

1.1 moves to amend H.F. No. 5162, the delete everything amendment
1.2 (A24-0319), as follows:

1.3 Page 1, line 22, delete "and"

1.4 Page 1, line 23, before the period, insert "; and (3) is subject to the policies and procedures
1.5 adopted by the commissioner of management and budget or otherwise specified in applicable
1.6 law"

1.7 Page 1, delete lines 24 and 25

1.8 Reletter the paragraphs in sequence

1.9 Page 2, delete lines 1 and 2

1.10 Page 2, line 16, before "expenses" insert "capital improvement"

1.11 Page 3, line 3, after the period, insert "Notwithstanding Minnesota Statutes, section
1.12 473.355, this appropriation must be used to remove and replace ash trees on privately owned
1.13 land that pose significant public safety concerns."

1.14 Page 3, line 19, after "administration" insert "for asset preservation improvements and
1.15 betterments of a capital nature at the Minnesota correctional facilities statewide to be spent
1.16 in accordance with Minnesota Statutes, section 16B.307. Notwithstanding the specified
1.17 uses of money under Minnesota Statutes, section 16B.307, the commissioner may use this
1.18 appropriation"

1.19 Page 3, line 25, delete everything after "(a)" and insert a period

1.20 Page 3, delete line 26

1.21 Page 4, line 4, delete "and" and insert a comma and after "fundraising" insert ", and other
1.22 supporting" and after "efforts" insert "to raise at least \$5,000,000 in nonstate funds"

2.1 Page 4, line 6, after the period, insert "This grant shall be managed in compliance with
2.2 the grantmaking requirements in Minnesota Statutes, sections 16B.97 to 16B.991."

2.3 Page 5, line 9, delete "incurred by" and insert "outstanding as of"

2.4 Page 12, after line 24, insert:

2.5 "Sec. 6. [16B.336] CAPITAL PROJECT REPLACEMENT ACCOUNTS.

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

2.8 (b) "Adjusted net tax capacity" means, as of any date, the net tax capacity of all taxable
2.9 property most recently determined by the commissioner of revenue in accordance with
2.10 section 273.1325.

2.11 (c) "Adjusted net tax capacity per capita" means a political subdivision's adjusted net
2.12 tax capacity divided by the political subdivision's population.

2.13 (d) "Commissioner" means the commissioner of administration.

2.14 (e) "Population" has the meaning under section 477A.011, subdivision 3.

2.15 (f) "Preservation" means improvements and betterments of a capital nature consistent
2.16 with those described in section 16B.307, subdivision 1, paragraph (d).

2.17 Subd. 2. Replacement account establishment. (a) A grantee that receives a direct
2.18 appropriation of state money for a capital project subject to section 16A.642, 16A.695, or
2.19 16A.86 must establish a capital project replacement fund for major rehabilitation, expansion,
2.20 replacement, or preservation of the capital project once the project has reached its useful
2.21 life, or another use as permitted under this section. Money must remain in the account for
2.22 the useful life of the capital project, as determined by the grant agreement with the granting
2.23 state agency, unless use of the fund is approved in writing by the granting state agency for
2.24 major rehabilitation, expansion, replacement, or preservation of the capital project funded
2.25 with state money, or to address a capital project for a different capital asset owned by the
2.26 grantee.

2.27 (b) A grantee must adopt a capital project replacement policy that specifies the following
2.28 for the capital project replacement fund:

2.29 (1) the risks to be mitigated or managed by the fund;

3.1 (2) the intended use of the replacement fund, including but not limited to how the fund
3.2 will be used for major rehabilitation, expansion, replacement, or preservation of the capital
3.3 project; and

3.4 (3) criteria for the use of the fund to address other capital improvement needs of the
3.5 grantee, including safety and security, maintenance and utility costs, availability of repair
3.6 parts and materials, sustainability, and any other criteria the grantee deems relevant.

