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CHAPTER 3--H.F.No. 1

An act relating to public finance; 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 individual and corporate franchise and other miscellaneous taxes; modifying provisions relating to direct support professionals; making other minor policy, technical, and conforming changes; authorizing transfers; appropriating money for the operations of state government; amending Minnesota Statutes 2018, sections 16A.641, by adding a subdivision; 41B.025, by adding a subdivision; 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; 272.38, subdivision 1; 273.13, subdivision 25; 290.0131, subdivision 10; 290.0133, subdivision 12; 299C.106, subdivision 3, by adding subdivisions; 363A.36, by adding a subdivision; 363A.44, subdivision 1; 462A.37, subdivision 1, by adding a subdivision; Minnesota Statutes 2019 Supplement, sections 16A.968, subdivision 3; 256B.0659, subdivision 11, as amended; 256B.85, subdivision 16; 273.13, subdivision 34; 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, 29; article 3, section 7, subdivision 1, as amended; 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; 240A; 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.

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

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 $ 90,888,000**

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)** 46,347,000

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 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. **Normandale Community College** 26,634,000

To design, renovate, and equip Phase 2 of the College Services building at Normandale Community College.

Subd. 6. **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. 7. **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. 8. **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 $ 3,951,000**

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

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

For library construction grants under Minnesota Statutes, section 134.45.

Subd. 3. **Dassel-Cokato School District; Athletic Facility** 1,000,000

For a grant to Independent School District No. 466, Dassel-Cokato, to construct and install the new floor in the recreation center.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. **Total Appropriation $ 8,980,000**

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

Subd. 2. **Asset Preservation** 3,150,000

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 $ 104,420,000**

(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** 20,000,000

(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. At least 60 days before encumbering any of this appropriation to replace a building, the commissioner must report to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over capital investment of the intention to use this appropriation for a building replacement, including identifying the building to be replaced, the age of the building, the cost to renovate the building, the cost to replace the building, and the commissioner's rationale for replacing the building.

(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** 17,000,000

(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, Breckenridge, Browns Valley, Carver, Delano, Faribault, Golden Valley, Halstad, Hawley, Hendrum, Inver Grove Heights, Jordan, Montevideo, Moorhead, Newfolden, Nielsville, Owatonna, Round Lake Township in Jackson County, Sioux Valley Township in Jackson County, and Waseca.

(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;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) This appropriation may also be used for a project in the Southern Minnesota Rivers Basin Area II.

(g) 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.

(h) Notwithstanding paragraph (c), $2,000,000 of this appropriation is for flood hazard mitigation for the Toelle Coulee in the city of Browns Valley.

(i) 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).

(j) 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

(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 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.

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, at least $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 acquisition of lands for the forests for the future program under Minnesota Statutes, section 84.66.

Subd. 10. **Blazing Star State Trail** 1,740,000

To complete the segment of the Blazing Star Trail, established under Minnesota Statutes, section 85.015, subdivision 19, between the cities of Albert Lea and Hayward, connecting both cities to Myre-Big Island State Park.

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. **Dakota County; Lake Byllesby Dam Improvements** 6,000,000

For a grant to Dakota County under Minnesota Statutes, sections 103G.511 and 103G.515, to design and construct capital improvements to the hydroelectric generating facility, including replacement of obsolete turbines, at the Byllesby Dam, located on the Cannon River.

The commissioner of natural resources shall report to legislature as provided in Minnesota Statutes, section 3.195, and to the chairs and ranking minority members of the house and senate committees with jurisdiction over capital investment, environment and natural resources finance and policy, and energy on the amount and use of the renovated dam's electricity generated, any revenue raised from the sale of the electricity generated, how the revenue is expended, and any other benefits. The first report is due on October 1, 2021, and a second report is due October 1, 2023.

Subd. 15. **Ely; Regional Trailhead Development** 1,500,000

For a grant to the city of Ely to complete predesign, design, construction, furnishing, and equipping the trailhead facility with parking, visitor information, and restrooms for trail users on the west end of the city near marked Trunk Highway 169.

