city of Deephaven to predesign, design, construct, furnish, and equip a bridge to carry Northome Avenue over a pedestrian and bike trail in the city of Deephaven.

**Subd. 14. Duluth; Seawall and Surface Improvements**13,500,000

For a grant to the city of Duluth to predesign, design, construct, furnish, and equip seawall and lakewalk infrastructure with related surface improvements, including a boardwalk and bike trails, public gathering spaces, and loading areas, along the shore of Lake Superior in the city of Duluth. This appropriation may also be used for demolition and removal of existing seawall and lakewalk structures.

**Subd. 15. Duluth; Lake Superior Zoo**204,000

For a grant to the city of Duluth to predesign and design the renovation or replacement of the Main Building at the Lake Superior Zoo.

**Subd. 16. Ellsworth; City Hall and Public Works Shop**1,000,000

For a grant to the city of Ellsworth to prepare the site, predesign, design, construct, furnish, and equip a city hall with a multipurpose room and a public works shop, to replace the city hall and public works buildings destroyed by fire in January 2019.

**Subd. 17. Eveleth; Buildings Renovation**1,000,000

For a grant to the city of Eveleth to predesign, design, construct, renovate, and equip capital improvements and betterments to the city hall/police station, the Carnegie library, the fire/ambulance hall, the Hippodrome ice arena, and the city auditorium. The improvements include renovation or replacement of HVAC systems, roof replacement, installation of carbon monoxide and nitrogen dioxide detection systems, exterior masonry restoration, and renovation of public restrooms.

**Subd. 18. Fergus Falls; Riverfront Corridor**1,000,000

For a grant to the city of Fergus Falls for construction of a downtown riverfront corridor improvement project including an amphitheater, river market, public arts space, interactive water components, and related publicly owned infrastructure and amenities.

**Subd. 19. Grand Rapids; IRA Civic Center**5,000,000

For a grant to the city of Grand Rapids for the design, construction, and equipping of capital improvements to the IRA Civic Center. This appropriation includes money for replacement of the truss/roof structure, replacement of the facility's existing ice-making system, and other improvements and betterments of a capital nature for health, safety, and Americans with Disabilities Act (ADA) compliance.

**Subd. 20. Hastings; City Hall**2,000,000

For a grant to the city of Hastings for repairs, construction, and other capital improvements necessary for renovation of the historic City Hall in Hastings. This appropriation includes money for repairs of the dome and roofing, HVAC improvements, repairs to the interior walls and exterior masonry of the building, site regrading, and project management.

**Subd. 21. Hennepin County; Avivo**1,700,000

For a grant to Hennepin County for Phase 1 of the Avivo regional career and employment center project in Minneapolis, subject to Minnesota Statutes, section 16A.695. Phase 1 includes geotechnical and environmental investigation, demolition, and site work; predesign and design of the renovation and expansion of a building; and predesign and design for the replacement of or improvements to building systems on the Avivo campus, including HVAC, mechanical, electrical, and accessibility improvements.

**Subd. 22. Hibbing; Mine View "Window to the World"**1,300,000

For a grant to the city of Hibbing to construct the mine view "Windows to the World" facility on the Susquehanna mine dump.

**Subd. 23. Litchfield; Wellness Center**5,000,000

(a) For a grant to the city of Litchfield to acquire land for and to predesign, design, construct, furnish, and equip a community wellness/recreation center that will include a gymnasium and general fitness spaces, a dedicated walking section, a community room, and any locker rooms and mechanical equipment needed for future additions to the facility.

(b) This appropriation is not available until the commissioner of employment and economic development has determined that the school district and the city have entered into an agreement that addresses the city's and school district's relative contributions to the project and the operations and use of the facilities. The city may enter into a lease or management agreement with the school district.

**Subd. 24. Minneapolis; Central City Storm Tunnel**16,000,000

For a grant to the city of Minneapolis for design and construction necessary to expand the Central City Storm Tunnel in Minneapolis.

**Subd. 25. Minneapolis; Outdoor Performance Venue**5,000,000

(a) For a grant to the city of Minneapolis to predesign and design a new outdoor music performance venue on the Upper Harbor site along the Mississippi River in North Minneapolis. The venue will



accommodate approximately 7,000 to 10,000 people in a combination of temporary seating or standing room. A portion of the venue will be designed to allow it to be enclosed for smaller events on a year-round basis.

(b) The city may operate the outdoor music venue directly or enter into a lease or management agreement with a for-profit or a nonprofit operator, subject to Minnesota Statutes, section 16A.695. The lease or management agreement must provide for a program of free use of the venue that will benefit the adjacent North Minneapolis community and that will be curated and controlled by a North Minneapolis community-based partner.

(c) The city of Minneapolis contract with the developer of the project or the lease or management agreement, or both, must identify community benefits from the development, construction, management, operation, and maintenance of the venue intended to benefit the adjacent communities, including benefits related to procurement, employment, sustainability, and other commitments from the operator of the venue.

**Subd. 26. New Ulm; German Park Amphitheater**

300,000

For a grant to the city of New Ulm for site work, including terracing and landscaping, and to design and construct capital improvements, including accessibility improvements to comply with the Americans with Disabilities Act (ADA), necessary for replacement of the amphitheater in German Park.

**Subd. 27. Orono; Big Island Park**

300,000

For a grant to the city of Orono to predesign, design, construct, furnish, and equip improvements at Big Island Park, including a picnic area, trails and trail gates, restrooms, permanent seating, and interpretive panels.

**Subd. 28. Pipestone County; Dental Facility**

250,000

For a grant to Pipestone County to predesign, design, construct, furnish, and equip a dental care facility in Pipestone County. This appropriation is in addition to the appropriation for the same purpose in Laws 2018, chapter 214, article 1, section 21, subdivision 18. This project is not subject to the requirements of Minnesota Statutes, section 16B.325.

**Subd. 29. Plymouth; Plymouth Creek Center**

5,000,000

For a grant to the city of Plymouth to predesign, design, construct, furnish, and equip the renovation and expansion of the Plymouth Creek Center.

**Subd. 30. Proctor; Salt Shed**500,000

For a grant to the city of Proctor to predesign, design, and construct a salt shed to replace the condemned salt shed on the river front.

**Subd. 31. Roseville; Guidant John Rose OVAL**3,900,000

For a grant to the city of Roseville to predesign, design, construct, furnish, and equip the renovation of the Guidant John Rose Minnesota OVAL. The project includes the building, building systems, and facilities.

**Subd. 32. Steele County; Fairgrounds Electrical Improvements**750,000

For a grant to Steele County to construct underground electrical infrastructure at the Steele County Fairgrounds.

**Subd. 33. St. Cloud; Municipal Athletic Complex**10,000,000

For a grant to the city of St. Cloud to design, construct, furnish, and equip improvements to the municipal athletic complex to serve as a regional field sport and ice sport facility. This appropriation includes money for a locker room and training addition to the ice arena, mechanical upgrades, reconstruction of Dick Putz Field, and for renovation of Joe Faber Field to correct drainage. This appropriation may not be used to acquire and install artificial turf or to construct the west lobby.

**Subd. 34. St. Joseph; Jacob Wetterling Recreation Center**1,050,000

For a grant to the city of St. Joseph for Phase 1 of the St. Joseph Community Center project. Phase 1 is to predesign and design a recreation center as an addition to the former school building purchased by the city to be repurposed as a community center.

**Subd. 35. St. Louis County; Heritage and Arts Center**1,500,000

For a grant to St. Louis County for asset preservation of the St. Louis County Heritage and Arts Center, also known as the Depot, in Duluth. The project includes improvements to the life-safety elements of the building and to restore exterior building envelope integrity.

**Subd. 36. St. Paul; Humanities Center**750,000

For a grant to the city of St. Paul for asset preservation of the Minnesota Humanities Center's main facility, including capital improvements for building envelope, foundation, and structural integrity; and for mechanical systems upgrades, including heating.

ventilation, and cooling, subject to Minnesota Statutes, section 16A.695. This appropriation is added to the appropriation in Laws 2018, chapter 214, article 1, section 21, subdivision 25.

**Subd. 37. St. Paul; Playwrights' Center**

850,000

For a grant to the city of St. Paul to predesign and design the playwrights center facility in St. Paul for use as a comprehensive play development program and workshop facility.

**Subd. 38. St. Paul; Victoria Theater**

1,000,000

For a grant to the city of St. Paul to acquire property located at 825 University Avenue West, and to predesign, design, construct, furnish, and equip the renovation of the historic Victoria Theater, to serve as a regional multicultural community and event center. This appropriation includes money for: demolition work; improvements to or replacement of the mechanical, electrical, plumbing, heating, ventilating, and air conditioning systems; repairs to the existing roof and exterior enclosure; site improvements; construction or renovation of interior spaces; and other improvements of a capital nature. The city of St. Paul may enter into a lease or management agreement with a nonprofit organization for this facility under Minnesota Statutes, section 16A.695.

**Subd. 39. St. Paul; Hmong Cultural Plaza, Phalen Regional Park**

300,000

(a) For a grant to city of St. Paul for construction of Phase II of the Saint Paul - Changsha China Friendship Garden, at the Hmong Cultural Plaza, in Phalen Regional Park.

(b) In implementing the project, the city, or any entity with which the city contracts for implementation of the project, must hire and retain for the life of the project residents of the adjacent communities in living wage jobs, improve environmental conditions of the project site, use clean and efficient energy sources, and work with Hmong cultural leaders and artists to ensure that traditional Hmong landscaping and building practices are used to help tell the story of the Minnesota Hmong experience.

**Subd. 40. Wadena; Access Road**

1,300,000

For a grant to the city of Wadena to acquire a permanent easement for and to predesign, design, engineer, and construct an access road just northeast of 11th Street Northwest in Wadena, going from marked Trunk Highway 10 to the new hospital complex.

**Subd. 41. Western Lake Superior Sanitary District; Engine Generators** 6,750,000

For a grant to the Sanitary Board of the Western Lake Superior Sanitary District to design and construct engine generators as part of the combined heat and power system to capture and process heat and generate electricity for use at the Western Lake Superior Sanitary District wastewater treatment facilities.

**Subd. 42. Willernie; Public Infrastructure** 160,000

For a grant to the city of Willernie to replace the roof of the city hall, and, if any money is remaining, for capital improvements in conjunction with the Washington County road 12 project, including replacing and extending the sidewalk, replacement of a water main, and moving or removing a retaining wall.

**Subd. 43. Wright County; Dental Care Facility** 1,400,000

For a grant to Wright County to predesign, design, construct, furnish, and equip a dental care facility. The dental care facility will be constructed in a building constructed for this purpose by the county on the Wright County Government Center campus in the city of Buffalo. The county may enter into an agreement under Minnesota Statutes, section 16A.695, for operation of the dental clinic.

**Sec. 22. PUBLIC FACILITIES AUTHORITY**

**Subdivision 1. Total Appropriation** **\$254,410,000**

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

**Subd. 2. State Match for Federal Grants to State Revolving Loan Programs** 25,000,000

To match federal capitalization 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** 55,494,000

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

(b) \$33,296,000 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) \$22,198,000 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 in a fiscal year, 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** 44,553,000

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. Albertville; Wastewater Treatment System Improvements** 2,500,000

For a grant to the city of Albertville to design and construct wastewater infrastructure improvements related to nonnative species control.

**Subd. 6. Arden Hills; Water Main** 500,000

For a grant to the city of Arden Hills to install a water main extending along Lexington Avenue, from County Road E to marked Interstate Highway 694.

**Subd. 7. Aurora; East Range Joint Powers Board; Water System** 5,000,000

For a grant to the city of Aurora, Hoyt Lakes, or Biwabik, or the Town of White for the East Mesabi Joint Water System, to acquire land or a permanent interest in land, design, engineer, construct, furnish, and equip a comprehensive municipally owned cooperative joint drinking water system in the political subdivisions that are part of the East Range Joint Powers Board.

**Subd. 8. Austin; Wastewater Treatment Plant** 7,450,000

For a grant to the city of Austin to design improvements for upgrades to the city's wastewater treatment facility.

**Subd. 9. Bemidji; Water Treatment Plant** 10,194,000

For a grant to the city of Bemidji to predesign, design, construct, furnish, and equip upgrades to the city's water treatment plant including the addition of a filtration system to remove perfluoroalkyl substances from the city's drinking water.

**Subd. 10. Buhl; Water Infrastructure**1,500,000

For a grant to the city of Buhl to predesign, design, and construct wastewater, clean water, and storm sewer infrastructure in the city of Buhl.

**Subd. 11. Deer River; Water and Wastewater Systems**4,000,000

For a grant to the city of Deer River to design, engineer, and construct improvements and additions to the city's wastewater collection and treatment system, including construction of a stabilization pond, and replacement and expansion of storm sewer lines, sanitary sewer lines, and water lines in the city of Deer River.

**Subd. 12. East Itasca Joint Sewer Board; Regional Wastewater System**750,000

For a grant to the city of Nashwauk for preliminary and final engineering of a regional wastewater treatment system located in the city of Nashwauk to serve the communities represented by the East Itasca Joint Sewer Board and other communities.

**Subd. 13. Floodwood; Stabilization Ponds**2,000,000

For a grant to the city of Floodwood for predesign, design, engineering, and construction and expansion of stabilization ponds.

**Subd. 14. Foley; Wastewater Infrastructure**3,000,000

For a grant to the city of Foley to predesign, design, construct, and equip wastewater infrastructure improvements.

**Subd. 15. Lincoln-Pipestone Rural Water System**5,500,000

For a grant to the Lincoln-Pipestone Rural Water System to predesign and design water source development in its service area, including new wells, a water softening treatment plant (lime softening plant), and new water distribution pipes.

**Subd. 16. Mahnomen; Water Infrastructure**650,000

For a grant under Minnesota Statutes, section 446A.07, to the city of Mahnomen for improvements to the city's water infrastructure. This grant is not subject to the project priority list set forth in Minnesota Statutes, section 446A.07, subdivision 4.

**Subd. 17. Mahnomen; Drinking Water Infrastructure**1,250,000

For a grant under Minnesota Statutes, section 446A.081, to the city of Mahnomen for the city's drinking water infrastructure. This grant is not subject to the project priority list set forth in Minnesota Statutes, section 446A.081, subdivision 5.

**Subd. 18. Melrose; Wastewater Treatment Facility** 3,500,000

For a grant to the city of Melrose to design, construct, and equip improvements to the municipal wastewater treatment facility to expand the capacity of the facility and replace facility infrastructure and components that have reached the end of their useful life. This appropriation includes money for a new preliminary treatment system with new screening and pumping and for a new clarifier.

**Subd. 19. Mendota; Water Infrastructure** 650,000

For a grant to the city of Mendota to predesign, design, engineer, and construct the extension of the water main throughout the city of Mendota to allow residents to connect with the Saint Paul Regional Water Services system.

**Subd. 20. Newport; Inflow and Infiltration** 2,000,000

For a grant to the city of Newport to design and construct capital improvements to the publicly owned portions of the city's wastewater infrastructure to reduce or eliminate inflow and infiltration.

**Subd. 21. Oronoco; Regional Wastewater System Infrastructure Grant** 24,027,000

(a) Of this amount, \$1,350,000 is for a grant to the city of Oronoco to acquire land and easements, design, and engineer a wastewater collection, conveyance, and treatment system and associated water distribution improvements to serve the city of Oronoco and the region including the Oronoco Estates Manufactured Home Community. Any amount remaining after completion of design, engineering, and acquisition may be applied to the purposes described in subdivision 2.

(b) Of this amount, \$22,677,000 is for a grant to the city of Oronoco to construct and provide construction-related engineering for a wastewater collection, conveyance, and treatment system and associated water distribution improvements to serve the city of Oronoco and the region including the Oronoco Estates Manufactured Home Community.

**Subd. 22. Randolph; Wastewater Infrastructure** 13,000,000

For a grant to the city of Randolph to acquire land, predesign, design, construct, install, furnish, and equip a wastewater collection and treatment system, including water stabilization ponds and spray irrigation fields, in and within one-half mile of the city of Randolph.

**Subd. 23. Red Rock Rural Water System**5,500,000

For a grant to the Red Rock Rural Water System to design, construct, furnish, and equip a new water treatment plant, a new water tower, and installation of approximately 110 miles of ten-inch through two-inch water main, and other improvements to infrastructure required for an expansion of the Red Rock Rural Water System, to be built and located in Murray and Cottonwood Counties.

**Subd. 24. Rice Lake; Sewer, Water, and Utilities Extension**1,000,000

For a grant to the city of Rice Lake to acquire land, predesign, design, construct, furnish, and equip an extension of clean water, sanitary sewer, storm sewer, and utilities to a commercial and industrial park on North Rice Lake Road in Rice Lake.

**Subd. 25. Royaltown; Clean Water and Storm Sewer Infrastructure**900,000

For a grant to the city of Royaltown to design, engineer, and construct publicly owned infrastructure in conjunction with reconstruction of marked U.S. Highway 10 in Royaltown. This appropriation includes money for replacement of and upgrades to the water main and other municipal clean drinking water infrastructure and the storm sewer drainage system.

**Subd. 26. South Haven; Wells**1,700,000

For a grant to the city of South Haven to acquire land, predesign, design, construct, furnish, and equip two new wells in Wright County.

**Subd. 27. South St. Paul; Concord Street Public Utilities**2,000,000

For a grant to the city of South St. Paul to predesign, design, construct, and install sanitary sewer, water main, and storm sewer improvements, including removal of replaced infrastructure as necessary, in the Concord Street corridor in conjunction with the reconstruction and renovation of the street.

**Subd. 28. Spring Park; City Utilities**1,500,000

For a grant to the city of Spring Park for improvements to the city's water and sewer system in the northwest area of the city on West Arm Drive.

**Subd. 29. Two Harbors; Wastewater Treatment Plant**10,750,000

For a grant to the city of Two Harbors to predesign, design, construct, furnish, and equip improvements to the wastewater treatment facility in the city of Two Harbors, including a new



activated sludge biological treatment system and mercury removal improvements, new aeration basins, final clarifiers, biosolids treatment units, mercury filter backwash supply tank, operations and controls building, and associated electrical and controls equipment.

**Subd. 30. Twin Lakes Township; Water Infrastructure** 7,500,000

For a grant to Twin Lakes Township for the design and construction of a water distribution system, support facilities, and related water improvements, including a water main extension from the city of Carlton, along marked Trunk Highway 210 in Carlton County.

**Subd. 31. Vernon Center; Water Infrastructure Improvements** 7,984,000

For a grant to the city of Vernon Center to predesign, design, construct, furnish, and equip water infrastructure improvements, including refurbishing a water tower, and replacement of wastewater collection, water distribution systems, storm sewer system improvements, and related local road improvements.

**Subd. 32. Waldorf; Water Infrastructure Improvements** 858,000

For a grant to the city of Waldorf to complete the construction of water, wastewater, street, and storm sewer improvements.

**Subd. 33. West St. Paul; Lift Stations** 2,200,000

For a grant to the city of West St. Paul for upgrades to lift stations 1 and 2.

**Sec. 23. MINNESOTA HOUSING FINANCE AGENCY** **\$16,000,000**

To the Minnesota Housing Finance Agency for transfer to the housing development fund to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and publicly owned. Priority may be given to proposals that maximize nonstate resources to finance the capital costs and requests that prioritize health, safety, and energy improvements. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

**Sec. 24. MINNESOTA HISTORICAL SOCIETY**

**Subdivision 1. Total Appropriation** **\$3,100,000**

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

**Subd. 2. Historic Sites Asset Preservation**2,350,000

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.

**Subd. 3. County and Local Preservation Grants**750,000

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

**Sec. 25. BOND SALE EXPENSES****Subdivision 1. Total Appropriation****\$1,363,000**

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

**Subd. 2. Bond Proceeds Fund**1,363,000

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

**Sec. 26. BOND SALE AUTHORIZATION.**

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 \$1,120,671,000 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 \$242,959,000 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.

**Sec. 27. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

(a) The amounts of the general obligation bond proceeds appropriations and trunk highway bond proceeds appropriations listed in the cancellation report submitted to the legislature in January 2020, pursuant to Minnesota Statutes, section 16A.642, are canceled on the effective date of this section. The corresponding bond sale authorizations are reduced by the same amounts. If an appropriation in this section is canceled more than once, the cancellation must be given effect only once.

(b) The unobligated amount remaining from the appropriation in Laws 2018, chapter 214, article 1, section 21, subdivision 27, is canceled. The bond sale authorization in Laws 2018, chapter 214, article 1, section 26, subdivision 1, is reduced by the same amount.

Sec. 28. **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, 2021, no more than \$1,139,311,000 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. 29. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 2  
TRUNK HIGHWAY BONDS

Section 1. **BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway 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, articles XI and XIV. Unless otherwise specified, money appropriated in this article 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.

**SUMMARY**

<u>Department of Transportation</u>	<u>\$300,000,000</u>
<u>Department of Management and Budget</u>	<u>300,000</u>
<b><u>TOTAL</u></b>	<b><u>\$300,300,000</u></b>

**APPROPRIATIONS**

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. <b><u>State Road Construction</u></b>	<b><u>\$84,000,000</u></b>
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(a) From the bond proceeds account in the trunk highway fund for the environmental analysis, predesign, design, engineering, construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the construction program, consultant usage to support these activities, and the cost of payments to landowners for lands acquired for highway rights-of-way. The amount under this subdivision must be allocated to maintain regional balance throughout the state. The commissioner may use up to 17 percent of this amount for program delivery.

(b) This appropriation is primarily for keeping projects in the State Transportation Improvement Program on schedule due to reduced revenues from the COVID-19 pandemic. If the appropriation is not needed for keeping projects on schedule, it is available for other trunk highway construction, reconstruction and improvement projects identified through the Capital Highway Investment Plan.

(c) Projects to construct, reconstruct, or improve trunk highways from this appropriation will follow eligible investment priorities identified in the State Highway Investment Plan, and may include pavements, bridges, culverts, flood mitigation, traveler safety, greater Minnesota mobility and Twin Cities mobility, freight, bicycle and pedestrian infrastructure, regional and community improvement priorities, interchange construction or reconstruction, and lane additions, in addition to the associated installation of safety barriers, lighting, signage, noise mitigation measures, and retaining walls.

**Subd. 2. Railroad Grade Separations**

**110,000,000**

From the bond proceeds account in the trunk highway fund to construct rail safety projects at highway-railroad grade crossings in accordance with Minnesota Statutes, section 219.016.

**Subd. 3. Project Development**

**25,000,000**

From the bond proceeds account in the trunk highway fund for environmental analysis, predesign, design and engineering and right-of-way acquisition for regional and community investment priority projects on the trunk highway system identified in the State Highway Investment Plan to prepare the projects for construction and application for federal grants or other funding opportunities. In consultation with the commissioner of Minnesota Management and Budget, the commissioner of transportation is authorized to use funds from this appropriation on existing bond-eligible trunk highway projects within the State Transportation Improvement Program.

**Subd. 4. Flood Mitigation**

**23,000,000**

From the bond proceeds account in the trunk highway fund for reconstruction of a trunk highway that experiences frequent flooding in Sibley County, to raise the roadway elevation and reduce closures due to river flooding, for portions of this project that are eligible for trunk highway bond proceeds.

**Subd. 5. Facilities Capital Program**

**58,000,000**

From the bond proceeds account in the trunk highway fund for the transportation facilities capital improvement program under Minnesota Statutes, section 174.13.

