

1.1 moves to amend H.F. No. 710 as follows:

1.2 Page 1, after line 5, insert:

1.3 "Section 1. **[162.145] SMALL CITIES ASSISTANCE.**

1.4 **Subdivision 1. Program created.** From funds made available specifically under this
1.5 section, the commissioner shall establish a grant program for assistance to small cities.

1.6 **Subd. 2. Small cities assistance account.** A small cities assistance account is
1.7 created in the special revenue fund. The account consists of funds as provided by law,
1.8 and any other money donated, allotted, transferred, or otherwise provided to the account.
1.9 Money in the account may only be expended as provided under this section.

1.10 **Subd. 3. Program administration.** (a) Subject to the requirements on this section,
1.11 the commissioner shall develop a grant application, review, and award process that (1)
1.12 minimizes burdens on applicants, (2) does not require specification of individual projects
1.13 by applicants, and (3) provides for geographic equity throughout the state.

1.14 (b) Following notification from the commissioner of transportation concerning grant
1.15 awards, the commissioner of revenue shall distribute funds to cities in the same manner as
1.16 local government aid under chapter 477A.

1.17 (c) A grant provided under this section is not subject to state-aid requirements
1.18 under this chapter, including but not limited to engineering standards adopted by the
1.19 commissioner in rules.

1.20 **Subd. 4. Program requirements.** (a) Eligibility to receive a grant award under this
1.21 section is limited to a statutory or home rule charter city that does not receive municipal
1.22 state-aid under sections 162.09 to 162.14.

1.23 (b) Grant awards under this section are available only for construction and
1.24 maintenance of roads located within the city, including:

1.25 (1) land acquisition, environmental analysis, design, engineering, construction, and
1.26 reconstruction, and maintenance;

1.27 (2) road projects partially located within the city;

2.1 (3) projects on county state-aid highways located within the city; and
 2.2 (4) cost participation on road projects under the jurisdiction of another unit of
 2.3 government.

2.4 (c) In a fiscal year, the commissioner may not award grants to a city in an amount
 2.5 that exceeds 15 percent of total funds available under this section.

2.6 **EFFECTIVE DATE.** This section is effective July 1, 2015."

2.7 Page 2, line 1, delete "50" and insert "30" and strike the period and insert "; and"

2.8 Page 2, after line 1, insert:

2.9 "(3) 20 percent the small cities account under section 162.145."

2.10 Page 2, after line 2, insert:

2.11 "Sec. 3. **SMALL CITIES ASSISTANCE; APPROPRIATION.**

2.12 In each of fiscal years 2016 and 2017, the amount available in the small cities
 2.13 assistance account under Minnesota Statutes, section 162.145, is appropriated in that year
 2.14 from the account to the commissioner of revenue for grants in the small cities assistance
 2.15 program under Minnesota Statutes, section 162.145."

2.16 Renumber the sections in sequence and correct the internal references

2.17 Amend the title accordingly