Subd. 16. **Hutchinson; Campbell and Otter Lakes Restoration** 3,100,000

For a grant to the city of Hutchinson to predesign, design, engineer, and construct capital improvements and betterments of Otter Lake, Campbell Lake, the South Fork Crow River, and other tributaries to the lakes in order to improve water quality, increase the areas for recreational activities, and restore fish and wildlife habitat. The project includes stream and shoreline restoration and the installation of a forebay at the mouth of the lake basin to collect from the river sediment originating from outside the city before it enters the lakes and to allow for periodic removal of the sediment collected.

Subd. 17. **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. 18. **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. 19. **Lakeville; Orchard Lake Improvement** 260,000

For a grant to the city of Lakeville for capital improvements to reduce erosion and improve water quality in Orchard Lake. The capital improvements include installation of shoreline stabilization and dredging and removing sediment for a storm water retention basin.

Subd. 20. **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. 21. **Otter Tail County; Regional Trail** 375,000

For a grant to Otter Tail County for the predesign and design of the Perham to Pelican Rapids Regional Trail segment located within Maplewood State Park.

Subd. 22. **Pine County; Oberstar Trail** 650,000

For a grant to Pine County under Minnesota Statutes, section 85.019, subdivision 4c, to construct a 1.9-mile segment of the Oberstar Trail.

Subd. 23. **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. 24. **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. 25. **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. 26. **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. 27. **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. 28. **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, and engineer 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. This is phase 1 of the project.

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. This is phase 1 of the project.

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 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 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 replace the building that provides the entrance to the monorail structure and to design, construct, furnish, and equip the renovation of the monorail structure as an elevated pedestrian trail.

Sec. 12. **ADMINISTRATION**

Subdivision 1. **Total Appropriation $ 4,770,000**

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 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 $ 6,087,000**

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** 250,000

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 a site, 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 construct 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 $ 327,591,000**

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. **McLeod County; CSAH 15** 1,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, 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. This appropriation is added to and is for the same purpose as the appropriation in Laws 2017, First Special Session chapter 8, article 1, section 15, subdivision 3, paragraph (k), as amended by Laws 2018, chapter 214, article 2, section 33.

Subd. 10. **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. 11. **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. 12. **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. 13. **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 connect Scout Drive to Dehler Drive, and 19th Street South to Scout Drive. 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. 14. **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. 15. **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 for design, construction engineering, and construction of 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. 16. **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. 17. **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. 18. **Local Bridge Replacement and Rehabilitation** 30,000,000

(a) 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.

(b) The commissioner must not award more than $7,000,000 for a single project with funds appropriated in this subdivision.

Subd. 19. **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. 20. **Safe Routes to School; Pedestrian and Bicycle Facilities** 3,000,000

For grants under Minnesota Statutes, section 174.40.

Subd. 21. **Rail Service Improvement** 4,000,000

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

Subd. 22. **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. 23. **Grassy Point Bridge** 3,000,000

For preliminary design, design, engineering, construction, reconstruction, repair, or improvements to the Grassy Point Bridge.

Subd. 24. **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. 25. **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. 26. **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. 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) $2,900,000 is appropriated for Phase 2, for property acquisition; site mitigation; petroleum pipeline relocation and all associated predesign and design at the Rochester International Airport.

(c) $460,000 is appropriated for Phase 3, for relocation of 31st Ave. SW and 90th Street; utility relocation; grading and drainage improvements; to modify airport fencing and all associated predesign and design at the Rochester International Airport.

(d) $1,000,000 is appropriated for Phase 4, for removal of taxiways; reconstruction of the southern portion of Runway 2 and adjacent Taxiway B including paved shoulders; installation of lighting and signage and all associated predesign and design at the Rochester International Airport.