**Sec. 3. BOND SALE EXPENSES****\$300,000**

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

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

To provide the money appropriated in this article 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 \$300,300,000 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. 5. [174.13] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

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

(1) support the programmatic mission of the department;

(2) extend the useful life of existing buildings; or

(3) renovate or construct facilities to meet the department's current and future operational needs.

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

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

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

Subd. 2. **Standards.** Article XIV of the Minnesota Constitution states that the trunk highway fund may be used for the purposes of constructing, improving, and maintaining the trunk highway system in the state. When allocating funding under this section, the commissioner must review the projects deemed eligible under subdivision 3 and prioritize allocations using the criteria in subdivision 4. Money allocated to a specific project in an act of appropriation or other law must be allocated as provided by the law.

Subd. 3. **Eligible expenditures.** A project is eligible under this section only if it involves the construction, improvement, or maintenance of a capital building asset that is part of the state trunk highway system. These capital building assets include but are not limited to district headquarter buildings, truck stations, salt storage or other unheated storage buildings, deicing and anti-icing facilities, fuel dispensing facilities, highway rest areas, and vehicle weigh and inspection stations.

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

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

Sec. 6. **EFFECTIVE DATE.**

This article is effective the day after enactment.

ARTICLE 3  
EQUITY APPROPRIATIONS

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the general fund in fiscal year 2021 to the state agencies or officials indicated, to be spent for public purposes. These are one-time appropriations. Money appropriated in this article is available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

**APPROPRIATIONS**

Sec. 2. **AGRICULTURE**

Subdivision 1. **Total Appropriation** **\$2,250,000**

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

Subd. 2. **Hmong American Farmers Association** **2,000,000**

For a grant to the Hmong American Farmers Association to purchase approximately 155 acres in Dakota County that the association has leased since 2014, including buildings and improvements on the property.

Subd. 3. **Regenerative Alliance** **250,000**

(a) For a grant to the Regenerative Agriculture Alliance to predesign a poultry processing plant and an associated industrial park aimed at creating new, value-added economic opportunities for local farmers in southeastern Minnesota.

(b) By March 1, 2022, the Regenerative Agriculture Alliance in collaboration with the commissioner of agriculture, must submit a report to the chairs and ranking minority members of the

legislative committees with jurisdiction over agriculture finance on the progress, development, and implementation of the poultry processing plant and industrial park design and their potential to open new market opportunities for local and emerging farmers.

Sec. 3. **METROPOLITAN COUNCIL**

5,125,000

To the Metropolitan Council for a grant to the Minneapolis Park and Recreation Board to predesign, design, construct, renovate, furnish, and equip the first phase of the North Commons Improvement Project, focused on the creation of the field house component of a new recreation center building and the first phase of other community-oriented activity and meeting spaces conceptualized for the building.

Sec. 4. **HUMAN SERVICES**

5,575,000

To the commissioner of human services for a grant to the Red Lake Band of Chippewa Indians to predesign, design, construct, furnish, and equip a family and child services building.

Sec. 5. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation**

**\$17,050,000**

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

Subd. 2. **Minneapolis American Indian Center**

2,600,000

For a grant to the Minneapolis American Indian Center for the same purposes and subject to the same requirements as Laws 2018, chapter 214, article 1, section 21, subdivision 17.

Subd. 3. **Indigenous Peoples Task Force, Minneapolis**

2,000,000

For a grant to the Indigenous Peoples Task Force to design, construct, furnish, and equip the Mikwanedun Audisookon Center in Minneapolis.

Subd. 4. **International Institute of Minnesota**

3,000,000

For a grant to the International Institute of Minnesota to remediate contaminated soil, and to construct, furnish, and equip an expansion of its facilities.

Subd. 5. **Juxtaposition Arts, Minneapolis**

1,000,000

For a grant to Juxtaposition Arts in Minneapolis to acquire property adjacent to its current location to accommodate the growth in its youth art and enterprise programs and complete architectural due diligence for expansion.

**Subd. 6. Cultural Wellness Center, Minneapolis**250,000

For a grant to the Cultural Wellness Center to predesign and design the renovation of Dreamland on 38th in Minneapolis to create a workspace for African-American entrepreneurs to start and expand small businesses and to host community gatherings and events.

**Subd. 7. Baldwin Square, Minneapolis**1,000,000

For a grant to the city of Minneapolis to construct, furnish, and equip the renovation of blighted property located at 4146 Fremont Avenue North, for redevelopment as retail, restaurant, and other commercial space to be known as Baldwin Square. This appropriation includes money for roof replacement, abatement of asbestos and other hazardous materials, replacement of mechanical systems including the electrical, plumbing, and heating, ventilation and air-conditioning (HVAC), and other improvements and betterments of a capital nature.

**Subd. 8. Native American Community Clinic, Minneapolis**3,800,000

For a grant to the Native American Community Clinic in Minneapolis to purchase the building in which the clinic is located.

**Subd. 9. Northwest American Indian Center, Bemidji**2,000,000

For a grant to the Northwest Indian Community Development Center to purchase the building in which they currently operate in the city of Bemidji.

**Subd. 10. Victoria Theater, St. Paul**1,400,000

For a grant to the city of St. Paul to acquire property located at 825 University Avenue West, and to predesign, design, construct, furnish, and equip the renovation of the historic Victoria Theater, to serve as a regional multicultural community and event center. This appropriation includes money for: demolition work; improvements to or replacement of the mechanical, electrical, plumbing, heating, ventilating, and air conditioning systems; repairs to the existing roof and exterior enclosure; site improvements; construction or renovation of interior spaces; and other improvements of a capital nature.

**Sec. 6. EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 4  
APPROPRIATION BONDS

**Section 1. [16A.963] ELECTRIC VEHICLE INFRASTRUCTURE APPROPRIATION BONDS.**

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



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

(1) money appropriated by law from the general fund in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (a);

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

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

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

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

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 for the purposes of financing the cost of acquiring and installing electric vehicle charging infrastructure on publicly owned property. Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the commissioner of administration under subdivision 7, not to exceed \$2,000,000 net of costs of issuance, for the purposes as provided under this subdivision, and to pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under paragraph (d).

(b) Proceeds of the appropriation bonds must be credited to a special appropriation electric vehicle infrastructure 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 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 21 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.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, 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.

(e) 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.

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

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

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

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

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

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

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

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

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

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

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

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

the appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for debt service, or (2) the date of final payment of the principal of and interest on the appropriation bonds.

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under subdivision 2, paragraph (a), and interest credited to the special appropriation electric vehicle infrastructure bond proceeds fund are appropriated as follows:

(1) to the commissioner of administration to design, install, and equip electrical infrastructure and electric vehicle charging stations on state-owned property 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 (d), as permitted by state and federal law.

Subd. 8. **Appropriation for debt service and other purposes.** An amount needed to pay principal and interest on appropriation bonds issued under subdivision 2, paragraph (a), is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special appropriation electric vehicle infrastructure bond proceeds fund. The appropriation is available beginning in fiscal year 2021 and remains available through fiscal year 2042.

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

## **Sec. 2. [16A.964] PUBLIC TELEVISION EQUIPMENT APPROPRIATION BONDS.**

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

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

(1) money appropriated by law from the general fund in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (a);

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

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

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

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

(d) "Equipment" means the physical infrastructure and hardware used for the production, dissemination, interconnection, and transmission of digital media content, the useful life of which may range from seven to 40 years.

(e) "Public station" has the meaning given in section 129D.12, subdivision 2.

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 for the purposes of financing the cost of various items of capital equipment necessary to the ongoing operations of public stations. Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the commissioner of administration under subdivision 7, not to exceed \$15,000,000 net of costs of issuance, for the purposes as provided under this subdivision, and to pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under paragraph (d). Notwithstanding section 129D.155, any money repaid to the commissioner of administration upon a sale or other disposition of equipment acquired under this section shall be transferred to the commissioner and applied toward principal and interest on outstanding bonds.

(b) Proceeds of the appropriation bonds must be credited to a special appropriation public television equipment 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 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 21 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.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, 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.

(e) 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.

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under subdivision 2, paragraph (a), and interest credited to the special appropriation public television equipment bond proceeds fund are appropriated as follows:

(1) to the commissioner of administration for equipment grants to public stations under section 129D.15 and as further specified in subdivision 2, paragraph (a), which grants must be allocated two-sevenths to Twin Cities PBS, one-seventh to KSMQ public television in Austin, one-seventh to Pioneer public television in Granite Falls, one-seventh to Lakeland PBS in Bemidji, one-seventh to Prairie Public in Fargo/Moorhead, and one-seventh to WDSE public television in Duluth; 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 (d), as permitted by state and federal law.

Subd. 8. **Appropriation for debt service and other purposes.** An amount needed to pay principal and interest on appropriation bonds issued under subdivision 2, paragraph (a), is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special appropriation public television equipment bond proceeds fund. The appropriation is available beginning in fiscal year 2021 and remains available through fiscal year 2042.

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

**Sec. 3. [16A.966] RESPONSE TO RELEASES APPROPRIATION BONDS.**

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

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

(1) money appropriated by law from the general fund in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (a);

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

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

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

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

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 for the purposes of financing the cost of implementing removal or remedial actions permitted under section 115B.17 and further subject to the conditions in chapter 115B to address risks to human health and the environment at contaminated sites. Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the commissioner of the Pollution Control Agency under subdivision 7, not to exceed \$30,400,000 net of costs of issuance, for the purposes as provided under this subdivision, and to pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under paragraph (d). Notwithstanding section 115B.17, subdivision 6 or 16, any money recovered in a civil action or any money received from the disposition of property acquired for a response action and financed with bonds under this section shall be transferred to the commissioner and applied toward principal and interest on outstanding bonds.

(b) Proceeds of the appropriation bonds must be credited to a special appropriation state response to releases 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 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 21 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.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, 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.

(e) 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.

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under subdivision 2, paragraph (a), and interest credited to the special appropriation state response to releases bond proceeds fund are appropriated as follows:

(1) to the commissioner of the Pollution Control Agency for removal and remedial actions as specified in subdivision 2, paragraph (a), at the following sites: the Esko Groundwater Contamination Superfund site; the city of Duluth Dump #1 Superfund site; the Perham Arsenic site; and the Precision Plating State Superfund site; 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 (d), as permitted by state and federal law.

Subd. 8. **Appropriation for debt service and other purposes.** An amount needed to pay principal and interest on appropriation bonds issued under subdivision 2, paragraph (a), is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special appropriation state response to releases bond proceeds fund. The appropriation is available beginning in fiscal year 2021 and remains available through fiscal year 2042.

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

Sec. 4. Minnesota Statutes 2018, section 462A.37, subdivision 1, is amended to read:

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

(b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.



- (c) "Community land trust" means an entity that meets the requirements of section 462A.31, subdivisions 1 and 2.
- (d) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on housing infrastructure bonds and the fees, charges, and expenses related to the bonds.
- (e) "Foreclosed property" means residential property where foreclosure proceedings have been initiated or have been completed and title transferred or where title is transferred in lieu of foreclosure.
- (f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter that:
- (1) are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal Revenue Code;
  - (2) finance qualified residential rental projects within the meaning of Section 142(d) of the Internal Revenue Code;
  - (3) finance the construction or rehabilitation of single family houses that qualify for mortgage financing within the meaning of Section 143 of the Internal Revenue Code; or
  - (4) are tax-exempt bonds that are not private activity bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.
- (g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.
- (h) "Senior" means a person 55 years of age or older with an annual income not greater than 50 percent of:
- (1) the metropolitan area median income for persons in the metropolitan area; or
  - (2) the statewide median income for persons outside the metropolitan area.
- (i) "Senior housing" means housing intended and operated for occupancy by at least one senior per unit with at least 80 percent of the units occupied by at least one senior per unit, and for which there is publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for seniors. Senior housing may be developed in conjunction with and as a distinct portion of mixed-income senior housing developments that use a variety of public or private financing sources.
- (j) "Supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Sec. 5. Minnesota Statutes 2019 Supplement, section 462A.37, subdivision 2, is amended to read:

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

- (1) to finance the costs of the construction, acquisition, and rehabilitation of supportive housing for individuals and families who are without a permanent residence;
- (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

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

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

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

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

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

(8) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction of single family housing.

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

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

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

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

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

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

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

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

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

To the extent practicable, the agency shall balance the loans made between projects in the metropolitan area and projects outside the metropolitan area. Of the loans made to projects outside the metropolitan area, the agency shall, to the extent practicable, balance the loans made between projects in counties or cities with a population of 20,000 or less, as established by the most recent decennial census, and projects in counties or cities with populations in excess of 20,000.

Sec. 6. Minnesota Statutes 2018, section 462A.37, is amended by adding a subdivision to read:

Subd. 2g. **Additional authorization.** In addition to the amount authorized in subdivisions 2 to 2f, the agency may issue up to \$100,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

Sec. 7. Minnesota Statutes 2019 Supplement, section 462A.37, subdivision 5, is amended to read:

**Subd. 5. Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under ~~subdivisions 2a to 2f~~ this section.

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

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

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

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

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

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

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

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

Sec. 8. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 5  
MISCELLANEOUS

Section 1. Minnesota Statutes 2018, section 16A.641, is amended by adding a subdivision to read:

Subd. 4c. **Negotiated sales authority.** Notwithstanding the public sale requirements of subdivision 4 and section 16A.66, subdivision 2, the commissioner may sell bonds, including refunding bonds, at negotiated sale.

Sec. 2. Minnesota Statutes 2019 Supplement, section 16A.968, subdivision 3, is amended to read:

Subd. 3. **Appropriation bonds authorization.** (a) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds to the commissioner of employment and economic development under subdivision 8, not to exceed \$97,720,000 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under subdivision 2, paragraph (d). Notwithstanding section 16A.642, this authorization is available until December 31, 2027.

(b) The bonds authorized by this subdivision are for the purposes of financing public infrastructure projects authorized and approved by the city of Duluth under sections 469.50 to 469.54. No bonds shall be sold under this subdivision until: (1) there has been a request pursuant to subdivision 2, paragraph (a); and (2) for any parking structure the requirements in section 469.54, subdivisions 2 and 3, paragraph (a), have been met. Upon certification of the required qualified expenditures under section 469.54, subdivision 3, paragraph (a), by a medical business entity, bonds may be sold for a parking structure or structures benefiting that medical business entity, notwithstanding the status of certified qualified expenditures for another medical business entity.

Sec. 3. Minnesota Statutes 2018, section 16B.86, is amended to read:

**16B.86 PRODUCTIVITY BUILDING EFFICIENCY REVOLVING LOAN ACCOUNT.**

The productivity building efficiency revolving loan account is a ~~special~~ an account in the ~~state treasury special revenue fund.~~ Money in the account is appropriated to the commissioner of administration to make loans to finance agency projects that will result in either reduced energy savings or other operating costs or increased revenues, or both, cost reductions for a state agency.

Sec. 4. Minnesota Statutes 2018, section 16B.87, is amended to read:

**16B.87 AWARD AND REPAYMENT OF PRODUCTIVITY BUILDING EFFICIENCY LOANS.**

Subdivision 1. **Committee.** The Productivity Building Efficiency Revolving Loan Committee consists of the commissioners of administration, management and budget, and ~~revenue~~ Pollution Control Agency. The commissioner of administration serves as chair of the committee. The members serve without compensation or reimbursement for expenses.

Subd. 2. **Award and terms of loans.** An agency shall apply for a loan on a form provided by the commissioner of administration. The committee shall review applications for loans and shall award a loan based upon criteria adopted by the committee. The committee shall determine the amount, interest, and other terms of the loan. The time for repayment of a loan may not exceed ~~five~~ seven years.

Subd. 3. **Repayment.** An agency receiving a loan under this section shall repay the loan according to the terms of the loan agreement. The principal and interest must be paid to the commissioner of administration who shall deposit it in the ~~productivity building efficiency revolving loan fund~~ account.

Sec. 5. Minnesota Statutes 2018, section 41B.025, is amended by adding a subdivision to read:

Subd. 9. **Report.** The authority shall submit quarterly reports to the governor and the legislative committees and divisions with jurisdiction over agriculture and capital investment that provide an estimate of when funding for the authority's state bond-financed loan programs is projected to be exhausted.

Sec. 6. Minnesota Statutes 2018, section 115A.0716, is amended to read:

**115A.0716 ENVIRONMENTAL ASSISTANCE GRANT AND LOAN ~~PROGRAM~~ PROGRAMS.**

Subdivision 1. **Environmental assistance grants.** (a) The commissioner may make grants to any person for the purpose of researching, developing, and implementing projects or practices related to collection, processing, recycling, reuse, resource recovery, source reduction, and prevention of waste, hazardous substances, toxic pollutants, and problem materials; the development or implementation of pollution prevention projects or practices; the collection, recovery, processing, purchasing, or market development of recyclable materials or compost; resource conservation; and for environmental education.

(b) In making grants under paragraph (a), the ~~agency commissioner~~ may give priority to projects or practices that have broad application in the state and are consistent with the policies established under sections 115A.02 and 115D.02.

(c) The commissioner shall adopt rules to administer the grant program.

(d) For the purposes of this section:

(1) "pollution prevention" has the meaning given it in section 115D.03;

(2) "toxic pollutant" has the meaning given it in section 115D.03; and

(3) "hazardous substance" has the meaning given it in section 115D.03.

Subd. 2. **Loans.** (a) The commissioner may make loans, or participate in loans, for capital costs or improvements related to any of the activities listed in subdivision 1.

(b) The commissioner may work with financial institutions or other financial assistance providers in participating in loans under this section. The commissioner may contract with financial institutions or other financial assistance providers for loan processing and/or administration.

(c) The commissioner may also make grants, as authorized in subdivision 1, to enable persons to receive loans from financial institutions or to reduce interest payments for those loans.

(d) In making loans, the agency may give priority to projects or practices that have broad application in the state and are consistent with the policies established under sections 115A.02 and 115D.02.

(e) The commissioner shall adopt rules to administer the loan program.

Subd. 3. **Revolving account.** All repayments of loans awarded under this section, including principal and interest, must be credited to the environmental fund. Money deposited in the fund under this section is annually appropriated to the commissioner for loans for purposes identified in subdivisions 1 and 2.

Subd. 4. **Sustainable communities and climate resiliency grants.** (a) The commissioner may make grants to local governments for the purpose of building sustainable and resilient storm water infrastructure projects to mitigate flood risks and impacts of extreme weather events. Grants awarded under this subdivision are intended to cover up to 75 percent of the eligible costs of a storm water infrastructure project and may not exceed \$4,000,000 per project.

(b) In awarding a grant under this subdivision, preference shall be given to projects that:

(1) address inadequate storm water infrastructure;

(2) reduce incidences of community flooding during extreme weather events;

(3) address aging and undersized storm water sewers;

(4) reduce the impact on water treatment systems;

(5) incorporate green infrastructure and low-impact development storm water practices; and

(6) demonstrate nonstate financial participation in the project.

(c) For the purposes of this subdivision, "storm water infrastructure" means a publicly owned conveyance or system of conveyances including roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains designed or used for collecting or conveying storm water.

Sec. 7. **[116J.417] GREATER MINNESOTA CHILD CARE FACILITY CAPITAL GRANT PROGRAM.**

Subdivision 1. **Purpose.** The purpose of the greater Minnesota child care facility capital grant program established in this section is to keep or enhance jobs, increase the tax base, or expand or create new economic development in the area in which the grants are made, by providing facilities for the child care necessary to support workers and their families.

Subd. 2. **Creation of accounts.** Two greater Minnesota child care facility capital grant accounts are created. One account is created in the general fund and one in the bond proceeds fund. Money in the accounts is appropriated to the commissioner to make grants under this section. Money in the greater Minnesota child care facility capital grant accounts is available until encumbered or spent subject to section 16A.642.

Subd. 3. **Eligible applicant.** (a) A city, county, or school district, or a joint powers board established by two or more cities, counties, or school districts is eligible to apply for and receive a grant from either greater Minnesota child care facility capital grant account established in this section.

(b) A private child care provider licensed as a child care center or to provide in-home family child care is eligible to apply for and receive a grant from the greater Minnesota child care facility capital grant account in the general fund.

(c) An applicant must be located outside of the metropolitan area as defined in section 473.121, subdivision 2.

Subd. 4. **Local government authority.** A city, county, or school district may own a child care facility and operate a child care facility program that meets the requirements for state licensing under Minnesota Rules, chapter 9503. A city, county, or school district may enter into a lease or management agreement with one or more licensed child care providers to operate a child care program in a facility owned by the city, county, or school district. A lease or management agreement for state bond-financed property is subject to section 16A.695.

Subd. 5. **Eligible project.** (a) A grant may be used to acquire land or an interest in land, predesign, design, renovate, construct, furnish, and equip facilities in which to provide child care or for other child care facility improvements that support the purposes for which this grant program is established. Money from the account in the general fund may also be used to upgrade or expand existing nonprofit child care facilities for purposes of meeting state requirements.

(b) All projects must increase child care capacity in the community that is served by the provider and meet all state requirements for child care facilities or programs.

Subd. 6. **Grants.** (a) The commissioner shall make grants to eligible applicants to provide up to 50 percent of the capital costs of eligible child care facility capital projects. An eligible applicant 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 cost of project elements made before or after the grant award is made.

(b) The commissioner may also distribute money from the general fund account through a regional organization within the meaning of section 15.75 to provide grants to eligible applicants based on the manner of application and criteria established by the commissioner.

(c) If the commissioner awards a grant for less than 50 percent of the project cost, the commissioner must 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 for awarding less than 50 percent.

Subd. 7. **Application; criteria.** The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. An applicant shall apply for a grant in the manner and at the times the commissioner shall determine. At a minimum, an application must include:

(1) evidence of the need for improved, expanded, or new child care facilities in the area;

(2) a description of the new or expanded facility or other improvements to be made;

(3) a description of the specific state requirements making improvements necessary, if applicable;

(4) estimated costs of the capital project and the sources of funding to complete it;

(5) estimated costs of the expanded services and the sources of funding to provide them;

(6) the applicant's analysis of the expected economic benefits to the area in which the project would be located;

(7) the feasibility study that shows the financial and operational sustainability of the project funded;

(8) the average number of children provided care by the applicant during the year prior to the application, if any, and the expected number of children that could be provided child care after the proposed project is completed; and

(9) other information that the commissioner determines is necessary or useful in evaluating the impact of the proposed project on the local economy.

Subd. 8. **Maximum grant amount.** Grants must not be awarded for more than \$500,000 per project or more than \$2,000,000 in two years to an applicant for one or more projects in the same city or county.

Subd. 9. **Cancellation of grant; return of money.** If the commissioner determines that a grantee is unable to proceed with an approved project or has not expended or obligated the grant money within five years of entering into the grant agreement with the commissioner, the commissioner shall cancel the grant and the money is available for the commissioner to make other grants under this section. Money made available to the commissioner from a canceled grant is subject to cancellation under section 16A.642 as if it had been appropriated to the program in the year in which the grant is canceled.

Sec. 8. Minnesota Statutes 2018, section 123B.53, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, ~~including the amounts necessary for repayment of debt service loans, capital loans, and lease purchase payments under section 126C.40, subdivision 2, excluding long term facilities maintenance levies under section 123B.595~~ excluding the amounts listed in paragraph (b), minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 123B.61;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or Douglas J. Johnson economic protection trust, excluding the portion of taconite payments from the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a;

(3) ~~obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24~~ obligations for long-term facilities maintenance under section 123B.595;

(4) obligations under section 123B.62; and

(5) obligations equalized under section 123B.535.