3.7 (c) For the purposes of this section, "grantee" does not include a state agency, state
3.8 official, the Board of Regents of the University of Minnesota, or the Board of Trustees of
3.9 the Minnesota State Colleges and Universities.

3.10 Subd. 3. **Minimum deposits; fund balance.** (a) The commissioner must determine the
3.11 annual minimum deposit amounts into capital project replacement funds by capital project
3.12 type. The commissioner must take into account depreciation, construction cost inflation,
3.13 the useful life of the capital project, and other relevant factors when determining the minimum
3.14 deposit amounts.

3.15 (b) A grantee must not be required to maintain a capital project replacement fund balance
3.16 greater than the amount of the direct appropriation of state money for the capital project.

3.17 Subd. 4. **Account auditing.** The state auditor may audit capital project replacement
3.18 accounts as part of the regular audits of local governments.

3.19 Subd. 5. **Exceptions.** (a) Capital projects that already require a replacement fund under
3.20 section 446A.072, subdivision 12, or any other law, rule, or ordinance, are exempt from the
3.21 requirements under this section, so long as the deposits into the replacement fund are at
3.22 least as large as the minimum deposits established by the commissioner under subdivision
3.23 3.

3.24 (b) This section does not apply to a grantee that assesses the condition and replacement
3.25 value of its capital projects through a capital funding budget process which includes an
3.26 annual long-term budget schedule or capital improvement plan for maintaining capital
3.27 projects subject to section 16A.642, 16A.695, or 16A.86.

3.28 (c) This section does not apply to a political subdivision grantee that has an adjusted net
3.29 tax capacity per capita that is less than the median adjusted net tax capacity per capita of
3.30 all political subdivisions that are the same type of political subdivision as the grantee.

3.31 Subd. 6. **Penalty.** Failure of a grantee to comply with the requirements of this section
3.32 shall result in the granting state agency assessing a penalty fee to the grantee equal to one
3.33 percent of the appropriation of state money for the capital project for each year of

4.1 noncompliance. Penalty fees shall be remitted by the granting state agency to the
4.2 commissioner of management and budget for deposit into the general fund.

4.3 **EFFECTIVE DATE.** This section is effective for capital projects funded through state
4.4 capital project grant agreements entered into on or after July 1, 2024."

4.5 Page 12, delete lines 29 and 30 and insert:

4.6 "(b) "Community water system" means a public water system owned by a political
4.7 subdivision which serves at least 15 service connections used by year-round residents or
4.8 regularly serves at least 25 year-round residents."

4.9 Page 14, delete subdivision 1 and insert:

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

4.12 (b) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental
4.13 purposes with minimal to residual timber value.

4.14 (c) "Supplemental demographic index" means an index in the Environmental Justice
4.15 Screening and Mapping Tool developed by the United States Environmental Protection
4.16 Agency that is based on socioeconomic indicators, including low income, unemployment,
4.17 less than high school education, limited English speaking, and low life expectancy."

4.18 Page 14, line 13, before "and" insert "Tribal governments,"

4.19 Page 14, line 14, after "public" insert "or Tribal"

4.20 Page 14, delete lines 23 to 31 and insert:

4.21 "(2) projects located in a census block or blocks with a supplemental demographic index
4.22 score of 70 percent or greater."

4.23 Page 15, delete lines 1 and 2

4.24 Page 15, after line 4, insert:

4.25 "Subd. 4. **Eligible projects.** (a) The proceeds of state general obligation bonds may only
4.26 be expended for grants to cities, counties, townships, and implementing agencies.

4.27 (b) Appropriations from the general fund may be expended for grants to Tribal
4.28 governments, cities, counties, townships, and implementing agencies."

4.29 Page 16, delete lines 11 to 16

4.30 Reletter the paragraphs in sequence

- 5.1 Page 16, line 20, delete everything after "nature"
- 5.2 Page 16, line 21, delete everything before "consistent"
- 5.3 Page 16, delete subdivision 3
- 5.4 Renumber the sections in sequence and correct the internal references
- 5.5 Amend the title accordingly