(e) $1,270,000 is appropriated for Phase 5, to modify airport fencing; construct an extension of Runway 2 and Taxiway B including paved shoulders; construct paved shoulders on the remaining portion of Runway 2 located south of the runway-runway intersection; acquisition and installation of navigational aids; installation of lighting and signage and all associated predesign and design at the Rochester International Airport.

(f) $3,670,000 is appropriated for Phase 6, to demolish and reconstruct a portion of Taxiway B including paved shoulders; to reposition navigational aids; acquire and install instrument approach improvements; for grading and drainage improvements; installation of lighting and signage and all associated predesign and design at the Rochester International Airport.

(g) $2,100,000 is appropriated for Phase 7, to reconstruct taxiway and runway intersections; to remove Taxiways A6, E, F, G and a portion of Runway 20; to reconstruct Taxiway D; for grading and drainage improvements; installation of lighting and signage and all associated predesign and design at the Rochester International Airport.

Subd. 27. **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. 28. **Hastings; Pedestrian and Bicycle Trail** 1,500,000

For a grant to the city of Hastings to predesign, design, and construct a separate trail for pedestrian and bicycle users along the marked Trunk Highway 316 corridor in the city.

Subd. 29. **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. 30. **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. 31. **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. 32. **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. 33. **Albert Lea; Highway 65 Flood Mitigation** 2,682,000

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. 34. **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. 35. **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. 36. **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. 37. **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. 38. **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. 39. **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 $ 88,400,000**

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. **Anoka County; Rice Creek North Regional Trail** 500,000

For a grant to Anoka County for design of one or more multiuse trails in Circle Pines and Lino Lakes that are within, or generally parallel to and within, the Rice Creek North Regional Trail corridor. The trails include bridges, separated trails, elevated walkways, or paved pathways. If money remains after substantial completion of design, the unexpended and unencumbered amount may be used for engineering for the project.

Subd. 6. **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. 7. **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. 8. **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. 9. **Ramsey County; Battle Creek Winter Recreation Area** 1,800,000

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.

Subd. 10. **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. 11. **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. 12. **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. 13. **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. Any money remaining from this appropriation after design is substantially completed, and after written notice to the commissioner of management and budget, may be used for asset preservation.

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 $ 6,750,000**

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

Subd. 2. **Asset Preservation** 6,300,000

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 $ 161,791,000**

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** 8,200,000

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

Subd. 3. **Innovative Business Development Public Infrastructure** 1,900,000

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

Subd. 4. **Transportation Economic Development Infrastructure** 2,900,000

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

Subd. 5. **Minneapolis Community and Technical College** 450,000

For a transfer to the Board of Trustees of the Minnesota State Colleges and Universities to predesign and design the renovation of space on the Minneapolis Community and Technical College campus for a manufacturing and trades education and training program, and to construct the renovation of the front office and technology center spaces for the program. The program is to provide high school and postsecondary degrees or certification in manufacturing and the trades. The board of trustees may enter into a lease or management agreement for operation of the program, under Minnesota Statutes, section 16A.695.

Subd. 6. **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. 7. **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. 8. **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. 9. **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. 10. **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. 11. **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. 12. **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. 13. **Cohasset; Mississippi Riverfront Development** 1,200,000

For a grant to the city of Cohasset to prepare the site for, predesign, design, and construct a road, utilities, green space, and a marina on Mississippi riverfront property in the city.

Subd. 14. **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. 15. **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. 16. **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. 17. **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. 18. **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. 19. **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. 20. **Fergus Falls; Riverfront Corridor** 1,750,000

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. 21. **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. 22. **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. 23. **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. 24. **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. 25. **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. 26. **Minneapolis; Central City Storm Tunnel** 8,500,000

For a grant to the city of Minneapolis for design and construction necessary to expand the Central City Storm Tunnel in Minneapolis.

Subd. 27. **Minneapolis; Outdoor Performance Venue** 12,500,000

(a) For a grant to the city of Minneapolis to predesign, design, construct, furnish, and equip 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. 28. **New Ulm; German Park Amphitheater** 300,000

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.