(c) For purposes of this section, if a preexisting school district reorganized under sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the preexisting district's bonded indebtedness, ~~or capital loans or debt service loans,~~ debt service equalization aid must be computed separately for each of the preexisting districts.

(d) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

Sec. 9. Minnesota Statutes 2018, section 123B.53, subdivision 4, is amended to read:

Subd. 4. **Debt service equalization revenue.** (a) The debt service equalization revenue of a district equals the sum of the first tier debt service equalization revenue and the second tier debt service equalization revenue.



(b) The first tier debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue minus the amount raised by a levy of 15.74 percent times the adjusted net tax capacity of the district minus the second tier debt service equalization revenue of the district.

(c) The second tier debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue, minus the amount raised by a levy of 26.24 percent times the adjusted net tax capacity of the district.

(d) Notwithstanding paragraphs (b) and (c), for a district with a capital loan under sections 126C.60 to 126C.72, the first tier debt equalization revenue equals zero, and the second tier debt equalization revenue equals the portion of the district's eligible debt service levy under subdivision 2 in excess of the district's maximum effort debt service levy under section 126C.63, subdivision 8.

Sec. 10. Minnesota Statutes 2018, section 126C.63, subdivision 8, is amended to read:

Subd. 8. **Maximum effort debt service levy.** ~~(a)~~ "Maximum effort debt service levy" means the lesser of:

(1) a levy in whichever of the following amounts is applicable:

~~(i) in any district receiving a debt service loan for a debt service levy payable in 2002 and thereafter, or granted a capital loan after January 1, 2002, a levy in total dollar amount computed at a rate of 33.59 percent of adjusted net tax capacity for taxes payable in 2002 and thereafter; or~~

~~(ii) in any district receiving a debt service loan for a debt service levy payable in 2001 or earlier, or granted a capital loan before January 2, 2002, a levy in a total dollar amount computed at a rate of 29.39 percent of adjusted net tax capacity for taxes payable in 2002 and thereafter; or~~

~~(2) a levy in any district for which a capital loan was approved prior to August 1, 1981, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted.~~

~~(b) The board in any district affected by the provisions of paragraph (a), clause (2), may elect instead to determine the amount of its levy according to the provisions of paragraph (a), clause (1). If a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of paragraph (a), clause (2), the liability of the district for the amount of the difference between the amount it levied under paragraph (a), clause (2), and the amount it would have levied under paragraph (a), clause (1), and for interest on the amount of that difference, must not be satisfied and discharged pursuant to Minnesota Statutes 1988, or an earlier edition of Minnesota Statutes if applicable, section 124.43, subdivision 4.~~

(2) the unpaid balance on the district's capital loan after deducting the amount to be paid on the district's capital loan in December of the year in which the levy is certified.

Sec. 11. Minnesota Statutes 2018, section 126C.66, subdivision 3, is amended to read:

Subd. 3. **Principal interest Payments.** All payments of principal and interest on debt service notes or on capital loan contracts, as received by the commissioner, are appropriated to the loan repayment account.

Sec. 12. Minnesota Statutes 2018, section 126C.69, as amended by Laws 2019, First Special Session chapter 10, article 3, section 40, is amended to read:

**126C.69 CAPITAL GRANTS AND LOANS.**

Subdivision 1. **Capital grant and loan requests and uses.** Capital grants and loans are available only to qualifying districts. Capital grants and loans must not be used for the construction of swimming pools, ice arenas, athletic facilities, auditoriums, bus garages, or heating system improvements. Proceeds of the grants and loans may be used only for sites for education facilities and for acquiring, bettering, furnishing, or equipping education facilities. Contracts must be entered into within 18 months after the date on which each grant and loan is ~~granted~~ approved. For purposes of this section, "education facilities" includes space for Head Start programs and social service programs.

Subd. 2. **Capital loans grant and loan eligibility.** Beginning July 1, ~~1999~~ 2020, a district is not eligible for a capital grant and loan unless the district's estimated net debt tax rate as computed by the commissioner after debt service equalization aid would be more than 41.98 percent of adjusted net tax capacity. The estimate must assume a 20-year maturity schedule for new debt.

Subd. 3. **District request for review and comment.** A district or a joint powers district that intends to apply for a capital grant and loan must submit a proposal to the commissioner for review and comment according to section 123B.71 by July 1 of an odd-numbered year. The commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility. In addition to the information provided under section 123B.71, subdivision 9, the commissioner shall require that predesign packages comparable to those required under section 16B.335 be prepared by the applicant school district. The predesign packages must be sufficient to define the scope, cost, and schedule of the project and must demonstrate that the project has been analyzed according to appropriate space needs standards and also consider the following criteria in determining whether to make a positive review and comment.

(a) To grant a positive review and comment the commissioner shall determine that all of the following conditions are met:

- (1) the facilities are needed for pupils for whom no adequate facilities exist or will exist;
- (2) there is evidence to indicate that the facilities will have a useful public purpose for at least the term of the bonds;
- (3) no form of cooperation with another district would provide the necessary facilities;
- (4) the facilities are comparable in size and quality to facilities recently constructed in other districts that have similar enrollments;
- (5) the facilities are comparable in size and quality to facilities recently constructed in other districts that are financed without a capital loan;
- (6) the district is projected to have adequate funds in its general operating budget to support a quality education for its students for at least the next five years;
- (7) the current facility poses a threat to the life, health, and safety of pupils, and cannot reasonably be brought into compliance with fire, health, or life safety codes;
- (8) the district has made a good faith effort, as evidenced by its maintenance expenditures, to adequately maintain the existing facility during the previous ten years and to comply with fire, health, and life safety codes and state and federal requirements for accessibility for people with disabilities;
- (9) the district has made a good faith effort to encourage integration of social service programs within the new facility;

(10) evaluations by boards of adjacent districts have been received; and

(11) the proposal includes a comprehensive technology plan that assures information access for the students, parents, and community.

(b) The commissioner may grant a negative review and comment if:

(1) the state demographer has examined the population of the communities to be served by the facility and determined that the communities have not grown during the previous five years;

(2) the state demographer determines that the economic and population bases of the communities to be served by the facility are not likely to grow or to remain at a level sufficient, during the next ten years, to ensure use of the entire facility;

(3) the need for facilities could be met within the district or adjacent districts at a comparable cost by leasing, repairing, remodeling, or sharing existing facilities or by using temporary facilities;

(4) the district plans do not include cooperation and collaboration with health and human services agencies and other political subdivisions; or

(5) if the application is for new construction, an existing facility that would meet the district's needs could be purchased at a comparable cost from any other source within the area.

**Subd. 4. Multiple district proposals; review and comment.** In addition to the requirements of subdivision 3, the commissioner may use additional requirements to determine a positive review and comment on projects that are designed to serve more than one district. These requirements may include:

(1) reducing or increasing the number of districts that plan to use the facility;

(2) location of the facility; and

(3) formation of a joint powers agreement among the participating districts.

**Subd. 5. Adjacent district comments.** The district must present the proposed project to the board of each adjacent district at a public meeting of that district. The board of an adjacent district must make a written evaluation of how the project will affect the future education and building needs of the adjacent district. The board must submit the evaluation to the applying district within 30 days of the meeting.

**Subd. 6. District application for capital grant and loan.** The school board of a district desiring a capital grant and loan shall adopt a resolution stating the amount proposed to be ~~borrowed~~ funded, the purpose for which the ~~debt is to be incurred~~ funding is requested, and an estimate of the dates when the facilities for which the ~~loan~~ funding is requested will be contracted for and completed. Applications for grants and loans must be accompanied by a copy of the adopted board resolution and copies of the adjacent district evaluations. The commissioner shall retain the evaluation as part of a permanent record of the district submitting the evaluation.

Applications must be in the form and accompanied by the additional data required by the commissioner. Applications must be received by the commissioner by September 1 of an odd-numbered year. A district must resubmit an application each odd-numbered year. Capital grant and loan applications that do not receive voter approval or are not approved in law cancel July 1 of the year following application. When an application is received, the commissioner shall obtain from the commissioner of revenue the information in the Revenue Department's official records that is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.

Subd. 7. **Commissioner review; district proposals.** By November 1 of each odd-numbered year, the commissioner must review all applications for capital grants and loans that have received a positive review and comment. When reviewing applications, the commissioner must consider whether the criteria in subdivision 3 have been met. The commissioner may not approve an application if all of the required deadlines have not been met. The commissioner may either approve or reject an application for a capital grant and loan.

Subd. 8. **Commissioner recommendations.** The commissioner shall examine and consider applications for capital grants and loans that have been approved and promptly notify any district rejected of the decision.

The commissioner shall report each capital grant and loan that has been approved by the commissioner and that has received voter approval to the education committees of the legislature by January 1 of each even-numbered year. The commissioner must not report a capital grant and loan that has not received voter approval. The commissioner shall also report on the money remaining in the capital loan account and, if necessary, request that another bond issue be authorized.

Subd. 9. **Grant and loan amount limits.** (a) A grant and loan must not be recommended for approval for a district exceeding an amount computed as follows:

(1) the amount requested by the district under subdivision 6;

(2) plus the aggregate principal amount of general obligation bonds of the district outstanding on June 30 of the year following the year the application was received, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or 637 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(3) less the maximum net debt permissible for the district on December 1 of the year the application is received, under the limitation in section 475.53, subdivision 4, or 637 percent of its adjusted net tax capacity as most recently determined, whichever is less;

(4) less any amount by which the amount voted exceeds the total cost of the facilities for which the grant and loan is ~~granted~~ approved.

(b) The grant and loan may be approved in an amount computed as provided in paragraph (a), clauses (1) to (3), subject to later reduction according to paragraph (a), clause (4).

(c) The loan amount equals the lesser of the total grant and loan approved or:

(1) the product of the maximum effort tax rate times 50 times the district's most recent adjusted net tax capacity at the time the capital grant and loan is approved under subdivision 10, minus

(2) the district's capital loan balance outstanding at the time the capital grant and loan is approved under subdivision 10, minus

(3) the district's principal and interest balance outstanding for eligible bonds issued for prior capital projects at the time the capital loan and grant is approved.

(d) The grant amount equals the difference between the total grant and loan approved and the loan amount under paragraph (c).

Subd. 10. **Legislative action.** Each capital grant and loan must be approved in a law.

If the aggregate amount of the capital grants and loans exceeds the amount that is or can be made available, the commissioner shall allot the available amount among any number of qualified applicant districts, according to the commissioner's judgment and discretion, based upon the districts' respective needs.

Subd. 11. **District referendum.** After receipt of the review and comment on the project and before January 1 of the even-numbered year, the question authorizing the borrowing of money for the facilities must be submitted by the school board to the voters of the district at a regular or special election. The question submitted must state the total amount to be borrowed from all sources. Approval of a majority of those voting on the question is sufficient to authorize the issuance of the obligations on public sale in accordance with chapter 475. The face of the ballot must include the following statement: "APPROVAL OF THIS QUESTION DOES NOT GUARANTEE THAT THE SCHOOL DISTRICT WILL RECEIVE A CAPITAL GRANT AND LOAN FROM THE STATE. THE GRANT AND LOAN MUST BE APPROVED BY THE STATE LEGISLATURE AND IS DEPENDENT ON AVAILABLE FUNDING." The district must mail to the commissioner a certificate by the clerk showing the vote at the election.

Subd. 12. **Contract.** (a) Each capital grant and loan must be evidenced by a contract between the district and the state acting through the commissioner. The contract must obligate the state to reimburse the district, from the maximum effort school loan fund, for eligible capital expenses for construction of the facility for which the grant and loan is granted approved, an amount computed as provided in subdivision 9. The commissioner must receive from the district a certified resolution of the board estimating the costs of construction and reciting that contracts for construction of the facilities for which the grant and loan is granted approved have been awarded, that bonds of the district have been issued and sold or that other district funds have been set aside in the amount necessary to pay all estimated costs of construction in excess of the amount of the grant and loan, and that all work, when completed, meets or exceeds standards established in the State Building Code. The contract must obligate the district to repay the loan out of the excesses of its maximum effort debt service levy over its required debt service levy, ~~including interest at a rate equal to the weighted average annual rate payable on Minnesota state school loan bonds issued or reissued for the project.~~ Beginning July 1, 2020, no interest assessments shall be made on capital loan balances.

(b) The district must each year, as long as it is indebted to the state, levy for debt service (i) the amount of its maximum effort debt service levy or (ii) the amount of its required debt service levy, whichever is greater, ~~except as the required debt service levy may be reduced by a loan under section 126C.68.~~ The district shall remit payments to the commissioner according to section 126C.71. The actual debt service levy shall be adjusted under section 477A.09.

(c) The commissioner shall supervise the collection of outstanding accounts due the fund and may, by notice to the proper county auditor, require the maximum levy to be made as required in this subdivision. ~~Interest on capital loans must be paid on December 15 of the year after the year the loan is granted and annually in later years.~~ By September 30, the commissioner shall notify the county auditor of each county containing taxable property situated within the district of the amount of the maximum effort debt service levy of the district for that year. The county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified.

Subd. 13. **Loan forgiveness.** If any capital loan is not paid within 50 years after it is granted from maximum effort debt service levies in excess of required debt service levies, the liability of the district on the loan is satisfied and discharged and interest on the loan ceases.

Subd. 14. **Participation by county auditor; record of contract; payment of loan.** The district must file a copy of the capital loan contract with the county auditor of each county in which any part of the district is situated. The county auditor shall enter the capital loan, evidenced by the contract, in the auditor's bond register. The commissioner shall keep a record of each capital grant and loan ~~and~~ contract showing the name and address of the district, the date of the contract, and the amount of the grant and loan initially approved. On receipt of the resolution required in subdivision 12 ~~and documentation of expenditures under the contract,~~ the commissioner shall issue payments, ~~which may be dispersed in accordance with the schedule in the contract,~~ on the capital grant and loan account for the amount that may be disbursed under subdivision 1. ~~Interest on each disbursement of the capital loan amount accrues from the date on which the commissioner of management and budget issues the payment.~~

Subd. 15. **Bond sale limitations.** (a) A district having an outstanding state loan must not issue and sell any bonds on the public market, except to refund state loans, unless it agrees to make the maximum effort debt service levy in each later year at the higher rate provided in section 126C.63, subdivision 8, and unless it schedules the maturities of the bonds according to section 475.54, subdivision 2. A district that refunds bonds at a lower interest rate may continue to make the maximum effort debt service levy in each later year at the current rate provided in section 126C.63, subdivision 8, if the district can demonstrate to the commissioner's satisfaction that the district's repayments of the state loan will not be reduced below the previous year's level. The district must report each sale to the commissioner.

(b) For a capital loan issued prior to July 1, 2001, after the district's capital loan has been outstanding for 30 years, the district must not issue bonds on the public market except to refund the loan.

(c) For a capital loan issued on or after July 1, 2001, after the district's capital loan has been outstanding for 20 years, the district must not issue bonds on the public market except to refund the loan.

Sec. 13. Minnesota Statutes 2018, section 126C.71, is amended to read:

**126C.71 PAYMENT AND APPLICATIONS OF PAYMENT.**

Subdivision 1. **Payment.** (a) On November 20 of each year, each district having an outstanding capital loan or debt service loan shall compute the excess amount in the debt redemption fund. The commissioner shall prescribe the form and calculation to be used in computing the excess amount. A completed copy of this form shall be sent to the commissioner before December 1 of each year. The commissioner may recompute the excess amount and shall promptly notify the district of the recomputed amount.

~~(b)~~ On December 15 of each year, the district shall remit to the commissioner, at a minimum, an amount equal to the greater of:

(i) the excess amount in the debt redemption fund; or

(ii) the amount by which the maximum effort debt service levy exceeds the required debt service levy for that calendar year.

~~Any late payments shall be assessed an interest charge using the interest rates specified for the debt service notes and capital loan contracts.~~

~~(c)~~ ~~(b)~~ If a payment required under ~~the Maximum Effort School Aid Law~~ paragraph (a) is not made within 30 days, the commissioner may reduce any subsequent payments due the district under this chapter and chapters 120B, 122A, 123A, 123B, 124D, 125A, and 127A by the amount due, after providing written notice to the district.

Subd. 2. **Application of payments.** The commissioner shall apply payments received under ~~the Maximum Effort School Aid Law and aids withheld according to~~ subdivision 1, ~~paragraph (b), as follows: First, to payment of interest accrued on its notes, if any; second, to interest on its contracts, if any; third, toward principal of its notes, if any; and last, toward~~ the principal of its contracts, ~~if any.~~ While more than ~~one note or more than one~~ contract is held, priority of payment ~~of interest~~ must be given to the one of earliest date, ~~and after interest accrued on all notes is paid, similar priority shall be given in the application of any remaining amount to the payment of principal. In any year when the receipts from a district are not sufficient to pay the interest accrued on any of its notes or contracts, the deficiency must be added to the principal, and the commissioner shall notify the district and each county auditor concerned of the new amount of principal of the note or contract.~~

Sec. 14. Minnesota Statutes 2018, section 134.45, subdivision 5, is amended to read:

Subd. 5. **Qualification; accessibility grants.** A public library jurisdiction may apply for a grant in an amount up to ~~\$200,000~~ \$450,000 or 50 percent of the approved costs of removing architectural barriers from a building or site, whichever is less. Grants may be made only for projects in existing buildings used as a library, or to prepare another existing building for use as a library. Renovation of an existing building may include an addition to the building if the additional space is necessary to provide accessibility or if relocating public spaces to the ground level provides improved overall accessibility. Grants must not be used to pay part of the cost of meeting accessibility requirements in a new building.

Sec. 15. Minnesota Statutes 2018, section 137.61, is amended to read:

#### **137.61 PURPOSE.**

Sections 137.61 to 137.65 provide for a biomedical science research funding program to further the investment in biomedical science research facilities in Minnesota to benefit the state's economy, advance the biomedical technology industry, benefit human health, and facilitate research collaboration between the University of Minnesota and other private and public institutions in this state. Sections 137.61 to 137.65 also provide funding for design, land acquisition, site preparation, and preconstruction services for the new clinical research facility on the University of Minnesota's Twin Cities campus.

Sec. 16. Minnesota Statutes 2018, section 137.62, subdivision 2, is amended to read:

Subd. 2. **Biomedical science research facility.** "Biomedical science research facility" means a facility located on the campus of the University of Minnesota to be used as a research facility and laboratory for biomedical science and biomedical technology. A hospital licensed under sections 144.50 to 144.56 is not a biomedical science research facility. Biomedical science research facility includes the clinical research facility defined in this section.

Sec. 17. Minnesota Statutes 2018, section 137.62, is amended by adding a subdivision to read:

Subd. 2a. **Clinical research facility.** "Clinical research facility" means a facility located on the Twin Cities campus of the University of Minnesota to connect a broad array of clinical research units and activities from across the university, providing a consolidated home for the Clinical Translational Science Institute and related programs that support education, research, clinical training, and patient care.

Sec. 18. Minnesota Statutes 2018, section 137.63, is amended to read:

#### **137.63 BIOMEDICAL SCIENCE RESEARCH FACILITIES FUNDING PROGRAM.**

Subdivision 1. **Program established.** A biomedical science research facilities funding program is established to provide appropriations to the Board of Regents of the University of Minnesota for up to 75 percent of the project costs for each of four projects approved by the Board of Regents under section 137.64, other than the clinical research facility. Appropriations to the Board of Regents for the clinical research facility are for 100 percent of the project costs for design, land acquisition, site preparation, and preconstruction services.

Subd. 2. **Project requirements.** The Board of Regents of the University of Minnesota, either acting on its own or in collaboration with another private or public entity, must pay at least 25 percent of the project costs for each of four projects, other than the clinical research facility. The board must not use tuition revenue to pay for the university's share of the costs for the projects approved under section 137.64.

Sec. 19. Minnesota Statutes 2018, section 137.64, is amended to read:

**137.64 CONDITIONS FOR PAYMENTS TO UNIVERSITY.**

Subdivision 1. **Certifications.** Before the commissioner may make any payments authorized in this section to the Board of Regents for a biomedical science research facility project, the commissioner must certify that the board has, by board resolution, approved the maximum project cost for the project and complied with the requirements of section 137.63, ~~subdivision 2.~~ For each project approved by the board, the board must certify to the commissioner the amount of the annual payments of principal and interest required to service each series of bonds issued by the University of Minnesota for the project, and the actual amount of the state's annual payment to the University of Minnesota under subdivision 2. The annual payment must not exceed the amount required to pay debt service on the bonds issued to finance 75 percent of the project costs of biomedical science research facilities authorized before 2019. The annual payment may additionally be for the amount required to pay debt service on the bonds issued to finance 100 percent of the costs of the clinical research facility.

Subd. 2. **Payments.** On July 15 of each year after the certification under subdivision 1, but no earlier than July 15, 2009, and for so long thereafter as any bonds issued by the board for ~~the construction of a project, or any refunding bonds issued under subdivision 7,~~ are outstanding, the state must transfer to the board annual payments as certified under subdivision 1, up to the maximum amounts in the appropriation schedule under subdivision 3. Payments under this section are to reimburse the Board of Regents for the state's share of the project costs for the biomedical science research facility projects, provided that the principal amount of bonds issued by the University of Minnesota to pay the state's share of the costs must not exceed \$219,000,000.

Subd. 3. **Appropriations.** Annual appropriations are made from the general fund to the commissioner of management and budget for transfer to the Board of Regents, as follows:

- (1) up to \$850,000 is appropriated in fiscal year 2010;
- (2) up to \$3,650,000 is appropriated in fiscal year 2011;
- (3) up to \$7,825,000 is appropriated in fiscal year 2012;
- (4) up to \$12,100,000 is appropriated in fiscal year 2013;
- (5) up to \$14,825,000 is appropriated in fiscal year 2014; ~~and~~
- (6) up to \$15,550,000 is appropriated in fiscal year 2015 and each year thereafter, ~~up to 25 years following the certification of the last project by the commissioner, through fiscal year 2020; and~~
- (7) up to \$13,930,000 is appropriated in fiscal year 2021 and each year thereafter through fiscal year 2039.

Subd. 4. **Report to legislature.** The Board of Regents must report to the committees of the legislature with responsibility for capital investment by January 15 of each even-numbered year on the biomedical science research facility projects authorized under this section. The report must at a minimum include for each project, the total cost, the number of researchers, research grants, and the amount of debt issued by the board.

Subd. 5. **Reinvestment.** The Board of Regents must, to the extent permitted under federal law and University of Minnesota policies, place a priority on reducing the state's share of project costs by dedicating a share of the proceeds from any commercialization or licensing revenues attributable to research conducted in the biomedical science facilities to reducing the appropriations needed under subdivision 3.



Subd. 6. **Services to individuals and firms.** Consistent with its mission and governing policies and the requirements for tax-exempt bonds, the university shall make available laboratory and other services on a fee-for-service basis to individuals and firms in the bioscience industry in Minnesota. The university will not assert patent rights when providing services that do not involve its innovative intellectual contributions.

Subd. 7. **Refunding of bonds; allocation of savings realized.** (a) The board may issue bonds in one or more series to refund bonds that were issued for a project before January 1, 2019, if refunding is determined by the board to be in the best interest of the university. The principal amount of bonds issued in each refunding must not exceed the amount necessary to defease the associated bonds outstanding immediately prior to refunding. The amount of the state's annual payment to the university required for the debt service on the refunded bonds, or original bonds if not yet refunded, or a combination of the two, shall be up to the maximum annual appropriation under subdivision 3 for all series.