Subd. 29. **North Mankato; Caswell Park Improvements** 2,000,000

For a grant to the city of North Mankato to predesign, design, construct, furnish, and equip improvements and renovations to existing facilities at the Caswell Regional Sporting Complex.

Subd. 30. **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. 31. **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. 32. **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. 33. **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. 34. **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. 35. **Steele County; Fairgrounds Electrical Improvements** 750,000

For a grant to Steele County to construct underground electrical infrastructure at the Steele County Fairgrounds.

Subd. 36. **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 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 may not be used to acquire and install artificial turf or to construct the west lobby.

Subd. 37. **St. Joseph; Jacob Wetterling Recreation Center** 4,000,000

For a grant to the city of St. Joseph to design, construct, furnish, and equip a recreation center as an addition to the former school building purchased by the city to be repurposed as a community center.

Subd. 38. **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. 39. **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. 40. **St. Paul; Minnesota Museum of American Art** 2,000,000

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, as amended by Laws 2018, chapter 214, article 2, section 40, and the amount appropriated by Laws 2018, chapter 214, article 1, section 21, subdivision 26, and is available in accordance with the requirements of those provisions.

Subd. 41. **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. 42. **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. 43. **St. Paul; Hmong Cultural Plaza, Phalen Regional Park** 500,000

(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. 44. **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. 45. **Wayzata; Lake Effect Boardwalk** 4,000,000

For a grant to the city of Wayzata to design and construct a boardwalk and restore the lake edge on Lake Minnetonka in downtown Wayzata as a part of the Lake Effect Project.

Subd. 46. **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. 47. **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. 48. **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 $ 269,110,000**

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 and engineer 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, engineer, construct, furnish, and equip phase 2 of the project to upgrade 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. **Caledonia; Wastewater Treatment Plant** 7,000,000

For a grant to the city of Caledonia to construct and equip a new wastewater treatment facility.

Subd. 12. **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. 13. **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. 14. **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. 15. **Foley; Wastewater Infrastructure** 8,000,000

For a grant to the city of Foley to predesign, design, construct, and equip wastewater infrastructure improvements, which may also include acquisition of real property needed for the wastewater infrastructure improvements.

Subd. 16. **Forest Lake; Wastewater Infrastructure. 1,700,000**

For a grant to the city of Forest Lake to predesign, design, engineer, construct or reconstruct, and equip ten sanitary sewer system lift stations in the city.

Subd. 17. **Lincoln-Pipestone Rural Water System** 5,750,000

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. 18. **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. 19. **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. 20. **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. 21. **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. 22. **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. 23. **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. 24. **Randolph; Wastewater Infrastructure** 13,000,000

For a grant to the city of Randolph to acquire land, predesign, environmental review, design, construct, install, furnish, and equip a wastewater collection system and treatment system, including wastewater stabilization ponds and spray irrigation fields, in and within one and one-half miles of the city of Randolph.

Subd. 25. **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. 26. **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. 27. **Royalton; Clean Water and Storm Sewer Infrastructure** 900,000

For a grant to the city of Royalton to design, engineer, and construct publicly owned infrastructure in conjunction with reconstruction of marked U.S. Highway 10 in Royalton. 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. 28. **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. 29. **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. 30. **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. 31. **Two Harbors; Wastewater Treatment Plant** 11,500,000

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. 32. **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. 33. **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. 34. **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. 35. **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 $ 1,393,000**

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

Subd. 2. **Bond Sale Expenses** 1,393,000

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 $1,148,356,000 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 $243,959,000 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 $1,139,619,000 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	
Department of Transportation	$	300,000,000
Department of Management and Budget		300,000
TOTAL	**$**	**300,300,000**

APPROPRIATIONS

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

Subdivision 1. **State Road Construction $ 84,000,000**

(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 investment 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 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.