(b) The amount of the annual appropriation under subdivision 3 that is not needed to pay the annual debt service under paragraph (a) is appropriated to the Board of Regents of the University of Minnesota to pay the annual debt service amount on bonds issued by the university to pay the costs of design, land acquisition, site preparation, and preconstruction services of the clinical research facility.

(c) In any year that the state general fund appropriation authorized in this section exceeds the amount needed to pay debt service on bonds issued by the university for purposes specified in sections 137.61 to 137.65, the excess amount is canceled to the state general fund.

Sec. 20. **[240A.20] PROMOTING CONSTRUCTION AND RENOVATION OF PUBLIC SKATE PARKS THROUGHOUT THE STATE.**

Subdivision 1. **Definition.** For purposes of this section, "skate" means wheeled, nonmotorized recreation, including skateboarding, roller blading, and roller skating, and not including cycling or biking.

Subd. 2. **Promotion of public skate parks.** The Minnesota Amateur Sports Commission shall:

(1) develop new statewide public skate parks; and

(2) provide matching grants to local units of government for public skate parks based on the criteria in this section.

Subd. 3. **Criteria for grants to local units of government for public skate parks.** (a) The commission shall administer a site selection process for the skate parks. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for a skate park must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(b) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway, transit, or pedestrian or bike path.

(c) To the extent possible, all proposed facilities must be dispersed equitably, must be located to maximize potential for full utilization, must accommodate noncompetitive family and community skating for all ages, and must encourage use of skate parks by a diverse population.

(d) The commission will give priority to proposals that come from more than one local government unit.

(e) The commission may also use the money to upgrade, rehabilitate, or renovate current facilities.

(f) To the extent possible, 50 percent of all grants must be awarded to communities in greater Minnesota.

(g) A grant awarded under subdivision 2, clause (2), may not exceed \$250,000 unless the grantee demonstrates that the facility will have a regional or statewide draw. A grant awarded under subdivision 2, clause (2), may be for up to \$750,000 for a skate park with regional impact. A grant awarded under subdivision 2, clause (2), may be for up to \$2,000,000 for a skate park with statewide draw.

(h) In selecting projects to be awarded grants under this section, the commission must give priority to those projects that are designed by experts in the field of skate park design and are to be constructed by professionals with experience in the construction of skate parks.

(i) To be eligible for a grant under this section, a local government must have engaged or must commit to engage youth in the planning, design, and programming for the skate park.

Subd. 4. **Technical assistance.** To the extent possible, the commission shall provide technical assistance on skate park planning, design, and operation to communities.

Subd. 5. **Agreements with local governments and cooperative purchasing agreements.** (a) The Minnesota Amateur Sports Commission may enter into agreements with local units of government and provide financial assistance in the form of grants for the construction of skate parks that, in the determination of the commission, conform to its criteria.

(b) The commission may enter into cooperative purchasing agreements under section 471.59 with local governments to purchase skate park equipment and services through state contracts. The cooperative skate park equipment purchasing revolving fund is a separate account in the state treasury. The commission may charge a fee to cover the commission's administrative expenses to government units that have joint or cooperative purchasing agreements with the state under section 471.59. The fees collected must be deposited in the revolving fund established by this subdivision. Money in the fund is appropriated to the commission to administer the programs and services covered by this subdivision.

Sec. 21. Minnesota Statutes 2018, section 363A.36, is amended by adding a subdivision to read:

Subd. 1a. **Scope of application; state capital funding.** (a) An agency or political subdivision that uses state money to pay for part or all of a capital project is subject to and must comply with the restrictions in subdivision 1, for contracts exceeding \$100,000.

(b) For the purposes of this subdivision, the following terms have the meanings given them:

(1) "agency" means a state board, commission, authority, department, or other agency of the executive branch of state government; the Minnesota Historical Society; the Minnesota State Colleges and Universities; or the University of Minnesota;

(2) "capital project" means the acquisition and betterment of land and buildings and other public improvements in the state, including acquisition of real property or an interest in real property, predesign, design, engineering, site preparation and related environmental work, renovation, construction, furnishing, and equipping;

(3) "political subdivision" means a county, home rule charter or statutory city, town, school district, metropolitan or regional agency, public corporation established in law, or other special or limited purpose district created or authorized by law; and

(4) "state money" means the proceeds of state general obligation bonds issued under article XI, section 5, clause (a), of the Minnesota Constitution.

(c) This subdivision applies to a capital project or discrete phase of a capital project for which state money has been appropriated on or after January 1, 2022.

Sec. 22. Minnesota Statutes 2018, section 363A.44, subdivision 1, is amended to read:

Subdivision 1. **Scope.** (a) No department, agency of the state, the Metropolitan Council, or an agency subject to section 473.143, subdivision 1, shall execute a contract for goods or services or an agreement for goods or services in excess of \$500,000 with a business that has 40 or more full-time employees in this state or a state where the business has its primary place of business on a single day during the prior 12 months, unless the business has an equal pay certificate or it has certified in writing that it is exempt. A certificate is valid for four years.

(b) An agency or political subdivision that uses state money to pay for part or all of a capital project is subject to and must comply with the restrictions in this section for contracts exceeding \$500,000. For purposes of this subdivision, "agency," "political subdivision," "capital project," and "state money" have the meanings given in section 363A.36, subdivision 1a. This paragraph applies to a capital project or discrete phase of a capital project for which state money has been appropriated on or after January 1, 2022.

~~(b)~~ (c) This section does not apply to a business with respect to a specific contract if the commissioner of administration determines that application of this section would cause undue hardship to the contracting entity. This section does not apply to a contract to provide goods and services to individuals under chapters 43A, 62A, 62C, 62D, 62E, 256B, 256I, 256L, and 268A, with a business that has a license, certification, registration, provider agreement, or provider enrollment contract that is prerequisite to providing those goods and services. This section does not apply to contracts entered into by the State Board of Investment for investment options under section 352.965, subdivision 4.

Sec. 23. Minnesota Statutes 2018, section 473.4052, subdivision 4, is amended to read:

Subd. 4. **Application.** The liability limits under subdivision 2 and the insurance requirements under subdivision 3 apply only for that segment of a light rail transit line or line extension in which the project formally entered the engineering phase of the Federal Transit Administration's "New Starts" capital investment grant program between August 1, 2016, and ~~December 31, 2016~~ February 1, 2017.

**EFFECTIVE DATE; APPLICATION.** This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 24. Laws 2008, chapter 179, section 18, subdivision 3, as amended by Laws 2011, First Special Session chapter 12, section 32, and Laws 2012, chapter 293, section 41, is amended to read:

Subd. 3. **Systemwide Campus Redevelopment, Reuse, or Demolition**

3,400,000

(a) To demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses. These projects must facilitate the redevelopment or reuse of these campuses consistent with redevelopment plan concepts developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in

this subdivision. Unspent portions of this appropriation may be used to design, construct, furnish, and equip a maintenance and storage facility to support the maintenance and operation of the Brainerd campus if the commissioner determines that it is less expensive than renovating existing space. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

(b) Up to \$125,000 is for preparation and site development, including demolition of buildings and infrastructure, to implement the redevelopment and reuse of the Ah Gwah Ching Regional Treatment Center. This amount may be granted to Cass County for the purposes stated in this subdivision. If the campus is sold or transferred by Cass County to the city of Walker, unspent portions of this appropriation may be granted to the city of Walker for the purposes stated in this subdivision. Notwithstanding any requirement in paragraph (a) or Minnesota Statutes, section 16A.695, Cass County may convey for no consideration approximately 9.4 acres of the campus of the former Ah Gwah Ching Regional Treatment Center to Independent School District No. 113, Walker Hackensack Akeley, for school purposes.

Sec. 25. Laws 2014, chapter 294, article 1, section 7, subdivision 11, as amended by Laws 2017, First Special Session chapter 8, article 2, section 26, is amended to read:

**Subd. 11. Central Minnesota Regional Parks**

500,000

For a grant to the city of Sartell to ~~acquire land and develop recreation facilities at Sauk River Regional Park~~ design, engineer, and construct a trail, including overlooks, fishing platforms, and pedestrian crossings, along the Mississippi River as part of improvements to Linear Park and Sartell Veterans Park in the city of Sartell ~~and to acquire up to 68 acres of land located along the Sauk River near the confluence of the Mississippi to serve as part of the Central Minnesota Regional Parks and Trails.~~ Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until ~~June 30, 2020~~ December 31, 2024.

Sec. 26. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 7, as amended by Laws 2017, First Special Session chapter 8, article 2, section 32, is amended to read:

**Subd. 7. Richfield - 77th Street Underpass**

10,000,000

For a grant to the city of Richfield for right-of-way acquisition for an extension of 77th Street under marked Trunk Highway 77/Cedar Avenue in the city of Richfield to provide local and regional access between Richfield, the Minneapolis/St. Paul International Airport, the city of Bloomington, and the Mall of America. After right-of-way acquisition is completed, the city

may use any remaining money appropriated in this subdivision for construction of the extension. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this subdivision are available until December 31, ~~2021~~ 2024.

Sec. 27. Laws 2015, First Special Session chapter 5, article 1, section 13, is amended to read:

Sec. 13. **CORRECTIONS**

**\$1,200,000**

To the commissioner of administration for a grant to the Arrowhead Regional Corrections Joint Powers Board to demolish an existing facility and to design, construct, furnish, and equip a replacement food processing facility on the campus of the Northeast Regional Corrections Center, to meet health, safety, and security standards required for compliance with Minnesota Rules, chapter 2911. Nonstate contributions to improvements at the center made before or after the enactment of this subdivision are considered to be a sufficient match, and no further nonstate match is required. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this subdivision are available until December 31, 2024.

Sec. 28. Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 3, as amended by Laws 2018, chapter 214, article 2, section 33, is amended to read:

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

115,932,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for trunk highway corridor projects under Minnesota Statutes, section 174.52, subdivision 2, 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) Of this amount, \$9,000,000 is for a grant to Anoka County to design, acquire land for, engineer, and construct improvements to, including the realignment of County State-Aid Highway 23 (Lake Drive), County State-Aid Highway 54 (West Freeway Drive), West Freeway Drive, and to Hornsby Street in the city of Columbus to support the overall interchange project. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this paragraph are available until December 31, 2024.

(c) Of this amount, \$3,246,000 is for a grant to the city of Blaine to predesign, design, and reconstruct 105th Avenue in the vicinity of the National Sports Center in Blaine. The reconstruction will

include changing the street from five lanes to four lanes with median, turn lanes, sidewalk, trail, landscaping, lighting, and consolidation of access driveways. This appropriation is not available until the commissioner of management and budget determines that at least \$3,000,000 is committed to the project from sources available to the city, including municipal state aid and county turnback funds.

(d) Of this amount, \$25,000,000 is for a grant to Hennepin County, the city of Minneapolis, or both, 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, notwithstanding any provision of Minnesota Statutes, section 174.52, or rule to the contrary. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete this portion of the Interstate Highway 35W and Lake Street access project has been committed to this portion of the project.

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

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

(g) 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.

(h) Of this amount, \$20,500,000 is for a grant to Ramsey County for preliminary and final design, right-of-way acquisition, engineering, contract administration, and construction of public improvements related to the construction of the interchange of marked Interstate Highway 694 and Rice Street, Ramsey County State-Aid Highway 49, in Ramsey County.

(i) Of this amount, \$11,300,000 is for a grant to Hennepin County for preliminary and final design, engineering, environmental analysis, right-of-way acquisition, construction, and reconstruction of local roads related to the (1) realignment at the intersections of marked U.S. Highway 12 with Hennepin County State-Aid Highway 92; (2) realignment and safety improvements at the

intersection of marked U.S. Highway 12 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 of marked U.S. Highway 12 with Hennepin County State-Aid Highway 6.

(j) Of this amount, \$1,000,000 is for a grant to the city of Inver Grove Heights for preliminary design, design, engineering, and reconstruction of Broderick Boulevard between 80th Street and Concord Boulevard abutting Trunk Highway 52 and Inver Hills Community College in Inver Grove Heights. The project includes replacement or renovation of public infrastructure, including water lines, sanitary sewers, storm water sewers, and other public utilities. This appropriation does not require a nonstate contribution.

(k) Of this amount, \$2,350,000 is for a grant to McLeod County to acquire land or interests in land and to design and construct a new urban street extension of County State-Aid Highway (CSAH) 15, including railroad crossing, storm water, and drainage improvements.

(l) Of this amount, \$6,000,000 is for a grant to the city of Baxter for 50 percent of total project cost for the 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.

Sec. 29. Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 4, is amended to read:

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

71,124,000

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

(b) \$14,100,000 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. Any unspent portion of the appropriation under this paragraph may be used by Anoka County for design costs of other rail crossings in Anoka County that are on the commissioner's rail safety priority list.

(c) Of this amount, \$14,762,000 is for a grant to the city of Red Wing for acquisition of right-of-way, environmental analysis, design, engineering, removal of an existing structure, and

construction of a rail grade crossing separation at Sturgeon Lake Road. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for the project in this paragraph are available until December 31, 2024.

(d) Any unspent portion of this appropriation after completion of a project in this subdivision may be used for grants in accordance with Minnesota Statutes, section 219.016.

Sec. 30. Laws 2017, First Special Session chapter 8, article 1, section 18, subdivision 3, is amended to read:

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

To design, construct, renovate, and equip the historic truss bridge on the Minneapolis Veterans Home campus, including asbestos and hazardous materials abatement and associated site work. One-half of the unspent portion of this appropriation after the project has been substantially completed, upon written notice to the commissioner of management and budget, is for asset preservation of veterans homes statewide under Minnesota Statutes, section 16B.307, and one-half is for comprehensive campus security and safety upgrades at the veterans homes statewide, including predesign and design, acquisition and installation, construction, furnishing, and equipping. Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds in this subdivision are available until December 31, 2024.

Sec. 31. Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 21, as amended by Laws 2018, chapter 214, article 2, section 40, is amended to read:

Subd. 21. **St. Paul - Minnesota Museum of American Art** 6,000,000

For a grant to the St. Paul Port Authority to acquire, design, construct, furnish, and equip new museum galleries and an art study facility for the Minnesota Museum of American Art. This facility provides space to celebrate the legacy of Minnesota art and artists and is part of the restoration of the historic Pioneer Endicott Building, and a part of a multiphase project, of which only the museum galleries and art study facility constructed with this appropriation shall be state bond financed property subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget has determined that:

(1) at least an amount equal to this appropriation has been committed or previously expended for design, construction, and furnishing of the adjacent Minnesota Museum of American Art Center for Creativity facilities, which are not subject to Minnesota Statutes, section 16A.695, with funds from nonstate sources; and



(2) sufficient other state and nonstate funds are available, if funds beyond this appropriation are required, to complete the museum galleries and art study facility.

~~Funds invested in the Minnesota Museum of American Art Center for Creativity facilities by an investor receiving an assignment of state historic tax credits as provided in Minnesota Statutes, section 290.0681, are nonstate funds for purposes of this requirement. Only expenditures made after January 1, 2012, shall qualify for the required match. Due to the integrated nature of the overall development, public bidding shall not be required.~~

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2024.

Sec. 32. Laws 2018, chapter 214, article 1, section 2, subdivision 6, is amended to read:

Subd. 6. **Glensheen Renewal** 4,000,000

To replace the boiler and to predesign, design, and renovate site structures at the Historic Glensheen Estate including but not limited to the main house; the site structures, terraces, and garden walls; and the carriage house. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from other sources. This appropriation does not require a nonstate contribution.

Sec. 33. Laws 2018, chapter 214, article 1, section 7, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation** \$ ~~78,669,000~~  
74,309,000

(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.

Sec. 34. Laws 2018, chapter 214, article 1, section 16, subdivision 19, is amended to read:

Subd. 19. **Hennepin County - Railroad Crossing Safety** 1,200,000

For one or more grants to Hennepin County or the affected city in the county to construct railroad crossing safety improvements in Hennepin County. Of this amount, \$350,000 is for crossings at ~~Townline Road~~ and marked County Road 19 in the city of Loretto;

at least \$450,000 is for crossings at ~~marked Road 116/County Road 115 and~~ Arrowhead Drive in the city of Medina; and at least \$400,000 is for crossings at East Lake Street and Barry Avenue in the city of Wayzata. Any unspent portion of this appropriation remaining after completion of a project listed in this subdivision, after written notice to the commissioner of management and budget, is available for the purposes of this subdivision.

Sec. 35. Laws 2018, chapter 214, article 1, section 21, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation**

~~\$ 109,344,000~~  
109,085,000

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

Sec. 36. Laws 2018, chapter 214, article 1, section 21, subdivision 18, is amended to read:

Subd. 18. **Pipestone County - Dental Facility**

500,000

For a grant to Pipestone County to predesign, design, construct, furnish, and equip a dental care facility in Pipestone County. The county may enter into an agreement under Minnesota Statutes, section 16A.695, for operation of the dental clinic. This project is not subject to the requirements of Minnesota Statutes, section 16B.325.

Sec. 37. Laws 2018, chapter 214, article 1, section 21, subdivision 26, is amended to read:

Subd. 26. **St. Paul - Minnesota Museum of American Art**

2,500,000

For a grant to the St. Paul Port Authority to acquire, design, construct, furnish, and equip the Minnesota Museum of American Art in the historic Pioneer Endicott Building. This appropriation is in addition to the amount appropriated by Laws 2017, First Special Session chapter 8, article 1, section 20, subdivision 21, and is available in accordance with the requirements of that subdivision. This appropriation may be used as needed for the costs of the project, including but not limited to secure loading dock, and art restoration and exhibit preparation areas.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds for this project are available until December 31, 2024.

Sec. 38. Laws 2018, chapter 214, article 1, section 21, subdivision 28, as amended by Laws 2019, chapter 2, article 2, section 6, is amended to read:

Subd. 28. **St. Paul - Southeast Asian Language Job Training Facilities**

5,500,000

For a grant to the city of St. Paul to predesign, design, renovate, construct, furnish, and equip a bus driver and mechanics training facility on Sycamore Street in St. Paul for training drivers and

mechanics through programming primarily in the Southeast Asian languages, and to predesign, design, renovate, construct, furnish, and equip a training facility on Plato Avenue in St. Paul for use as a training facility for health care, manufacturing, and information technology jobs through programming primarily in the Southeast Asian languages. Notwithstanding the primary focus as a workforce training facility described above, a portion of the Plato site may be used for colocated high school and child care facilities open to the public. A portion of both the Plato and Sycamore sites may include on-site wrap-around supportive services to assist the participants in training programs in securing housing, mental health, adult basic education, and health care enrollment and access. This appropriation may be used to acquire property for these purposes. The city of St. Paul may enter into a lease or management agreement with a nonprofit corporation for either or both of these facilities under Minnesota Statutes, section 16A.695.

Sec. 39. Laws 2018, chapter 214, article 1, section 21, subdivision 29, is amended to read:

Subd. 29. **Wabasha - National Eagle Center and Wabasha Rivertown Resurgence Riverfront Revitalization**

8,000,000

(a) \$1,500,000 of this appropriation is for a grant to the city of Wabasha to acquire land, predesign, design, renovate, construct, furnish, and equip the renovation and expansion of the National Eagle Center in order to expand program and exhibit space, and increase aviary space for eagles, and for to design and construct improvements to the riverfront in Wabasha for infrastructure, large vessel landing areas and docks, and public access and program areas.

(b) \$2,500,000 of this appropriation is for a grant to the city of Wabasha to acquire land, design, renovate, construct, furnish, and equip the National Eagle Center in order to expand the program space, gift shop, and exhibit space, and increase aviary space for eagles. If the acquisition of land, design, renovation, construction, furnishing, and equipping of the National Eagle Center expansion of its program space, gift shop, exhibit space, and aviary space is complete, the City of Wabasha may use any remaining money from this appropriation toward the renovation of the historical buildings on Main Street.

(c) \$4,000,000 of this appropriation is for a grant to the city of Wabasha to predesign, design, construct, renovate, furnish, and equip the new auditorium, expansion of the Preston Cook Exhibit, and final renovation of the historical buildings on Main Street.

Sec. 40. Laws 2019, First Special Session chapter 11, article 6, section 7, subdivision 2, as amended by Laws 2020, chapter 116, article 6, section 17, is amended to read:

Subd. 2. **Debt service equalization aid.** For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

	\$20,684,000	.....	2020
\$ <del>25,398,000</del>	<u>25,380,000</u>	.....	2021

The 2020 appropriation includes \$2,292,000 for 2019 and \$18,392,000 for 2020.

The 2021 appropriation includes \$2,043,000 for 2020 and ~~\$23,355,000~~ \$23,337,000 for 2021.

Sec. 41. **RED LAKE AND NETT LAKE CAPITAL LOANS.**

(a) Notwithstanding the capital loan contracts issued to Independent School District No. 38, Red Lake, and Independent School District No. 707, Nett Lake, under Minnesota Statutes, section 126C.69, the capital loan balance outstanding for Independent School District No. 38, Red Lake, as of July 1, 2020, on the capital loan granted on April 27, 2015, is reduced to \$228,743. The capital loan balance outstanding for Independent School District No. 707, Nett Lake, as of July 1, 2020, on the capital loan granted on October 24, 2006, is reduced to \$1,261,384. The capital loan balances on these loans in excess of these amounts are forgiven.

(b) All capital loan contracts issued prior to 2015 to Independent School District No. 38, Red Lake, under Minnesota Statutes, section 126C.69, cancel as of July 1, 2020, and the capital loan balances on these loans are forgiven. The capital loan contract issued prior to 1995 to Independent School District No. 707, Nett Lake, under Minnesota Statutes, section 126C.69, cancels as of July 1, 2020, and the capital loan balance on this loan is forgiven.

(c) Maximum effort loan aid for Independent School District No. 38, Red Lake, and Independent School District No. 707, Nett Lake, is the amount the districts would have received under Minnesota Statutes, section 477A.09, based on the capital loan contracts issued under Minnesota Statutes, section 126C.69, without the loan forgiveness granted under paragraphs (a) and (b).

Sec. 42. **REPEALER.**

(a) Minnesota Statutes 2018, sections 126C.65, subdivision 2; and 126C.68, subdivisions 1, 2, and 4, are repealed.

(b) Minnesota Statutes 2019 Supplement, section 126C.68, subdivision 3, is repealed.

(c) Minnesota Statutes 2018, section 16A.633, subdivision 4, is repealed.

Sec. 43. **EFFECTIVE DATE.**

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

ARTICLE 6  
PROPERTY TAXES AND AIDS

Section 1. Minnesota Statutes 2019 Supplement, section 126C.17, subdivision 6, is amended to read:

Subd. 6. **Referendum equalization levy.** (a) A district's referendum equalization levy equals the sum of the first tier referendum equalization levy and the second tier referendum equalization levy.

(b) A district's first tier referendum equalization levy equals the district's first tier referendum equalization revenue times the lesser of (1) one ~~or~~, (2) the ratio of the district's referendum market value per resident pupil unit to \$567,000 \$650,000, or (3) the ratio of the district's referendum market value per adjusted pupil unit to \$650,000.

(c) A district's second tier referendum equalization levy equals the district's second tier referendum equalization revenue times the lesser of (1) one ~~or~~, (2) the ratio of the district's referendum market value per resident pupil unit to \$290,000 \$320,000, or (3) the ratio of the district's referendum market value per adjusted pupil unit to \$320,000.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2022 and later.

Sec. 2. Minnesota Statutes 2018, section 272.02, is amended by adding a subdivision to read:

**Subd. 104. Certain property owned by an Indian tribe.** (a) Property is exempt that:

(1) is located in a county with a population greater than 28,000 but less than 29,000 as of the 2010 federal census;

(2) was on January 2, 2016, and is for the current assessment owned by a federally recognized Indian tribe or its instrumentality, that is located in Minnesota;

(3) was on January 2, 2016, erroneously treated as exempt under subdivision 7; and

(4) is used for the same purpose as the property was used on January 2, 2016.

(b) For assessment years 2019 and 2020, an exemption application under this subdivision must be filed with the county assessor by August 1, 2020. Property taxes paid on property exempt under this section for taxes payable in 2020 only shall be refunded by the county by September 1, 2020.

**EFFECTIVE DATE.** This section is effective retroactively from assessment year 2019.

Sec. 3. **[273.1237] PROPERTY TAX RELIEF FOR PROPERTIES DAMAGED BY FIRE OR VANDALISM.**

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

(b) "Net property tax" means the market value and net tax capacity taxes imposed on real and personal property under Minnesota Statutes, section 272.01, including the levy under Minnesota Statutes, section 275.025, after the subtractions listed in Minnesota Statutes, section 273.1393, clauses (2) to (9). Net property tax excludes special assessments regardless of how computed.

(c) "Qualifying property" means a property that:

(1) is located in the area included in the peacetime emergency declared in the governor's Executive Order No. 20-64;

(2) was damaged or destroyed due to the unrest in the cities of Minneapolis and St. Paul after May 24, 2020, and before June 16, 2020;

(3) has a damage amount equal to at least 25 percent of the property's estimated market value, excluding the value of the land, as determined on January 2, 2020;

(4) has not received abatements under Minnesota Statutes, sections 273.1231 to 273.1235, for a disaster or emergency that occurred in 2020; and

(5) is not utility property.

(d) "Utility property" means property appraised and classified for tax purposes by order of the commissioner of revenue under Minnesota Statutes, sections 273.33 to 273.3711.

Subd. 2. **Application.** The owner of a qualifying property must annually apply to the county board and county or local assessor by September 1 of each assessment year, in a manner prescribed by the assessor in order to be eligible for abatements under subdivision 3.

Subd. 3. **Abatements.** Notwithstanding Minnesota Statutes, sections 270C.86 and 375.192, the Hennepin County Board and commissioner of revenue must grant an abatement of the net property tax for all qualifying properties which submit an application under subdivision 2.

Subd. 4. **Limitations.** For any taxes payable year, the total amount of abatements granted under this section must not exceed the amount of reductions under Minnesota Statutes, section 477A.0177. If in any year the amount required to make abatements under subdivision 3 exceeds amount of reductions under Minnesota Statutes, section 477A.0177, then the abatement for each property must be proportionately reduced by each property's share of the total abatement under subdivision 3 so that the total amount of abatements under this section equals the amount of reductions under Minnesota Statutes, section 477A.0177.

Subd. 5. **Reassessments required.** For the purposes of this section, the county or local assessor must reassess all damaged property for which an application is submitted under subdivision 2.

Subd. 6. **Certification and appropriation.** (a) The county auditor must certify the abatements granted under this section to the commissioner of revenue for reimbursement to each taxing jurisdiction in which qualifying property is located. The commissioner of revenue must make the payments to the taxing jurisdictions containing the property, other than school districts, at the time distributions are made under Minnesota Statutes, section 473H.10, subdivision 3. Reimbursements to school districts must be made as provided in Minnesota Statutes, section 273.1392.

(b) An amount necessary to make payments required by this section is annually appropriated to the commissioner of revenue from the general fund.

Subd. 7. **Expiration.** This section expires for taxes payable in 2031 and thereafter.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable in 2021.

Sec. 4. Minnesota Statutes 2018, section 273.13, subdivision 25, is amended to read:

Subd. 25. **Class 4.** (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more, excluding property qualifying for class 4d. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. The market value of class 4a property has a classification rate of 1.25 percent.

(b) Class 4b includes:

(1) residential real estate containing less than four units, including property rented as a short-term rental property for more than 14 days in the preceding year, that does not qualify as class 4bb, other than seasonal residential recreational property;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b) containing two or three units; and

(4) unimproved property that is classified residential as determined under subdivision 33.

For the purposes of this paragraph, "short-term rental property" means nonhomestead residential real estate rented for periods of less than 30 consecutive days.

The market value of class 4b property has a classification rate of 1.25 percent.

(c) Class 4bb includes:

(1) nonhomestead residential real estate containing one unit, other than seasonal residential recreational property;

(2) a single family dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b); and

(3) a condominium-type storage unit having an individual property identification number that is not used for a commercial purpose.

Class 4bb property has the same classification rates as class 1a property under subdivision 22.

Property that has been classified as seasonal residential recreational property at any time during which it has been owned by the current owner or spouse of the current owner does not qualify for class 4bb.

(d) Class 4c property includes:

(1) except as provided in subdivision 22, paragraph (c), real and personal property devoted to commercial temporary and seasonal residential occupancy for recreation purposes, for not more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. Class 4c property under this clause must contain three or more rental units. A "rental unit" is defined as a cabin, condominium, townhouse, sleeping room, or individual camping site equipped with water and electrical hookups for recreational vehicles. A camping pad offered for rent by a property that otherwise qualifies for class 4c under this clause is also class 4c under this clause regardless of the term of the rental agreement, as long as the use of the camping pad does not exceed 250 days. In order for a property to be classified under this clause, either (i) the business located on the property must provide recreational activities, at least 40 percent of the annual gross lodging receipts related to the property must be from business conducted during 90 consecutive days, and either (A) at least 60 percent of all paid bookings by lodging guests during the year must be for periods of at least two consecutive nights; or (B) at least 20 percent of the annual gross receipts must be from charges for providing recreational activities, or (ii) the business must contain 20 or fewer rental units, and must be located in a township or a city with a population of 2,500 or less located outside the metropolitan area, as defined under section 473.121, subdivision 2, that contains a portion of a state trail administered by the Department of Natural Resources. For purposes of item (i)(A), a paid booking of five or more nights shall be counted as two bookings. Class 4c property also includes commercial use real property used exclusively for recreational purposes in conjunction with other class 4c property classified under this clause and devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. In order for a property to qualify for classification under this clause, the owner must submit a

declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located must be designated class 4c under this clause as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The owner of property desiring designation as class 4c property under this clause must provide guest registers or other records demonstrating that the units for which class 4c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, (4) conference center or meeting room, and (5) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes does not qualify for class 4c. For the purposes of this paragraph, "recreational activities" means renting ice fishing houses, boats and motors, snowmobiles, downhill or cross-country ski equipment; providing marina services, launch services, or guide services; or selling bait and fishing tackle;

(2) qualified property used as a golf course if:

(i) it is open to the public on a daily fee basis. It may charge membership fees or dues, but a membership fee may not be required in order to use the property for golfing, and its green fees for golfing must be comparable to green fees typically charged by municipal courses; and

(ii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with the golf course is classified as class 3a property;

(3) real property up to a maximum of three acres of land owned and used by a nonprofit community service oriented organization and not used for residential purposes on either a temporary or permanent basis, provided that:

(i) the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment; or

(ii) the organization makes annual charitable contributions and donations at least equal to the property's previous year's property taxes and the property is allowed to be used for public and community meetings or events for no charge, as appropriate to the size of the facility.

For purposes of this clause:

(A) "charitable contributions and donations" has the same meaning as lawful gambling purposes under section 349.12, subdivision 25, excluding those purposes relating to the payment of taxes, assessments, fees, auditing costs, and utility payments;

(B) "property taxes" excludes the state general tax;

(C) a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (8), (10), or (19) of the Internal Revenue Code; and

(D) "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises.



Any portion of the property not qualifying under either item (i) or (ii) is class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity.

The organization shall maintain records of its charitable contributions and donations and of public meetings and events held on the property and make them available upon request any time to the assessor to ensure eligibility. An organization meeting the requirement under item (ii) must file an application by May 1 with the assessor for eligibility for the current year's assessment. The commissioner shall prescribe a uniform application form and instructions;

(4) postsecondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus;

(5)(i) manufactured home parks as defined in section 327.14, subdivision 3, excluding manufactured home parks described in items (ii) and (iii), (ii) manufactured home parks as defined in section 327.14, subdivision 3, that are described in section 273.124, subdivision 3a, and (iii) class I manufactured home parks as defined in section 327C.01, subdivision 13;

(6) real property that is actively and exclusively devoted to indoor fitness, health, social, recreational, and related uses, is owned and operated by a not-for-profit corporation, and is located within the metropolitan area as defined in section 473.121, subdivision 2;

(7) a leased or privately owned noncommercial aircraft storage hangar not exempt under section 272.01, subdivision 2, and the land on which it is located, provided that:

(i) the land is on an airport owned or operated by a city, town, county, Metropolitan Airports Commission, or group thereof; and

(ii) the land lease, or any ordinance or signed agreement restricting the use of the leased premise, prohibits commercial activity performed at the hangar.

If a hangar classified under this clause is sold after June 30, 2000, a bill of sale must be filed by the new owner with the assessor of the county where the property is located within 60 days of the sale;

(8) a privately owned noncommercial aircraft storage hangar not exempt under section 272.01, subdivision 2, and the land on which it is located, provided that:

(i) the land abuts a public airport; and

(ii) the owner of the aircraft storage hangar provides the assessor with a signed agreement restricting the use of the premises, prohibiting commercial use or activity performed at the hangar; and

(9) residential real estate, a portion of which is used by the owner for homestead purposes, and that is also a place of lodging, if all of the following criteria are met:

(i) rooms are provided for rent to transient guests that generally stay for periods of 14 or fewer days;

(ii) meals are provided to persons who rent rooms, the cost of which is incorporated in the basic room rate;

(iii) meals are not provided to the general public except for special events on fewer than seven days in the calendar year preceding the year of the assessment; and

(iv) the owner is the operator of the property.

The market value subject to the 4c classification under this clause is limited to five rental units. Any rental units on the property in excess of five, must be valued and assessed as class 3a. The portion of the property used for purposes of a homestead by the owner must be classified as class 1a property under subdivision 22;

(10) real property up to a maximum of three acres and operated as a restaurant as defined under section 157.15, subdivision 12, provided it: (i) is located on a lake as defined under section 103G.005, subdivision 15, paragraph (a), clause (3); and (ii) is either devoted to commercial purposes for not more than 250 consecutive days, or receives at least 60 percent of its annual gross receipts from business conducted during four consecutive months. Gross receipts from the sale of alcoholic beverages must be included in determining the property's qualification under item (ii). The property's primary business must be as a restaurant and not as a bar. Gross receipts from gift shop sales located on the premises must be excluded. Owners of real property desiring 4c classification under this clause must submit an annual declaration to the assessor by February 1 of the current assessment year, based on the property's relevant information for the preceding assessment year;

(11) lakeshore and riparian property and adjacent land, not to exceed six acres, used as a marina, as defined in section 86A.20, subdivision 5, which is made accessible to the public and devoted to recreational use for marina services. The marina owner must annually provide evidence to the assessor that it provides services, including lake or river access to the public by means of an access ramp or other facility that is either located on the property of the marina or at a publicly owned site that abuts the property of the marina. No more than 800 feet of lakeshore may be included in this classification. Buildings used in conjunction with a marina for marina services, including but not limited to buildings used to provide food and beverage services, fuel, boat repairs, or the sale of bait or fishing tackle, are classified as class 3a property; and

(12) real and personal property devoted to noncommercial temporary and seasonal residential occupancy for recreation purposes.

Class 4c property has a classification rate of 1.5 percent of market value, except that (i) each parcel of noncommercial seasonal residential recreational property under clause (12) has the same classification rates as class 4bb property, (ii) manufactured home parks assessed under clause (5), item (i), have the same classification rate as class 4b property, the market value of manufactured home parks assessed under clause (5), item (ii), have a classification rate of 0.75 percent if more than 50 percent of the lots in the park are occupied by shareholders in the cooperative corporation or association and a classification rate of one percent if 50 percent or less of the lots are so occupied, and class I manufactured home parks as defined in section 327C.01, subdivision 13, have a classification rate of 1.0 percent, (iii) commercial-use seasonal residential recreational property and marina recreational land as described in clause (11), has a classification rate of one percent for the first \$500,000 of market value, and 1.25 percent for the remaining market value, (iv) the market value of property described in clause (4) has a classification rate of one percent, (v) the market value of property described in clauses (2), (6), and (10) has a classification rate of 1.25 percent, (vi) that portion of the market value of property in clause (9) qualifying for class 4c property has a classification rate of 1.25 percent, and (vii) property qualifying for classification under clause (3) that is owned or operated by a congressionally chartered veterans organization has a classification rate of one percent. The commissioner of veterans affairs must provide a list of congressionally chartered veterans organizations to the commissioner of revenue by June 30, 2017, and by January 1, 2018, and each year thereafter.

(e) Class 4d property is qualifying low-income rental housing certified to the assessor by the Housing Finance Agency under section 273.128, subdivision 3. If only a portion of the units in the building qualify as low-income rental housing units as certified under section 273.128, subdivision 3, only the proportion of qualifying units to the total number of units in the building qualify for class 4d. The remaining portion of the building shall be classified by the assessor based upon its use. Class 4d also includes the same proportion of land as the qualifying low-income rental housing units are to the total units in the building. For all properties qualifying as class 4d, the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents.

(f) The first tier of market value of class 4d property has a classification rate of 0.75 percent. The remaining value of class 4d property has a classification rate of 0.25 percent. For the purposes of this paragraph, the "first tier of market value of class 4d property" means the market value of each housing unit up to the first tier limit. For the purposes of this paragraph, all class 4d property value must be assigned to individual housing units. The first tier limit is \$100,000 for assessment year 2014. For subsequent years, the limit is adjusted each year by the average statewide change in estimated market value of property classified as class 4a and 4d under this section for the previous assessment year, excluding valuation change due to new construction, rounded to the nearest \$1,000, provided, however, that the limit may never be less than \$100,000. Beginning with assessment year 2015, the commissioner of revenue must certify the limit for each assessment year by November 1 of the previous year.

**EFFECTIVE DATE.** Notwithstanding Minnesota Statutes, section 273.01, this section is effective beginning with assessments in 2020 and thereafter.

Sec. 5. Minnesota Statutes 2019 Supplement, section 273.13, subdivision 34, is amended to read:

Subd. 34. **Homestead of veteran with a disability or family caregiver.** (a) All or a portion of the market value of property owned by a veteran and serving as the veteran's homestead under this section is excluded in determining the property's taxable market value if the veteran has a service-connected disability of 70 percent or more as certified by the United States Department of Veterans Affairs. To qualify for exclusion under this subdivision, the veteran must have been honorably discharged from the United States armed forces, as indicated by United States Government Form DD214 or other official military discharge papers.

(b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded, except as provided in clause (2); and

(2) for a total (100 percent) and permanent disability, \$300,000 of market value is excluded.

(c) If a veteran with a disability qualifying for a valuation exclusion under paragraph (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds the legal or beneficial title to the homestead and permanently resides there, the exclusion shall carry over to the benefit of the veteran's spouse until such time as the spouse remarries, or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n). Qualification under this paragraph requires an application under paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's marital status, ownership of the property, or use of the property as a permanent residence.

(d) If the spouse of a member of any branch or unit of the United States armed forces who dies due to a service-connected cause while serving honorably in active service, as indicated on United States Government Form DD1300 or DD2064, holds the legal or beneficial title to a homestead and permanently resides there, the spouse is entitled to the benefit described in paragraph (b), clause (2), until such time as the spouse remarries or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n).

(e) If a veteran meets the disability criteria of paragraph (a) but does not own property classified as homestead in the state of Minnesota, then the homestead of the veteran's primary family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify for under paragraph (b).

(f) In the case of an agricultural homestead, only the portion of the property consisting of the house and garage and immediately surrounding one acre of land qualifies for the valuation exclusion under this subdivision.

(g) A property qualifying for a valuation exclusion under this subdivision is not eligible for the market value exclusion under subdivision 35, or classification under subdivision 22, paragraph (b).

(h) To qualify for a valuation exclusion under this subdivision a property owner must apply to the assessor by December 15 of the first assessment year for which the exclusion is sought. For an application received after December 15, the exclusion shall become effective for the following assessment year. Except as provided in paragraph (c), the owner of a property that has been accepted for a valuation exclusion must notify the assessor if there is a change in ownership of the property or in the use of the property as a homestead.

(i) A first-time application by a qualifying spouse for the market value exclusion under paragraph (d) must be made any time within two years of the death of the service member.

(j) For purposes of this subdivision:

(1) "active service" has the meaning given in section 190.05;

(2) "own" means that the person's name is present as an owner on the property deed;

(3) "primary family caregiver" means a person who is approved by the secretary of the United States Department of Veterans Affairs for assistance as the primary provider of personal care services for an eligible veteran under the Program of Comprehensive Assistance for Family Caregivers, codified as United States Code, title 38, section 1720G; and

(4) "veteran" has the meaning given the term in section 197.447.

(k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit under paragraph (b), clause (2), until the spouse remarries or sells, transfers, or otherwise disposes of the property, except as otherwise provided in paragraph (n), if:

(1) the spouse files a first-time application within two years of the death of the service member or by June 1, 2019, whichever is later;

(2) upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides there;

(3) the veteran met the honorable discharge requirements of paragraph (a); and

(4) the United States Department of Veterans Affairs certifies that:

(i) the veteran met the total (100 percent) and permanent disability requirement under paragraph (b), clause (2); or

(ii) the spouse has been awarded dependency and indemnity compensation.

(l) The purpose of this provision of law providing a level of homestead property tax relief for veterans with a disability, their primary family caregivers, and their surviving spouses is to help ease the burdens of war for those among our state's citizens who bear those burdens most heavily.

(m) By July 1, the county veterans service officer must certify the disability rating and permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.

(n) A spouse who received the benefit in paragraph (c), (d), or (k) but no longer holds the legal or beneficial title to the property may continue to receive the exclusion for a property other than the property for which the exclusion was initially granted until the spouse remarries or sells, transfers, or otherwise disposes of the property, provided that:

(1) the spouse applies under paragraph (h) for the continuation of the exclusion allowed under this paragraph;

(2) the spouse holds the legal or beneficial title to the property for which the continuation of the exclusion is sought under this paragraph, and permanently resides there;

(3) the estimated market value of the property for which the exclusion is sought under this paragraph is less than or equal to the estimated market value of the property that first received the exclusion, based on the value of each property on the date of the sale of the property that first received the exclusion; and

(4) the spouse has not previously received the benefit under this paragraph for a property other than the property for which the exclusion is sought.

**EFFECTIVE DATE.** This section is effective beginning with taxes payable in 2021.

Sec. 6. **[477A.0177] AID REDUCTION RELATED TO PENSION CONSOLIDATION COMPENSATION.**

Beginning with aids payable in calendar year 2020, if the state is making a payment to the public employee retirement fund under chapter 353, due to the consolidation of a city's employee retirement fund with that fund, the city's aid under sections 477A.011 to 477A.03 is reduced by the amount of the state aid payment. For aids payable in 2020 only, the reduction is taken from the second half of the city's aid payment. For all subsequent years the reduction is split equally between the two annual payments. The savings in aid from this reduction is returned to the general fund. No aid payment may be less than zero after this reduction.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2020 and thereafter.

Sec. 7. **2019 AID PENALTY FORGIVENESS; ADDITIONAL FILING REQUIRED IN 2020.**

(a) Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the commissioner of revenue shall make a payment of \$9,280 to the city of Sargeant by August 31, 2020, to compensate the city for its 2019 aid payment under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3.

(b) The second half of the calendar year 2020 aid payment to the city under Minnesota Statutes, section 477A.013, will be withheld until the state auditor certifies to the commissioner of revenue that the city has complied with all reporting requirements under Minnesota Statutes, section 477A.017, subdivision 3, for calendar years 2018 and 2019. The commissioner of revenue must make the second payment for calendar year 2020 within one month of receiving this certification from the state auditor. If the city has not complied with all reporting requirements under Minnesota Statutes, section 477A.017, subdivision 3, for calendar years 2018 and 2019 by December 1, 2020, the city will receive no second half aid payment under Minnesota Statutes, section 477A.013, for calendar year 2020.

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

Sec. 8. **2019 AID PENALTY FORGIVENESS.**

Notwithstanding Minnesota Statutes, section 477A.017, subdivision 3, the city of Roosevelt shall receive its aid payment for calendar year 2019 under Minnesota Statutes, section 477A.013, that was withheld under Minnesota Statutes, section 477A.017, subdivision 3, provided that the state auditor certifies to the commissioner of revenue that the state auditor received the annual financial reporting form for 2018 from the city as well as all forms, including the financial statement and annual financial reporting form for calendar year 2019 by August 1, 2020. The commissioner of revenue shall make a payment of \$25,410 by August 30, 2020.

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

ARTICLE 7  
INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES

Section 1. Minnesota Statutes 2018, section 290.0131, subdivision 10, is amended to read:

Subd. 10. **Section 179 expensing.** (a) For property placed in service in taxable years beginning before January 1, 2020, except for qualifying depreciable property, 80 percent of the amount by which the deduction allowed under the dollar limits of section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code, as amended through December 31, 2003, is an addition.

(b) For purposes of this subdivision, "qualifying depreciable property" means:

(1) property for which a depreciation deduction is allowed under section 167 of the Internal Revenue Code; and

(2) property received as part of an exchange that qualifies for gain or loss recognition deferral under section 1031 of the Internal Revenue Code of 1986, as amended through December 16, 2016, but that does not qualify for gain or loss recognition deferral under section 1031 of the Internal Revenue Code of 1986, as amended through December 31, 2018.

**EFFECTIVE DATE.** This section is effective for property placed in service in taxable years beginning after December 31, 2019, except that for taxpayers with qualifying depreciable property, this section is effective retroactively and applies to the same tax periods to which section 13303 of Public Law 115-97 relates.

Sec. 2. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision to read:

Subd. 30. **Volunteer driver reimbursement.** (a) The amount of mileage reimbursement paid by a charitable organization for work as a volunteer driver is a subtraction. The subtraction is limited to amounts paid per mile by the organization that:

(1) exceed the mileage rate for use of an automobile in rendering gratuitous services to a charitable organization under section 170(i) of the Internal Revenue Code; and

(2) do not exceed the standard mileage rate for businesses established under Code of Federal Regulations, title 26, section 1.274-5(j)(2).

(b) For the purposes of this section, "charitable organization" means an organization eligible for a charitable contribution under section 170(c) of the Internal Revenue Code.

(c) This section expires for taxable years beginning after December 31, 2029.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2019, and before January 1, 2030.

Sec. 3. Minnesota Statutes 2018, section 290.0133, subdivision 12, is amended to read:

Subd. 12. **Section 179 expensing.** (a) For property placed in service in taxable years beginning before January 1, 2020, except for qualifying depreciable property, 80 percent of the amount by which the deduction allowed under the dollar limits of section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code, as amended through December 31, 2003, is an addition.

(b) For purposes of this subdivision, "qualifying depreciable property" means:

(1) property for which a depreciation deduction is allowed under section 167 of the Internal Revenue Code; and

(2) property received as part of an exchange that qualifies for gain or loss recognition deferral under section 1031 of the Internal Revenue Code of 1986, as amended through December 16, 2016, but that does not qualify for gain or loss recognition deferral under section 1031 of the Internal Revenue Code of 1986, as amended through December 31, 2018.

**EFFECTIVE DATE.** This section is effective for property placed in service in taxable years beginning after December 31, 2019, except that for taxpayers with qualifying depreciable property, this section is effective retroactively and applies to the same tax periods to which section 13303 of Public Law 115-97 relates.

Sec. 4. Minnesota Statutes 2018, section 290.0682, subdivision 2, is amended to read:

Subd. 2. **Credit allowed; refundable; appropriation.** (a) An eligible individual is allowed a credit against the tax due under this chapter.

(b) The credit for an eligible individual equals the least of:

(1) eligible loan payments minus ten percent of an amount equal to adjusted gross income in excess of \$10,000, but in no case less than zero;

(2) the earned income for the taxable year of the eligible individual, if any;

(3) the sum of:

(i) the interest portion of eligible loan payments made during the taxable year; and

(ii) ten percent of the original loan amount of all qualified education loans of the eligible individual; or

(4) \$500.

(c) For a part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

(d) In the case of a married couple, each spouse is eligible for the credit in this section.

(e) If the amount of credit which a claimant is eligible to receive under this section exceeds the claimant's tax liability under this chapter, the commissioner shall refund the excess to the claimant.

(f) An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2020.

Sec. 5. Minnesota Statutes 2019 Supplement, section 290.993, is amended to read:

**290.993 SPECIAL LIMITED ADJUSTMENT.**

(a) For an individual income taxpayer subject to tax under section 290.06, subdivision 2c, or a partnership that elects to file a composite return under section 289A.08, subdivision 7, for taxable years beginning after December 31, 2017, and before January 1, 2019, the following special rules apply:

(1) an individual income taxpayer may: (i) take the standard deduction; or (ii) make an election under section 63(e) of the Internal Revenue Code to itemize, for Minnesota individual income tax purposes, regardless of the choice made on their federal return; and

(2) there is an adjustment to tax equal to the difference between the tax calculated under this chapter using the Internal Revenue Code as amended through December 16, 2016, and the tax calculated under this chapter using the Internal Revenue Code amended through December 31, 2018, before the application of credits. The end result must be zero additional tax due or refund.

(b) The adjustment in paragraph (a), clause (2), does not apply to any changes due to sections 11012, 11031, 13101, 13201, 13202, 13203, 13204, 13205, 13207, 13301, 13302, 13303, 13313, 13502, 13503, 13801, 14101, 14102, 14211 through 14215, and 14501 of Public Law 115-97; and section 40411 of Public Law 115-123.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, and before January 1, 2019.

Sec. 6. **SECTION 179 EXPENSING; SUBTRACTIONS.**

No taxpayer with qualifying depreciable property is allowed a subtraction in computing the taxpayer's net income for that qualifying depreciable property placed in service in taxable years beginning after December 31, 2017, due to the retroactive exception for qualifying depreciable property from the additions required under Minnesota Statutes, sections 290.0131, subdivision 10, and 290.0133, subdivision 12. A taxpayer who claimed a subtraction under Minnesota Statutes, section 290.0132, subdivision 14, or 290.0134, subdivision 14, for that qualifying depreciable property must recompute the taxpayer's tax in the year in which the qualifying depreciable property was placed in service and in each year a subtraction was claimed.

**EFFECTIVE DATE.** This section is effective retroactively and applies to the same tax periods to which section 13303 of Public Law 115-97 relates.

ARTICLE 8  
SALES AND USE TAXES

Section 1. Minnesota Statutes 2018, section 297A.70, subdivision 13, is amended to read:

Subd. 13. **Fund-raising sales by or for nonprofit groups.** (a) The following sales by the specified organizations for fund-raising purposes are exempt, subject to the limitations listed in paragraph (b):

(1) all sales made by a nonprofit organization that exists solely for the purpose of providing educational or social activities for young people primarily age 18 and under;

(2) all sales made by an organization that is a senior citizen group or association of groups if (i) in general it limits membership to persons age 55 or older; (ii) it is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes; and (iii) no part of its net earnings inures to the benefit of any private shareholders;

(3) the sale or use of tickets or admissions to a golf tournament held in Minnesota if the beneficiary of the tournament's net proceeds qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code; and

(4) sales of candy sold for fund-raising purposes by a nonprofit organization that provides educational and social activities primarily for young people age 18 and under.

(b) The exemptions listed in paragraph (a) are limited in the following manner:



(1) the exemption under paragraph (a), clauses (1) and (2), applies only to the first \$20,000 of the gross annual receipts of the organization from fund-raising; ~~and~~

(2) the exemption under paragraph (a), clause (1), does not apply if the sales are derived from admission charges or from activities for which the money must be deposited with the school district treasurer under section 123B.49, subdivision 2, ~~or~~; and

(3) the exemption under paragraph (a), clause (1), does not apply if the sales are derived from admission charges or from activities for which the money must be recorded in the same manner as other revenues or expenditures of the school district under section 123B.49, subdivision 4 ~~;~~, unless the following conditions are both met:

(i) the sales are made for fund-raising purposes of a club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports activities, educational activities, or other extracurricular activities; and

(ii) the school district reserves revenue raised for extracurricular activities, as provided in section 123B.49, subdivision 4, paragraph (e), and spends the revenue raised by a particular extracurricular activity only for that extracurricular activity.

(c) Sales of tangible personal property and services are exempt if the entire proceeds, less the necessary expenses for obtaining the property or services, will be contributed to a registered combined charitable organization described in section 43A.50, to be used exclusively for charitable, religious, or educational purposes, and the registered combined charitable organization has given its written permission for the sale. Sales that occur over a period of more than 24 days per year are not exempt under this paragraph.

(d) For purposes of this subdivision, a club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports, educational, or other extracurricular activities is a separate organization from the school district or school for purposes of applying the \$20,000 limit.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after the date of final enactment.

Sec. 2. Minnesota Statutes 2019 Supplement, section 297A.71, subdivision 52, is amended to read:

Subd. 52. **Construction; certain local government facilities.** (a) Materials and supplies used in and equipment incorporated into the construction, reconstruction, upgrade, expansion, or remodeling of the following local government owned facilities are exempt:

(1) a new fire station, which includes firefighting, emergency management, public safety training, and other public safety facilities in the city of Monticello if materials, supplies, and equipment are purchased after January 31, 2019, and before January 1, 2022;

(2) a new fire station, which includes firefighting and public safety training facilities and public safety facilities, in the city of Inver Grove Heights if materials, supplies, and equipment are purchased after June 30, 2018, and before January 1, 2021;

(3) a fire station and police station, including access roads, lighting, sidewalks, and utility components, on or adjacent to the property on which the fire station or police station are located that are necessary for safe access to and use of those buildings, in the city of Minnetonka if materials, supplies, and equipment are purchased after May 23, 2019, and before January 1, ~~2021~~ 2022;

(4) the school building in Independent School District No. 414, Minneota, if materials, supplies, and equipment are purchased after January 1, 2018, and before January 1, 2021;

(5) a fire station in the city of Mendota Heights, if materials, supplies, and equipment are purchased after December 31, 2018, and before January 1, 2021; ~~and~~

(6) a Dakota County law enforcement collaboration center, also known as the Safety and Mental Health Alternative Response Training (SMART) Center, if materials, supplies, and equipment are purchased after June 30, 2019, and before July 1, 2021;

(7) a new fire station and emergency management operations center, including on-site infrastructure improvements of parking lot, road access, lighting, sidewalks, and utility components in the city of Maplewood if materials, supplies, and equipment are purchased after September 30, 2020, and before April 1, 2023;

(8) a new police station, which includes police administration, meeting, training, and short-term detention facilities in the city of Crystal, if materials, supplies, and equipment are purchased after December 31, 2020, and before January 1, 2024;

(9) a new fire station, which includes firefighting, emergency management, public safety training, and other public safety facilities in the city of Buffalo, if materials, supplies, and equipment are purchased after April 30, 2020, and before November 1, 2021;

(10) a new fire station in the city of Grand Rapids, if materials, supplies, and equipment are purchased after July 31, 2020, and before August 1, 2022;

(11) a new fire station constructed on the site of a previous fire station in the city of Bloomington, if materials, supplies, and equipment are purchased after December 31, 2020, and before January 1, 2023;

(12) a fire station in the city of St. Peter if materials, supplies, and equipment are purchased after June 30, 2020, and before March 1, 2022;

(13) demolition and replacement of the existing Fire Station No. 2 on its existing site and renovation and expansion of Fire Station No. 3, both in the city of Plymouth, if materials, supplies, and equipment are purchased after January 1, 2021, and before March 31, 2023; and

(14) a regional public safety center and training facility in the city of Virginia for fire and police departments, emergency medical services, regional emergency services training, and other regional community needs, if materials, supplies, and equipment are purchased after May 1, 2021, and before May 1, 2023.

(b) The tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied and then refunded in the manner provided in section 297A.75.

(c) The total refund for the project listed in paragraph (a), clause (3), must not exceed \$850,000.

**EFFECTIVE DATE.** This section is effective retroactively from May 1, 2020.

### Sec. 3. **STATE HIGH SCHOOL LEAGUE; FUNDING FLEXIBILITY.**

Notwithstanding Minnesota Statutes, section 128C.24, the Minnesota State High School League may reduce the transfer of sales tax savings to a nonprofit charitable foundation created for the purpose of promoting high school extracurricular activities by up to \$500,000 in total over the 2019-2020 and 2020-2021 school years. Any sales tax savings amounts not transferred must be used for operations of the Minnesota State High School League.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies retroactively to sales tax savings in the 2019-2020 and 2020-2021 school years.

ARTICLE 9  
PARTNERSHIP AUDITS

Section 1. Minnesota Statutes 2018, section 270C.445, subdivision 6, is amended to read:

Subd. 6. **Enforcement; administrative order; penalties; cease and desist.** (a) The commissioner may impose an administrative penalty of not more than \$1,000 per violation of subdivision 3 or 5, or section 270C.4451, provided that a penalty may not be imposed for any conduct for which a tax preparer penalty is imposed under section 289A.60, subdivision 13. The commissioner may terminate a tax preparer's authority to transmit returns electronically to the state, if the commissioner determines the tax preparer engaged in a pattern and practice of violating this section. Imposition of a penalty under this paragraph is subject to the contested case procedure under chapter 14. The commissioner shall collect the penalty in the same manner as the income tax. There is no right to make a claim for refund under section 289A.50 of the penalty imposed under this paragraph. Penalties imposed under this paragraph are public data.

(b) In addition to the penalty under paragraph (a), if the commissioner determines that a tax preparer has violated subdivision 3 or 5, or section 270C.4451, the commissioner may issue an administrative order to the tax preparer requiring the tax preparer to cease and desist from committing the violation. The administrative order may include an administrative penalty provided in paragraph (a).

(c) If the commissioner issues an administrative order under paragraph (b), the commissioner must send the order to the tax preparer addressed to the last known address of the tax preparer.

(d) A cease and desist order under paragraph (b) must:

(1) describe the act, conduct, or practice committed and include a reference to the law that the act, conduct, or practice violates; and

(2) provide notice that the tax preparer may request a hearing as provided in this subdivision.

(e) Within 30 days after the commissioner issues an administrative order under paragraph (b), the tax preparer may request a hearing to review the commissioner's action. The request for hearing must be made in writing and must be served on the commissioner at the address specified in the order. The hearing request must specifically state the reasons for seeking review of the order. The date on which a request for hearing is served by mail is the postmark date on the envelope in which the request for hearing is mailed.

(f) If a tax preparer does not timely request a hearing regarding an administrative order issued under paragraph (b), the order becomes a final order of the commissioner and is not subject to review by any court or agency.

(g) If a tax preparer timely requests a hearing regarding an administrative order issued under paragraph (b), the hearing must be commenced within ten days after the commissioner receives the request for a hearing.

(h) A hearing timely requested under paragraph (e) is subject to the contested case procedure under chapter 14, as modified by this subdivision. The administrative law judge must issue a report containing findings of fact, conclusions of law, and a recommended order within ten days after the completion of the hearing, the receipt of late-filed exhibits, or the submission of written arguments, whichever is later.

(i) Within five days of the date of the administrative law judge's report issued under paragraph (h), any party aggrieved by the administrative law judge's report may submit written exceptions and arguments to the commissioner. Within 15 days after receiving the administrative law judge's report, the commissioner must issue an order vacating, modifying, or making final the administrative order.

(j) The commissioner and the tax preparer requesting a hearing may by agreement lengthen any time periods prescribed in paragraphs (g) to (i).

(k) An administrative order issued under paragraph (b) is in effect until it is modified or vacated by the commissioner or an appellate court. The administrative hearing provided by paragraphs (e) to (i) and any appellate judicial review as provided in chapter 14 constitute the exclusive remedy for a tax preparer aggrieved by the order.

(l) The commissioner may impose an administrative penalty, in addition to the penalty under paragraph (a), up to \$5,000 per violation of a cease and desist order issued under paragraph (b). Imposition of a penalty under this paragraph is subject to the contested case procedure under chapter 14. Within 30 days after the commissioner imposes a penalty under this paragraph, the tax preparer assessed the penalty may request a hearing to review the penalty order. The request for hearing must be made in writing and must be served on the commissioner at the address specified in the order. The hearing request must specifically state the reasons for seeking review of the order. The cease and desist order issued under paragraph (b) is not subject to review in a proceeding to challenge the penalty order under this paragraph. The date on which a request for hearing is served by mail is the postmark date on the envelope in which the request for hearing is mailed. If the tax preparer does not timely request a hearing, the penalty order becomes a final order of the commissioner and is not subject to review by any court or agency. A penalty imposed by the commissioner under this paragraph may be collected and enforced by the commissioner as an income tax liability. There is no right to make a claim for refund under section 289A.50 of the penalty imposed under this paragraph. A penalty imposed under this paragraph is public data.

(m) If a tax preparer violates a cease and desist order issued under paragraph (b), the commissioner may terminate the tax preparer's authority to transmit returns electronically to the state. Termination under this paragraph is public data.

(n) A cease and desist order issued under paragraph (b) is public data when it is a final order.

(o) Notwithstanding any other law, the commissioner may impose a penalty or take other action under this subdivision against a tax preparer, with respect to a return, within the period to assess tax on that return as provided by ~~section~~ sections 289A.38 to 289A.382.

(p) Notwithstanding any other law, the imposition of a penalty or any other action against a tax preparer under this subdivision, other than with respect to a return, must be taken by the commissioner within five years of the violation of statute.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 2. Minnesota Statutes 2018, section 289A.31, subdivision 1, is amended to read:

Subdivision 1. **Individual income, fiduciary income, mining company, corporate franchise, and entertainment taxes.** (a) Individual income, fiduciary income, mining company, and corporate franchise taxes, and interest and penalties, must be paid by the taxpayer upon whom the tax is imposed, except in the following cases:

(1) the tax due from a decedent for that part of the taxable year in which the decedent died during which the decedent was alive and the taxes, interest, and penalty due for the prior years must be paid by the decedent's personal representative, if any. If there is no personal representative, the taxes, interest, and penalty must be paid by the transferees, as defined in section 270C.58, subdivision 3, to the extent they receive property from the decedent;

(2) the tax due from an infant or other incompetent person must be paid by the person's guardian or other person authorized or permitted by law to act for the person;

(3) the tax due from the estate of a decedent must be paid by the estate's personal representative;

(4) the tax due from a trust, including those within the definition of a corporation, as defined in section 290.01, subdivision 4, must be paid by a trustee; and

(5) the tax due from a taxpayer whose business or property is in charge of a receiver, trustee in bankruptcy, assignee, or other conservator, must be paid by the person in charge of the business or property so far as the tax is due to the income from the business or property.

(b) Entertainment taxes are the joint and several liability of the entertainer and the entertainment entity. The payor is liable to the state for the payment of the tax required to be deducted and withheld under section 290.9201, subdivision 7, and is not liable to the entertainer for the amount of the payment.

(c) The taxes imposed under sections 289A.35, paragraph (b), 289A.382, subdivision 3, and 290.0922 on partnerships are the joint and several liability of the partnership and the general partners.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 3. Minnesota Statutes 2018, section 289A.37, subdivision 2, is amended to read:

Subd. 2. **Erroneous refunds.** (a) Except as provided in paragraph (b), an erroneous refund occurs when the commissioner issues a payment to a person that exceeds the amount the person is entitled to receive under law. An erroneous refund is considered an underpayment of tax on the date issued.

(b) To the extent that the amount paid does not exceed the amount claimed by the taxpayer, an erroneous refund does not include the following:

(1) any amount of a refund or credit paid pursuant to a claim for refund filed by a taxpayer, including but not limited to refunds of claims made under section 290.06, subdivision 23; 290.067; 290.0671; 290.0672; 290.0674; 290.0675; 290.0677; 290.068; 290.0681; or 290.0692; or chapter 290A; or

(2) any amount paid pursuant to a claim for refund of an overpayment of tax filed by a taxpayer.

(c) The commissioner may make an assessment to recover an erroneous refund at any time within two years from the issuance of the erroneous refund. If all or part of the erroneous refund was induced by fraud or misrepresentation of a material fact, the assessment may be made at any time.

(d) Assessments of amounts that are not erroneous refunds under paragraph (b) must be conducted under ~~section~~ sections 289A.38 to 289A.382.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 4. Minnesota Statutes 2019 Supplement, section 289A.38, subdivision 7, is amended to read:

Subd. 7. **Federal tax changes.** (a) If the amount of income, items of tax preference, deductions, or credits for any year of a taxpayer, or the wages paid by a taxpayer for any period, as reported to the Internal Revenue Service is changed or corrected by the commissioner of Internal Revenue or other officer of the United States or other competent authority, or where a renegotiation of a contract or subcontract with the United States results in a change

in income, items of tax preference, deductions, credits, or withholding tax, or, in the case of estate tax, where there are adjustments to the taxable estate, the taxpayer shall report the ~~change or correction or renegotiation results~~ federal adjustments in writing to the commissioner. The federal adjustments report must be submitted within 180 days after the final determination date and must be in the form of either an amended Minnesota estate, withholding tax, corporate franchise tax, or income tax return conceding the accuracy of the federal ~~determination~~ adjustment or a letter detailing how the federal ~~determination~~ adjustment is incorrect or does not change the Minnesota tax. An amended Minnesota income tax return must be accompanied by an amended property tax refund return, if necessary. A taxpayer filing an amended federal tax return must also file a copy of the amended return with the commissioner of revenue within 180 days after filing the amended return.

(b) ~~For the purposes of paragraph (a), a change or correction includes any case where a taxpayer reaches a closing agreement or compromise with the Internal Revenue Service under section 7121 or 7122 of the Internal Revenue Code. In the case of a final federal adjustment arising from a partnership-level audit or an administrative adjustment request filed by a partnership under section 6227 of the Internal Revenue Code, a taxpayer must report adjustments as provided for under section 289A.382 and not this section.~~

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 5. Minnesota Statutes 2018, section 289A.38, subdivision 8, is amended to read:

Subd. 8. **Failure to report change or correction of federal return.** If a taxpayer fails to make a federal adjustments report as required by subdivision 7 or section 289A.382, the commissioner may recompute the tax, including a refund, based on information available to the commissioner. The tax may be recomputed within six years after the federal adjustments report should have been filed, notwithstanding any period of limitations to the contrary.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 6. Minnesota Statutes 2018, section 289A.38, subdivision 9, is amended to read:

Subd. 9. **Report made of change or correction of federal return.** If a taxpayer is required to make a federal adjustments report under subdivision 7 or section 289A.382, and does report the change or files a copy of the amended return, the commissioner may recompute and reassess the tax due, including a refund (1) within one year after the federal adjustments report or amended return is filed with the commissioner, notwithstanding any period of limitations to the contrary, or (2) within any other applicable period stated in this section, whichever period is longer. The period provided for the carryback of any amount of loss or credit is also extended as provided in this subdivision, notwithstanding any law to the contrary. If the commissioner has completed a field audit of the taxpayer, and, but for this subdivision, the commissioner's time period to adjust the tax has expired, the additional tax due or refund is limited to only those changes that are required to be made to the return which relate to the changes made on the federal return. This subdivision does not apply to sales and use tax.

For purposes of this subdivision and section 289A.42, subdivision 2, a "field audit" is the physical presence of examiners in the taxpayer's or taxpayer's representative's office conducting an examination of the taxpayer with the intention of issuing an assessment or notice of change in tax or which results in the issuing of an assessment or notice of change in tax. The examination may include inspecting a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.

A taxpayer may make estimated payments to the commissioner of the tax expected to result from a pending audit by the Internal Revenue Service. The taxpayer may make estimated payments prior to the due date of the federal adjustments report without the taxpayer having to file the report with the commissioner. The commissioner must credit the estimated tax payments against any tax liability of the taxpayer ultimately found to be due to the commissioner. The estimated payments limit the accrual of further statutory interest on that amount. If the estimated tax payments exceed the final tax liability and statutory interest ultimately determined to be due, the taxpayer is entitled to a refund or credit for the excess, provided the taxpayer files a federal adjustments report or claim for refund or credit of tax, no later than one year following the final determination date.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 7. Minnesota Statutes 2018, section 289A.38, subdivision 10, is amended to read:

Subd. 10. **Incorrect determination of federal adjusted gross income.** Notwithstanding any other provision of this chapter, if a taxpayer whose net income is determined under section 290.01, subdivision 19, omits from income an amount that will under the Internal Revenue Code extend the statute of limitations for the assessment of federal income taxes, or otherwise incorrectly determines the taxpayer's federal adjusted gross income resulting in adjustments by the Internal Revenue Service, then the period of assessment and determination of tax will be that under the Internal Revenue Code. When a change is made to federal income during the extended time provided under this subdivision, the provisions under subdivisions 7 to 9 and section 289A.382 regarding additional extensions apply.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 8. **[289A.381] DEFINITIONS; PARTNERSHIPS; FEDERAL ADJUSTMENTS.**

Subdivision 1. **Definitions relating to federal adjustments.** Unless otherwise specified, the definitions in this section apply for the purposes of sections 289A.38, subdivisions 7 to 9, 289A.381, and 289A.382.

Subd. 2. **Administrative adjustment request.** "Administrative adjustment request" means an administrative adjustment request filed by a partnership under section 6227 of the Internal Revenue Code.

Subd. 3. **Audited partnership.** "Audited partnership" means a partnership subject to a federal adjustment resulting from a partnership-level audit.

Subd. 4. **Corporate partner.** "Corporate partner" means a partner that is subject to tax under section 290.02.

Subd. 5. **Direct partner.** "Direct partner" means a partner that holds an immediate legal ownership interest in a partnership or pass-through entity.

Subd. 6. **Exempt partner.** "Exempt partner" means a partner that is exempt from taxes on its net income under section 290.05, subdivision 1.

Subd. 7. **Federal adjustment.** "Federal adjustment" means any change in an amount calculated under the Internal Revenue Code, whether to income, gross estate, a credit, an item of preference, or any other item that is used by a taxpayer to compute a tax administered under this chapter for the reviewed year whether that change results from action by the Internal Revenue Service or other competent authority, including a partnership-level audit, or from the filing of an amended federal return, federal refund claim, or an administrative adjustment request by the taxpayer.

**Subd. 8. Federal adjustments report.** "Federal adjustments report" includes a method or form prescribed by the commissioner for use by a taxpayer to report federal adjustments, including an amended Minnesota tax return or a uniform multistate report.

**Subd. 9. Federal partnership representative.** "Federal partnership representative" means the person the partnership designates for the taxable year as the partnership's representative, or the person the Internal Revenue Service has appointed to act as the partnership representative, pursuant to section 6223(a) of the Internal Revenue Code.

**Subd. 10. Final determination date.** "Final determination date" means:

(1) for a federal adjustment arising from an audit by the Internal Revenue Service or other competent authority, the first day on which no federal adjustment arising from that audit remains to be finally determined, whether by agreement, or, if appealed or contested, by a final decision with respect to which all rights of appeal have been waived or exhausted;

(2) for a federal adjustment arising from an audit or other action by the Internal Revenue Service or other competent authority, if the taxpayer filed as a member of a combined report under section 290.17, subdivision 4, the first day on which no related federal adjustments arising from that audit remain to be finally determined as described in clause (1) for the entire combined group;

(3) for a federal adjustment arising from the filing of an amended federal return, a federal refund claim, or the filing by a partnership of an administrative adjustment request, the date on which the amended return, refund claim, or administrative adjustment request was filed; or

(4) for agreements required to be signed by the Internal Revenue Service and the taxpayer, the date on which the last party signed the agreement.

**Subd. 11. Final federal adjustment.** "Final federal adjustment" means a federal adjustment after the final determination date for that federal adjustment has passed.

**Subd. 12. Indirect partner.** "Indirect partner" means either:

(1) a partner in a partnership or pass-through entity that itself holds an immediate legal ownership interest in another partnership or pass-through entity; or

(2) a partner in a partnership or pass-through entity that holds an indirect interest in another partnership or pass-through entity through another indirect partner.

**Subd. 13. Partner.** "Partner" means a person that holds an interest directly or indirectly in a partnership or other pass-through entity.

**Subd. 14. Partnership.** "Partnership" has the meaning provided under section 7701(a)(2) of the Internal Revenue Code.

**Subd. 15. Partnership-level audit.** "Partnership-level audit" means an examination by the Internal Revenue Service at the partnership level pursuant to subtitle F, chapter 63, subchapter C, of the Internal Revenue Code, which results in federal adjustments and adjustments to partnership-related items.

**Subd. 16. Pass-through entity.** "Pass-through entity" means an entity, other than a partnership, that is not subject to the tax imposed under section 290.02. The term pass-through entity includes but is not limited to S corporations, estates, and trusts other than grantor trusts.



Subd. 17. **Resident partner.** "Resident partner" means an individual, trust, or estate partner who is a resident of Minnesota under section 290.01, subdivision 7, 7a, or 7b, for the relevant tax period.

Subd. 18. **Reviewed year.** "Reviewed year" means the taxable year of a partnership that is subject to a partnership-level audit from which federal adjustments arise.

Subd. 19. **Tiered partner.** "Tiered partner" means any partner that is a partnership or pass-through entity.

Subd. 20. **Unrelated business taxable income.** "Unrelated business taxable income" has the meaning provided under section 512 of the Internal Revenue Code.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 9. **[289A.382] REPORTING AND PAYMENT REQUIREMENTS.**

Subdivision 1. **State partnership representative.** (a) With respect to an action required or permitted to be taken by a partnership under this section, or in a proceeding under section 270C.35 or 271.06, the state partnership representative for the reviewed year shall have the sole authority to act on behalf of the partnership, and its direct partners and indirect partners shall be bound by those actions.

(b) The state partnership representative for the reviewed year is the partnership's federal partnership representative unless the partnership, in a form and manner prescribed by the commissioner, designates another person as its state partnership representative.

Subd. 2. **Reporting and payment requirements for partnerships and tiered partners.** (a) Unless an audited partnership makes the election in subdivision 3, or for adjustments required to be reported for federal purposes pursuant to section 6225(a)(2) of the Internal Revenue Code, then, for all final federal adjustments the audited partnership must comply with paragraph (b) and each direct partner of the audited partnership, other than a tiered partner, must comply with paragraph (c).

(b) No later than 90 days after the final determination date, the audited partnership must:

(1) file a completed federal adjustments report, including all partner-level information required under section 289A.12, subdivision 3, with the commissioner;

(2) notify each of its direct partners of their distributive share of the final federal adjustments;

(3) file an amended composite report for all direct partners who were included in a composite return under section 289A.08, subdivision 7, in the reviewed year, and pay the additional amount that would have been due had the federal adjustments been reported properly as required; and

(4) file amended withholding reports for all direct partners who were or should have been subject to nonresident withholding under section 290.92, subdivision 4b, in the reviewed year, and pay the additional amount that would have been due had the federal adjustments been reported properly as required.

(c) No later than 180 days after the final determination date, each direct partner, other than a tiered partner, that is subject to a tax administered under this chapter, other than the sales tax, must:

(1) file a federal adjustments report reporting their distributive share of the adjustments reported to them under paragraph (b), clause (2); and

(2) pay any additional amount of tax due as if the final federal adjustment had been properly reported, plus any penalty and interest due under this chapter, and less any credit for related amounts paid or withheld and remitted on behalf of the direct partner under paragraph (b), clauses (3) and (4).

Subd. 3. **Election; partnership or tiered partners pay.** (a) An audited partnership may make an election under this subdivision to pay its assessment at the entity level. If an audited partnership makes an election to pay its assessment at the entity level it must:

(1) no later than 90 days after the final determination date, file a completed federal adjustments report, including the residency information for all individual, trust, and estate direct partners, and information pertaining to all other direct partners as prescribed by the commissioner, and notify the commissioner that it is making the election under this subdivision; and

(2) no later than 180 days after the final determination date, pay an amount, determined as follows, in lieu of taxes on partners:

(i) exclude from final federal adjustments the distributive share of these adjustments made to a direct exempt partner that is not unrelated business taxable income;

(ii) exclude from final federal adjustments the distributive share of these adjustments made to a direct partner that has filed a federal adjustments report and paid the applicable tax, as required under subdivision 2, for the distributive share of adjustments reported on a federal return under section 6225(c) of the Internal Revenue Code;

(iii) assign and apportion at the partnership level using sections 290.17 to 290.20 the total distributive share of the remaining final federal adjustments for the reviewed year attributed to direct corporate partners and direct exempt partners, multiply the total by the highest tax rate in section 290.06, subdivision 1, for the reviewed year, and calculate interest and penalties as applicable under this chapter;

(iv) allocate at the partnership level using section 290.17, subdivision 1, the total distributive share of all final federal adjustments attributable to individual resident direct partners for the reviewed year; multiply the total by the highest tax rate in section 290.06, subdivision 2c, for the reviewed year; and calculate interest and penalties as applicable under this chapter;

(v) assign and apportion at the partnership level using sections 290.17 to 290.20 the total distributive share of the remaining final federal adjustments attributable to nonresident individual direct partners and direct partners who are an estate or a trust for the reviewed year; multiply the total by the highest tax rate in section 290.06, subdivision 2c, for the reviewed year; and calculate interest and penalties as applicable under this chapter;

(vi) for the total distributive share of the remaining final federal adjustments reported to tiered partners:

(A) determine the amount of the adjustments that would be assigned using section 290.17, subdivision 2, paragraphs (a) to (d), excluding income or gains from intangible personal property not employed in the business of the recipient of the income or gains if the recipient of the income or gains is a resident of this state or is a resident trust or estate under section 290.17, subdivision 2, paragraph (c), or apportioned using sections 290.17, subdivision 3, 290.191, and 290.20, and then determine the portion of this amount that would be allocated to this state;

(B) determine the amount of the adjustments which are of a type which are fully sourced to the taxpayer's state of residency under section 290.17, subdivision 2, paragraph (e), and income or gains from intangible personal property not employed in the business of the recipient of the income or gains if the recipient of the income or gains is a resident of this state or is a resident trust or estate under section 290.17, subdivision 2, paragraph (c);

(C) determine the portion of the amount determined in subitem (B) that can be established to be properly allocable to nonresident indirect partners or other partners not subject to tax on the adjustments; and

(D) multiply the total of the amounts determined in subitems (A) and (B) reduced by the amount determined in subitem (C) by the highest tax rate in section 290.06, subdivision 2c, for the reviewed year, and calculate interest and penalties as applicable under this chapter; and

(vii) add the amounts determined in items (iii) to (vi), and pay all applicable taxes, penalties, and interest to the commissioner.

(b) An audited partnership may not make an election under this subdivision to report:

(1) a federal adjustment that results in unitary business income to a corporate partner required to file as a member of a combined report under section 290.17, subdivision 4; or

(2) any final federal adjustments resulting from an administrative adjustment request.

(c) An audited partnership not otherwise subject to any reporting or payment obligation to this state may not make an election under this subdivision.

**Subd. 4. Tiered partners and indirect partners.** The direct and indirect partners of an audited partnership that are tiered partners, and all of the partners of those tiered partners that are subject to tax under chapter 290 are subject to the reporting and payment requirements contained in subdivision 2 and the tiered partners are entitled to make the elections provided in subdivision 3. The tiered partners or their partners shall make required reports and payments no later than 90 days after the time for filing and furnishing of statements to tiered partners and their partners as established under section 6226 of the Internal Revenue Code.

**Subd. 5. Effects of election by partnership or tiered partner and payment of amount due.** (a) Unless the commissioner determines otherwise, an election under subdivision 3 is irrevocable.

(b) If an audited partnership or tiered partner properly reports and pays an amount determined in subdivision 3, the amount will be treated as paid in lieu of taxes owed by the partnership's direct partners and indirect partners, to the extent applicable, on the same final federal adjustments. The direct partners or indirect partners of the partnership who are not resident partners may not take any deduction or credit for this amount or claim a refund of the amount in this state.

(c) Nothing in this subdivision precludes resident direct partners from claiming a credit against taxes paid under section 290.06 on any amounts paid by the audited partnership or tiered partners on the resident partner's behalf to another state or local tax jurisdiction.

**Subd. 6. Failure of partnership or tiered partner to report or pay.** Nothing in this section prevents the commissioner from assessing direct partners or indirect partners for taxes they owe, using the best information available, in the event that, for any reason, a partnership or tiered partner fails to timely make any report or payment required by this section.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 10. Minnesota Statutes 2018, section 289A.42, is amended to read:

**289A.42 CONSENT TO EXTEND STATUTE.**

Subdivision 1. **Extension agreement.** If before the expiration of time prescribed in sections 289A.38 to ~~289A.382~~ and 289A.40 for the assessment of tax or the filing of a claim for refund, both the commissioner and the taxpayer have consented in writing to the assessment or filing of a claim for refund after that time, the tax may be assessed or the claim for refund filed at any time before the expiration of the agreed-upon period. The period may be extended by later agreements in writing before the expiration of the period previously agreed upon. The taxpayer and the commissioner may also agree to extend the period for collection of the tax.

Subd. 2. **Federal extensions.** When a taxpayer consents to an extension of time for the assessment of federal withholding or income taxes, the period in which the commissioner may recompute the tax is also extended, notwithstanding any period of limitations to the contrary, as follows:

(1) for the periods provided in ~~section~~ sections 289A.38, subdivisions 8 and 9, and 289A.382, subdivisions 2 and 3;

(2) for six months following the expiration of the extended federal period of limitations when no change is made by the federal authority. If no change is made by the federal authority, and, but for this subdivision, the commissioner's time period to adjust the tax has expired, and if the commissioner has completed a field audit of the taxpayer, no additional changes resulting in additional tax due or a refund may be made. For purposes of this subdivision, "field audit" has the meaning given ~~in~~ in section 289A.38, subdivision 9.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 11. Minnesota Statutes 2018, section 289A.60, subdivision 24, is amended to read:

Subd. 24. **Penalty for failure to notify of federal change.** If a person fails to report to the commissioner a change or correction of the person's federal return in the manner and time prescribed in ~~section~~ sections 289A.38, subdivision 7, and 289A.382, there must be added to the tax an amount equal to ten percent of the amount of any underpayment of Minnesota tax attributable to the federal change.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 12. Minnesota Statutes 2018, section 290.31, subdivision 1, is amended to read:

Subdivision 1. **Partners, not partnership, subject to tax.** Except as provided under ~~section~~ sections 289A.35, paragraph (b), and 289A.382, subdivision 3, a partnership as such shall not be subject to the income tax imposed by this chapter, but is subject to the tax imposed under section 290.0922. Persons carrying on business as partners shall be liable for income tax only in their separate or individual capacities.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 13. Minnesota Statutes 2018, section 297F.17, subdivision 6, is amended to read:

Subd. 6. **Time limit for bad debt refund.** Claims for refund must be filed with the commissioner during the one-year period beginning with the timely filing of the taxpayer's federal income tax return containing the bad debt deduction that is being claimed. Claimants under this subdivision are subject to the notice requirements of ~~section~~ sections 289A.38, subdivision 7, and 289A.382.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 14. Minnesota Statutes 2018, section 297G.16, subdivision 7, is amended to read:

Subd. 7. **Time limit for a bad debt deduction.** Claims for refund must be filed with the commissioner within one year of the filing of the taxpayer's income tax return containing the bad debt deduction that is being claimed. Claimants under this subdivision are subject to the notice requirements of ~~section 289A.38, subdivision 7~~ sections 289A.38 to 289A.382.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

Sec. 15. Minnesota Statutes 2018, section 469.319, subdivision 4, is amended to read:

Subd. 4. **Repayment procedures.** (a) For the repayment of taxes imposed under chapter 290 or 297A or local taxes collected pursuant to section 297A.99, a business must file an amended return with the commissioner of revenue and pay any taxes required to be repaid within 30 days after becoming subject to repayment under this section. The amount required to be repaid is determined by calculating the tax for the period or periods for which repayment is required without regard to the exemptions and credits allowed under section 469.315.

(b) For the repayment of taxes imposed under chapter 297B, a business must pay any taxes required to be repaid to the motor vehicle registrar, as agent for the commissioner of revenue, within 30 days after becoming subject to repayment under this section.

(c) For the repayment of property taxes, the county auditor shall prepare a tax statement for the business, applying the applicable tax extension rates for each payable year and provide a copy to the business and to the taxpayer of record. The business must pay the taxes to the county treasurer within 30 days after receipt of the tax statement. The business or the taxpayer of record may appeal the valuation and determination of the property tax to the Tax Court within 30 days after receipt of the tax statement.

(d) The provisions of chapters 270C and 289A relating to the commissioner's authority to audit, assess, and collect the tax and to hear appeals are applicable to the repayment required under paragraphs (a) and (b). The commissioner may impose civil penalties as provided in chapter 289A, and the additional tax and penalties are subject to interest at the rate provided in section 270C.40. The additional tax shall bear interest from 30 days after becoming subject to repayment under this section until the date the tax is paid. Any penalty imposed pursuant to this section shall bear interest from the date provided in section 270C.40, subdivision 3, to the date of payment of the penalty.

(e) If a property tax is not repaid under paragraph (c), the county treasurer shall add the amount required to be repaid to the property taxes assessed against the property for payment in the year following the year in which the auditor provided the statement under paragraph (c).

(f) For determining the tax required to be repaid, a reduction of a state or local sales or use tax is deemed to have been received on the date that the good or service was purchased or first put to a taxable use. In the case of an income tax or franchise tax, including the credit payable under section 469.318, a reduction of tax is deemed to have been received for the two most recent tax years that have ended prior to the date that the business became subject to repayment under this section. In the case of a property tax, a reduction of tax is deemed to have been received for the taxes payable in the year that the business became subject to repayment under this section and for the taxes payable in the prior year.

(g) The commissioner may assess the repayment of taxes under paragraph (d) any time within two years after the business becomes subject to repayment under subdivision 1, or within any period of limitations for the assessment of tax under ~~section~~ sections 289A.38 to 289A.382, whichever period is later. The county auditor may send the statement under paragraph (c) any time within three years after the business becomes subject to repayment under subdivision 1.

(h) A business is not entitled to any income tax or franchise tax benefits, including refundable credits, for any part of the year in which the business becomes subject to repayment under this section nor for any year thereafter. Property is not exempt from tax under section 272.02, subdivision 64, for any taxes payable in the year following the year in which the property became subject to repayment under this section nor for any year thereafter. A business is not eligible for any sales tax benefits beginning with goods or services purchased or first put to a taxable use on the day that the business becomes subject to repayment under this section.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017, except that for partnerships that make an election under Code of Federal Regulations, title 26, section 301.9100-22T, this section is effective retroactively and applies to the same tax periods to which the election relates.

#### ARTICLE 10 MISCELLANEOUS TAX CHANGES

Section 1. Minnesota Statutes 2018, section 297E.02, subdivision 6, as amended by Laws 2020, chapter 83, article 1, section 76, is amended to read:

Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under subdivision 1, a tax is imposed on the combined net receipts of the organization. As used in this section, "combined net receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles, and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for the fiscal year. The combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:	The tax is:
Not over \$87,500	<del>nine</del> <u>eight</u> percent
Over \$87,500, but not over \$122,500	<del>\$7,875</del> <u>\$7,000</u> plus <del>48</del> <u>16</u> percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	<del>\$14,175</del> <u>\$12,600</u> plus <del>27</del> <u>24</u> percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	<del>\$23,625</del> <u>\$21,000</u> plus <del>36</del> <u>32</u> percent of the amount over \$157,500

(b) Gross receipts derived from sports-themed tipboards are exempt from taxation under this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed tipboard as defined in section 349.12, subdivision 34, under which the winning numbers are determined by the numerical outcome of a professional sporting event.

**EFFECTIVE DATE.** This section is effective retroactively for games reported as played after June 30, 2020.

Sec. 2. Minnesota Statutes 2018, section 297E.021, subdivision 2, is amended to read:

Subd. 2. **Determination of revenue increase.** By March 15 of each fiscal year, the commissioner of management and budget, in consultation with the commissioner, shall determine the estimated increase in revenues received from taxes imposed under this chapter over ~~the estimated revenues under the February 2012 state budget forecast for that fiscal year. For fiscal years after fiscal year 2015, the commissioner of management and budget shall use the February 2012 state budget forecast for fiscal year 2015 as the~~ a baseline of: \$30,500,000 in fiscal years 2021 and thereafter. All calculations under this subdivision must be made net of estimated refunds of the taxes required to be paid.

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

Sec. 3. Minnesota Statutes 2018, section 349.15, subdivision 1, is amended to read:

Subdivision 1. **Expenditure restrictions, requirements, and civil penalties.** (a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership.

(b) For each 12-month period beginning July 1, a licensed organization will be evaluated by the board to determine a rating based on the percentage of annual lawful purpose expenditures, excluding those defined in section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), when compared to available gross profits total allowable expenses for the same period. The rating will be used to determine the organization's profitability percent and is not a rating of the organization's lawful gambling operation. An organization will be evaluated according to the following criteria:

(1) an organization that expends 50 with a ratio of annual lawful purpose expenditures, excluding those defined in section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), to allowable expenses of 100 percent or more of gross profits on lawful purposes will receive a five-star rating;

(2) an organization that expends 40 with a ratio of annual lawful purpose expenditures, excluding those defined in section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), to allowable expenses of 80 percent or more but less than 50 100 percent of gross profits on lawful purposes will receive a four-star rating;

(3) an organization that expends 30 with a ratio of annual lawful purpose expenditures, excluding those defined in section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), to allowable expenses of 60 percent or more but less than 40 80 percent of gross profits on lawful purposes will receive a three-star rating;

(4) an organization that expends 20 with a ratio of annual lawful purpose expenditures, excluding those defined in section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), to allowable expenses of 40 percent or more but less than 30 60 percent of gross profits on lawful purposes will receive a two-star rating; and

(5) an organization that expends less than with a ratio of annual lawful purpose expenditures, excluding those defined in section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), to allowable expenses of 20 percent of gross profits on lawful purposes or more but less than 40 percent will receive a one-star rating; and

(6) an organization with a ratio of annual lawful purpose expenditures, excluding those defined in section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), to allowable expenses of less than 20 percent will receive a zero-star rating.

(c) An organization that fails to expend a minimum of 30 20 percent annually of gross profits of its annual total allowable expenses on lawful purposes, or 20 percent annually for organizations that conduct lawful gambling in a location where the primary business is bingo excluding those defined in section 349.12, subdivision 25, paragraph (a),

clauses (8) and (18), is automatically on probation effective July 1 for a period of one year. The organization must increase its rating to the required minimum or be subject to sanctions by the board. If an organization fails to meet the minimum after a one-year probation, the board may suspend the organization's license or impose a civil penalty as follows:

(1) in determining any suspension or penalty for a violation of this paragraph, the board must consider any unique factors or extraordinary circumstances that caused the organization to not meet the minimum rate of profitability. Unique factors or extraordinary circumstances include, but are not limited to, the purchase of capital assets necessary to conduct lawful gambling; road or other construction causing impaired access to the lawful gambling premises; and flood, tornado, or other catastrophe that had a direct impact on the continuing lawful gambling operation; and

(2) notwithstanding section 349.151, subdivision 4, paragraph (a), clause (10), the board may impose a civil penalty under this subdivision up to \$10,000.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2020.

Sec. 4. Minnesota Statutes 2018, section 349.151, subdivision 4, is amended to read:

Subd. 4. **Powers and duties.** (a) The board has the following powers and duties:

- (1) to regulate lawful gambling to ensure it is conducted in the public interest;
- (2) to issue licenses to organizations and gambling managers, and to issue licenses and renewals to distributors, distributor salespersons, manufacturers, and linked bingo game providers;
- (3) to collect and deposit fees due under this chapter;
- (4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and linked bingo game providers to insure compliance with all applicable laws and rules;
- (5) to make rules authorized by this chapter;
- (6) to register gambling equipment and issue registration stamps;
- (7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;
- (8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling, including an annual report that provides: a tabulation of the number of compliance reviews completed; the percentage of organizations reviewed; an average of the number of months between reviews; the number, location, and organization of site inspections; and the number of allegations awaiting investigation by the board;
- (9) to report annually to the governor and legislature a financial summary for each licensed organization identifying the gross receipts, prizes paid, allowable expenses, lawful purpose expenditures including charitable contributions and all taxes and fees as per section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), and the percentage of annual gross profit used for lawful purposes;
- (10) to impose civil penalties of not more than \$1,000 per violation on organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, and gambling managers for violating or failing to comply with any provision of this chapter, chapter 297E, or any rule or order of the board;



- (11) to issue premises permits to organizations licensed to conduct lawful gambling;
  - (12) to delegate to the director the authority to issue or deny license and premises permit applications and renewals under criteria established by the board;
  - (13) to delegate to the director the authority to approve or deny fund loss requests, contribution of gambling funds to another licensed organization, and property expenditure requests under criteria established by the board;
  - (14) to suspend or revoke licenses and premises permits of organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, or gambling managers as provided in this chapter;
  - (15) to approve or deny requests from licensees for:
    - (i) waivers from fee requirements as provided in section 349.16, subdivision 6; and
    - (ii) variances from Gambling Control Board rules under section 14.055; and
  - (16) to register employees of organizations licensed to conduct lawful gambling;
  - (17) to require fingerprints from persons determined by board rule to be subject to fingerprinting;
  - (18) to delegate to a compliance review group of the board the authority to investigate alleged violations, issue consent orders, and initiate contested cases on behalf of the board;
  - (19) to order organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, and gambling managers to take corrective actions; and
  - (20) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.
- (b) The board, or director if authorized to act on behalf of the board, may by citation assess any organization, distributor, distributor salesperson, manufacturer, linked bingo game provider, or gambling manager a civil penalty of not more than \$1,000 per violation for a failure to comply with any provision of this chapter, chapter 297E, or any rule adopted or order issued by the board. Any organization, distributor, distributor salesperson, gambling manager, linked bingo game provider, or manufacturer assessed a civil penalty under this paragraph may request a hearing before the board. Appeals of citations imposing a civil penalty are not subject to the provisions of the Administrative Procedure Act.
- (c) All penalties received by the board must be deposited in the general fund.
  - (d) All fees imposed by the board under sections 349.16 to 349.167 must be deposited in the state treasury and credited to a lawful gambling regulation account in the special revenue fund. Receipts in this account are available for the operations of the board up to the amount authorized in biennial appropriations from the legislature.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2020.

Sec. 5. Minnesota Statutes 2018, section 462A.38, as amended by Laws 2019, First Special Session chapter 1, article 6, section 28, is amended to read:

**462A.38 WORKFORCE AND AFFORDABLE HOMEOWNERSHIP DEVELOPMENT PROGRAM.**

Subdivision 1. **Establishment.** A workforce and affordable homeownership development program is established to award homeownership development grants and loans to cities, tribal governments, nonprofit organizations, cooperatives created under chapter 308A or 308B, and community land trusts created for the purposes

outlined in section 462A.31, subdivision 1, for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota.

Subd. 2. **Use of funds.** (a) Grant funds and loans awarded under this program may be used for:

- (1) development costs;
- (2) rehabilitation;
- (3) land development; and
- (4) residential housing, including storm shelters and related community facilities.

(b) A project funded through ~~the grant~~ this program shall serve households that meet the income limits as provided in section 462A.33, subdivision 5, unless a project is intended for the purpose outlined in section 462A.02, subdivision 6.

Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting and reviewing applications for grants and loans under this section. The commissioner shall consult with interested stakeholders when developing the guidelines and procedures for the program. In making grants and loans, the commissioner shall establish semiannual application deadlines in which grants and loans will be authorized from all or part of the available appropriations.

Subd. 4. **Awarding grants and loans.** Among comparable proposals, preference must be given to proposals that include contributions from nonstate resources for the greatest portion of the total development cost.

Subd. 5. **Statewide program.** The agency shall attempt to make grants and loans in approximately equal amounts to applicants outside and within the metropolitan area, as defined under section 473.121, subdivision 2.

Subd. 6. **Report.** Beginning January 15, ~~2018~~ 2021, the commissioner must annually submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over housing and workforce development specifying the projects that received grants and loans under this section and the specific purposes for which the grant or loan funds were used.

Subd. 7. **Workforce and affordable homeownership development account.** A workforce and affordable homeownership development account is established in the housing development fund. Money in the account, including interest, is appropriated to the commissioner of the Housing Finance Agency for the purposes of this section. The amount appropriated under this section must supplement traditional sources of funding for this purpose and must not be used as a substitute or to pay debt service on bonds.

Subd. 8. **Deposits; funding amount.** (a) In fiscal years 2022 through 2031, an amount equal to \$4,000,000 of the state's portion of the proceeds derived from the mortgage registry tax imposed under section 287.035 and the deed tax under section 287.21, is appropriated from the general fund to the commissioner of the Housing Finance Agency to transfer to the workforce and affordable homeownership development account in the housing development fund. The appropriation must be made annually by September 15.

(b) All loan repayments received under this section are to be deposited into the workforce and affordable homeownership development account in the housing development fund.

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

Sec. 6. **ADMINISTRATIVE APPROPRIATION.**

\$642,000 in fiscal year 2021 is appropriated to the commissioner of revenue to administer this act. The base for this appropriation is \$571,000 in fiscal year 2022 and \$0 in fiscal year 2023.

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

ARTICLE 11  
ACCOUNT TRANSFER

Section 1. **PREMIUM SECURITY ACCOUNT TRANSFER.**

The commissioner of management and budget must transfer \$100,000,000 in fiscal year 2021 from the premium security account established in Minnesota Statutes, section 62E.25, subdivision 1, to the general fund. This is a onetime transfer.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Dauids moved to amend the Davids amendment to H. F. No. 3, the first engrossment, as amended, as follows:

Page 151, delete section 1 and insert:

"Section 1. Minnesota Statutes 2018, section 290.0131, subdivision 10, is amended to read:

Subd. 10. **Section 179 expensing.** For taxable years beginning before January 1, 2018, 80 percent of the amount by which the deduction allowed under the dollar limits of section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code, as amended through December 31, 2003, is an addition.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017."

Page 152, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2018, section 290.0133, subdivision 12, is amended to read:

Subd. 12. **Section 179 expensing.** For taxable years beginning before January 1, 2018, 80 percent of the amount by which the deduction allowed under the dollar limits of section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code, as amended through December 31, 2003, is an addition.

**EFFECTIVE DATE.** This section is effective retroactively for taxable years beginning after December 31, 2017."

Page 154, delete section 6 and insert:

"Sec. 6. **SPECIAL PENALTY EXCEPTION.**

(a) The interest provisions under Minnesota Statutes, section 289A.55, and penalty for failure to pay tax provisions under Minnesota Statutes, section 289A.60, subdivision 1, do not apply to late payments of tax arising from an order of the commissioner assessing additional income tax on a capital gain that was previously deferred under section 1031 of the Internal Revenue Code of 1986, as amended through December 16, 2016, for taxable years beginning after December 31, 2017, and ending before January 1, 2019. The penalty and interest exceptions under this section only apply to a taxpayer:

(1) who is subject to the retroactive application of section 13303 of Public Law 115-97 in Laws 2019, First Special Session chapter 6, article 1, section 61, paragraph (b); and

(2) whose total amount of income tax due for taxable years beginning after December 31, 2017, and ending before January 1, 2019, increased by at least 12 percent due to the retroactive application of law described in clause (1).

(b) Within 60 days of the effective date of this section, the commissioner must refund to a taxpayer the amount of interest and penalties paid by the taxpayer that are subject to the exception in paragraph (a).

**EFFECTIVE DATE.** This section is effective retroactively for interest and penalties on assessments ordered after June 1, 2019."

Page 175, delete section 1 and insert:

"Section 1. Minnesota Statutes 2018, section 297E.02, subdivision 6, as amended by Laws 2020, chapter 83, article 1, section 76, is amended to read:

Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under subdivision 1, a tax is imposed on the combined net receipts of the organization. As used in this section, "combined net receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles, and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for the fiscal year. The combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:	The tax is:
Not over \$87,500	<del>nine</del> 7.5 percent
Over \$87,500, but not over \$122,500	<del>\$7,875</del> <u>\$6,562.50</u> plus <del>48</del> <u>15.5</u> percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	<del>\$14,175</del> <u>\$11,987.50</u> plus <del>27</del> <u>23.5</u> percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	<del>\$23,625</del> <u>\$20,212.50</u> plus <del>36</del> <u>31.5</u> percent of the amount over \$157,500

(b) Gross receipts derived from sports-themed tipboards are exempt from taxation under this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed tipboard as defined in section 349.12, subdivision 34, under which the winning numbers are determined by the numerical outcome of a professional sporting event."

Renumber the sections in sequence and correct the internal references

A roll call was requested and properly seconded.

The question was taken on the Davids amendment to the Davids amendment and the roll was called. There were 58 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Albright	Demuth	Haley	Layman	Nornes	Schomacker
Anderson	Dettmer	Hamilton	Lucero	Novotny	Scott
Backer	Drazkowski	Heinrich	Lueck	O'Driscoll	Swedzinski
Bahr	Fabian	Heintzeman	McDonald	O'Neill	Theis
Baker	Franson	Hertaus	Mekeland	Petersburg	Torkelson
Bennett	Garofalo	Johnson	Miller	Pierson	Urdahl
Boe	Green	Jurgens	Munson	Poston	Vogel
Daniels	Grossell	Kiel	Nash	Quam	West
Daudt	Gruenhagen	Koznick	Nelson, N.	Robbins	
Davids	Gunther	Kresha	Neu	Runbeck	

Those who voted in the negative were:

Acomb	Dehn	Howard	Lislegard	Olson	Tabke
Bahner	Ecklund	Huot	Long	Pelowski	Vang
Becker-Finn	Edelson	Jordan	Mahoney	Persell	Wagenius
Bernardy	Elkins	Klevorn	Mann	Pinto	Wazlawik
Bierman	Fischer	Koegel	Mariani	Poppe	Winkler
Brand	Freiberg	Kotyza-Witthuhn	Marquart	Pryor	Wolgamott
Cantrell	Gomez	Kunesh-Podein	Masin	Richardson	Xiong, J.
Carlson, A.	Halverson	Lee	Moller	Sandell	Xiong, T.
Carlson, L.	Hansen	Lesch	Moran	Sandstede	Youakim
Christensen	Hassan	Liebling	Morrison	Sauke	Spk. Hortman
Clafin	Hausman	Lien	Murphy	Schultz	
Considine	Her	Lillie	Nelson, M.	Stephenson	
Davnie	Hornstein	Lippert	Noor	Sundin	

The motion did not prevail and the amendment to the amendment was not adopted.

Davids withdrew his amendment to H. F. No. 3, the first engrossment, as amended.

H. F. No. 3, A bill for an act relating to public finance; providing for stimulus measures to counter the economic impact of the COVID-19 pandemic; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; modifying prior appropriations; establishing new programs and modifying existing programs; authorizing the sale and issuance of state bonds; modifying provisions for property taxes, local government aids, individual and corporate franchise taxes, sales and use taxes, lawful gambling taxes, and other miscellaneous taxes and tax provisions; modifying the referendum equalization levy; providing for certain property tax classification; providing local government aid penalty forgiveness; modifying and providing for certain additions and subtractions for the individual income and corporate franchise taxes; making the student loan credit refundable; modifying sales and use tax exemptions; providing provisions related to partnership audits; modifying lawful gambling taxes; modifying the workforce and affordable homeownership development program; making other minor policy, technical, and conforming changes; making transfers; appropriating money; amending Minnesota Statutes 2018, sections 16A.641, by adding a subdivision; 16B.86; 16B.87; 41B.025, by adding a subdivision; 115A.0716; 123B.53, subdivisions 1, 4; 126C.63, subdivision 8; 126C.66, subdivision 3; 126C.69, as amended; 126C.71; 134.45, subdivision 5; 137.61; 137.62, subdivision 2, by adding a subdivision; 137.63; 137.64; 270C.445, subdivision 6; 272.02, by adding a subdivision; 273.13, subdivision 25; 289A.31, subdivision 1; 289A.37, subdivision 2; 289A.38, subdivisions 8, 9, 10; 289A.42; 289A.60, subdivision 24;

290.0131, subdivision 10; 290.0132, by adding a subdivision; 290.0133, subdivision 12; 290.0682, subdivision 2; 297A.70, subdivision 13; 297E.02, subdivision 6, as amended; 297E.021, subdivision 2; 297F.17, subdivision 6; 297G.16, subdivision 7; 349.15, subdivision 1; 349.151, subdivision 4; 363A.36, by adding a subdivision; 363A.44, subdivision 1; 462A.37, subdivision 1, by adding a subdivision; 462A.38, as amended; 469.319, subdivision 4; 473.4052, subdivision 4; Minnesota Statutes 2019 Supplement, sections 16A.968, subdivision 3; 126C.17, subdivision 6; 273.13, subdivision 34; 289A.38, subdivision 7; 290.31, subdivision 1; 290.993; 297A.71, subdivision 52; 462A.37, subdivisions 2, 5; Laws 2008, chapter 179, section 18, subdivision 3, as amended; Laws 2014, chapter 294, article 1, section 7, subdivision 11, as amended; Laws 2015, First Special Session chapter 5, article 1, sections 10, subdivision 7, as amended; 13; Laws 2017, First Special Session chapter 8, article 1, sections 15, subdivisions 3, as amended, 4; 18, subdivision 3; 20, subdivision 21, as amended; Laws 2018, chapter 214, article 1, sections 2, subdivision 6; 7, subdivision 1; 16, subdivision 19; 21, subdivisions 1, 18, 26, 28, as amended, 29; Laws 2019, First Special Session chapter 11, article 6, section 7, subdivision 2, as amended; proposing coding for new law in Minnesota Statutes, chapters 16A; 116J; 174; 240A; 289A; repealing Minnesota Statutes 2018, sections 16A.633, subdivision 4; 126C.65, subdivision 2; 126C.68, subdivisions 1, 2, 4; Minnesota Statutes 2019 Supplement, section 126C.68, subdivision 3.

The bill was read for the third time, as amended, 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 57 nays as follows:

Those who voted in the affirmative were:

Acomb	Dehn	Howard	Lislegard	Olson	Tabke
Bahner	Ecklund	Huot	Long	Pelowski	Vang
Becker-Finn	Edelson	Jordan	Mahoney	Persell	Wagenius
Bernardy	Elkins	Klevorn	Mann	Pinto	Wazlawik
Bierman	Fischer	Koegel	Mariani	Poppe	Winkler
Brand	Freiberg	Kotzya-Witthuhn	Marquart	Pryor	Wolgamott
Cantrell	Gomez	Kunesh-Podein	Masin	Richardson	Xiong, J.
Carlson, A.	Halverson	Lee	Moller	Sandell	Xiong, T.
Carlson, L.	Hansen	Lesch	Moran	Sandstede	Youakim
Christensen	Hassan	Liebling	Morrison	Sauke	Spk. Hortman
Clafin	Hausman	Lien	Murphy	Schultz	
Considine	Her	Lillie	Nelson, M.	Stephenson	
Davnie	Hornstein	Lippert	Noor	Sundin	

Those who voted in the negative were:

Albright	Demuth	Haley	Layman	Nornes	Scott
Anderson	Dettmer	Hamilton	Lucero	Novotny	Swedzinski
Backer	Drazkowski	Heinrich	Lueck	O'Driscoll	Theis
Bahr	Fabian	Heintzeman	McDonald	Petersburg	Torkelson
Baker	Franson	Hertaus	Mekeland	Pierson	Urdahl
Bennett	Garofalo	Johnson	Miller	Poston	Vogel
Boe	Green	Jurgens	Munson	Quam	West
Daniels	Grossell	Kiel	Nash	Robbins	
Daudt	Gruenhagen	Koznick	Nelson, N.	Runbeck	
Davids	Gunther	Kresha	Neu	Schomacker	

Not having received the constitutionally required three-fifths vote, the bill, as amended, was not passed.

**MOTIONS AND RESOLUTIONS**

Mariani moved that the names of Freiberg, Bernardy, Sandell, Christensen, Hansen, Noor and Cantrell be added as authors on H. F. No. 1. The motion prevailed.

Noor moved that the name of Jordan be added as an author on H. F. No. 2. The motion prevailed.

Murphy moved that the names of Bernardy; Sandell; Carlson, L., and Masin be added as authors on H. F. No. 3. The motion prevailed.

Moran moved that the name of Bernardy be added as an author on H. F. No. 4. The motion prevailed.

Kunesh-Podein moved that the names of Youakim, Bernardy and Lee be added as authors on H. F. No. 6. The motion prevailed.

Richardson moved that the names of Morrison and Bernardy be added as authors on H. F. No. 7. The motion prevailed.

Fischer moved that the name of Jordan be added as an author on H. F. No. 8. The motion prevailed.

Lippert moved that the name of Bernardy be added as an author on H. F. No. 11. The motion prevailed.

Dehn moved that the name of Bernardy be added as an author on H. F. No. 15. The motion prevailed.

Hansen moved that the name of Bernardy be added as an author on H. F. No. 20. The motion prevailed.

Kunesh-Podein moved that the name of Bernardy be added as an author on H. F. No. 23. The motion prevailed.

Mahoney moved that the name of Ecklund be added as an author on H. F. No. 28. The motion prevailed.

Ecklund moved that the name of Dettmer be added as an author on H. F. No. 31. The motion prevailed.

Kunesh-Podein moved that the name of Bernardy be added as an author on H. F. No. 32. The motion prevailed.

Cantrell moved that the names of Lueck, Elkins, Brand, Bierman, Tabke, Christensen, Backer, Sandstede and Bernardy be added as authors on H. F. No. 33. The motion prevailed.

Noor moved that the name of Jordan be added as an author on H. F. No. 36. The motion prevailed.

Murphy moved that the name of Bernardy be added as an author on H. F. No. 39. The motion prevailed.

Lee moved that the name of Davnie be added as an author on H. F. No. 46. The motion prevailed.

Erickson moved that the name of Jurgens be added as an author on H. F. No. 49. The motion prevailed.

Bennett moved that the name of Robbins be added as an author on H. F. No. 58. The motion prevailed.

Kresha moved that the name of Fabian be added as an author on H. F. No. 59. The motion prevailed.

Morrison moved that the names of Jordan and Bernardy be added as authors on H. F. No. 64. The motion prevailed.

Munson moved that the name of Bahr be added as an author on H. F. No. 65. The motion prevailed.

Freiberg moved that the name of Jordan be added as an author on H. F. No. 73. The motion prevailed.

Ecklund moved that the name of Bernardy be added as an author on H. F. No. 75. The motion prevailed.

Ecklund moved that the name of Bernardy be added as an author on H. F. No. 76. The motion prevailed.

Ecklund moved that the name of Bernardy be added as an author on H. F. No. 78. The motion prevailed.

Novotny moved that the name of Haley be added as an author on H. F. No. 80. The motion prevailed.

Haley moved that the names of Robbins, Boe and Erickson be added as authors on H. F. No. 81. The motion prevailed.

Klevorn moved that the names of Becker-Finn, Moller and Bernardy be added as authors on H. F. No. 84. The motion prevailed.

Xiong, J., moved that the names of Jordan and Hornstein be added as authors on H. F. No. 85. The motion prevailed.

Xiong, J., moved that the name of Jordan be added as an author on H. F. No. 87. The motion prevailed.

Gomez moved that the names of Freiberg and Jordan be added as authors on H. F. No. 88. The motion prevailed.

Layman moved that the name of Bernardy be added as an author on H. F. No. 99. The motion prevailed.

Richardson moved that the names of Becker-Finn and Sandell be added as authors on House Resolution No. 1. The motion prevailed.

#### SUSPENSION OF RULES

Winkler moved that the rules of the House be so far suspended so that S. F. No. 4 be recalled from the Transportation Finance and Policy Division, be given its second and third readings and be placed upon its final passage. The motion prevailed.

#### DECLARATION OF URGENCY

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Winkler moved that the rule therein be suspended and an urgency be declared so that S. F. No. 4 be given its second and third readings and be placed upon its final passage.

The question was taken on the Winkler motion and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Backer	Baker	Bernardy	Brand	Carlson, L.
Albright	Bahner	Becker-Finn	Bierman	Cantrell	Christensen
Anderson	Bahr	Bennett	Boe	Carlson, A.	Clafin



Considine	Gruenhagen	Koegel	Masin	Persell	Tabke
Daniels	Gunther	Kotyza-Witthuhn	McDonald	Petersburg	Theis
Daudt	Haley	Koznick	Mekeland	Pierson	Torkelson
Davids	Halverson	Kresha	Miller	Pinto	Urdahl
Davnie	Hamilton	Kunesh-Podein	Moller	Poppe	Vang
Dehn	Hansen	Layman	Moran	Poston	Vogel
Demuth	Hassan	Lee	Morrison	Pryor	Wagenius
Dettmer	Hausman	Lesch	Munson	Quam	Wazlawik
Drazkowski	Heinrich	Liebling	Murphy	Richardson	West
Ecklund	Heintzeman	Lien	Nash	Robbins	Winkler
Edelson	Her	Lillie	Nelson, M.	Runbeck	Wolgamott
Elkins	Hertaus	Lippert	Nelson, N.	Sandell	Xiong, J.
Fabian	Hornstein	Lislegard	Neu	Sandstede	Xiong, T.
Fischer	Howard	Long	Noor	Sauke	Youakim
Franson	Huot	Lucero	Nornes	Schomacker	Spk. Hortman
Freiberg	Johnson	Lueck	Novotny	Schultz	
Garofalo	Jordan	Mahoney	O'Driscoll	Scott	
Gomez	Jurgens	Mann	Olson	Stephenson	
Green	Kiel	Mariani	O'Neill	Sundin	
Grossell	Klevorn	Marquart	Pelowski	Swedzinski	

The motion prevailed.

S. F. No. 4 was read for the second time.

S. F. No. 4, A bill for an act relating to motor vehicles; requiring implementation of online driver's license knowledge testing; prohibiting the practice of reserving driving exam slots for driving schools; requiring a report on the road testing backlog; appropriating money; amending Minnesota Statutes 2018, section 171.13, by adding subdivisions.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Christensen	Franson	Her	Lee	Mekeland
Albright	Clafin	Freiberg	Hertaus	Lesch	Miller
Anderson	Considine	Garofalo	Hornstein	Liebling	Moller
Backer	Daniels	Gomez	Howard	Lien	Moran
Bahner	Daudt	Green	Huot	Lillie	Morrison
Bahr	Davids	Grossell	Johnson	Lippert	Munson
Baker	Davnie	Gruenhagen	Jordan	Lislegard	Murphy
Becker-Finn	Dehn	Gunther	Jurgens	Long	Nash
Bennett	Demuth	Haley	Kiel	Lucero	Nelson, M.
Bernardy	Dettmer	Halverson	Klevorn	Lueck	Nelson, N.
Bierman	Drazkowski	Hamilton	Koegel	Mahoney	Neu
Boe	Ecklund	Hansen	Kotyza-Witthuhn	Mann	Noor
Brand	Edelson	Hassan	Koznick	Mariani	Nornes
Cantrell	Elkins	Hausman	Kresha	Marquart	Novotny
Carlson, A.	Fabian	Heinrich	Kunesh-Podein	Masin	O'Driscoll
Carlson, L.	Fischer	Heintzeman	Layman	McDonald	Olson

O'Neill	Poppe	Runbeck	Scott	Torkelson	Winkler
Pelowski	Poston	Sandell	Stephenson	Urdahl	Wolgamott
Persell	Pryor	Sandstede	Sundin	Vang	Xiong, J.
Petersburg	Quam	Sauke	Swedzinski	Vogel	Xiong, T.
Pierson	Richardson	Schomacker	Tabke	Wazlawik	Youakim
Pinto	Robbins	Schultz	Theis	West	Spk. Hortman

The bill was passed and its title agreed to.

Winkler moved that the Chief Clerk be and he is hereby instructed to inform the Senate and the Governor by message that the House of Representatives is about to adjourn the 2020 Second Special Session sine die. The motion prevailed.

Winkler moved that the Chief Clerk be and he is hereby authorized to correct and approve the Journal of the House, 2020 Second Special Session, for today, Monday, July 20, 2020, and that he be authorized to include in the Journal for today any subsequent proceedings. The motion prevailed.

#### ADJOURNMENT OF THE 2020 SECOND SPECIAL SESSION SINE DIE

Winkler moved that the House adjourn sine die for the 2020 Second Special Session. The motion prevailed, and the Speaker declared the House stands adjourned sine die for the 2020 Second Special Session.

PATRICK D. MURPHY, Chief Clerk, House of Representatives