Subd. 5. **Facilities Capital Program** **58,000,000**

From the bond proceeds account in the trunk highway fund for transportation facilities. Of this appropriation: $15,200,000 is for construction of an addition and renovation of the Eden Prairie truck station; $15,800,000 is for construction of an addition and renovation of the Mendota Heights truck station; $10,500,000 is for construction of a new truck station in Clearwater; $14,100,000 is for construction of a new truck station in Jordan; and $2,400,000 is for design of a new headquarters building in Eveleth or Virginia. 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. 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. **EFFECTIVE DATE.** This article is effective the day following final 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. This appropriation for the first phase must not be used for a sports dome, and this appropriation is not available if any money, including privately raised funds, is used to construct a sports dome.

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~~.~~ ; and

(7) 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 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. 4. **[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 special revenue 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. 5. 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. 6. 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. 7. 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. 8. 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. 9. 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 12and 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.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2020.

Sec. 10. 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. 11. 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~~ $300,000 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. 12. 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. 13. 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. 14. 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. 15. 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. 16. 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. 17. **[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 public skate parks statewide; 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 designated 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. 18. 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 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. A 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 $250,000.

(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 Metropolitan Council; 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 other than the Metropolitan Council, 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. 19. 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 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. A 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 $1,000,000. For purposes of this paragraph, "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. 20. 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. 21. 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. 22. 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. 23. 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. 24. 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. 25. 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. 26. 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. 27. 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. 28. 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 formal garden walls 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. 29. 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. 30. 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. 31. 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. 32. 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. 33. 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. 34. 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. 35. Laws 2018, chapter 214, article 3, section 7, subdivision 1, as amended by Laws 2019, chapter 2, article 2, section 10, is amended to read:

Subdivision 1. **Appropriation.** $2,000,000 is appropriated from the bond proceeds account in the state transportation fund to the commissioner of transportation for a grant to Anoka County for engineering~~,~~ and final design~~, and right-of-way acquisition~~ required for construction of a railroad crossing grade separation on Anoka County State-Aid Highway 56, otherwise known as Ramsey Boulevard, at the Burlington Northern Santa Fe Railroad in the city of Ramsey and associated improvements on U.S. Trunk Highway 10/169 in the city of Ramsey. Any portion of this appropriation not needed to complete engineering and final design may be applied to right-of-way acquisition costs.

Sec. 36. 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
$ ~~25,398,000~~ 25,380,000 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. 37. **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).

(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 9.

Sec. 38. **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.

Sec. 39. **RECOMMENDATIONS FOR MODIFYING SUSTAINABLE BUILDING REQUIREMENTS FOR SMALL PROJECTS.**

The commissioners of administration and commerce must provide recommendations by February 15, 2021, to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over capital investment for revisions to the sustainable building guidelines under Minnesota Statutes, section 16B.325, and the way that those guidelines are implemented and enforced, to simplify the approval and exemption processes and reduce compliance costs for small scale projects.

Sec. 40. **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. 41. **EFFECTIVE DATE.** Except as otherwise provided, this article is effective the day following final enactment.

ARTICLE 6

GENERAL FUND SPENDING OFFSETS

Section 1. **PREMIUM SECURITY ACCOUNT TRANSFER.**

The commissioner of management and budget must transfer $105,000,000 to the general fund in fiscal year 2021 from the premium security account established in Minnesota Statutes, section 62E.25, subdivision 1. This is a onetime transfer.

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

Sec. 2. **GENERAL OBLIGATION BOND REFINANCING SAVINGS.**

The general fund debt service, as estimated in the February 2020 state budget forecast, is reduced by $41,666,000 in fiscal year 2021, $5,784,000 in fiscal year 2022, and $1,000 in fiscal year 2023.

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 290.0133, 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. 3. **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

MISCELLANEOUS TAXES

Section 1. 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.

Sec. 2. 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. This section is effective beginning with assessments in 2021 and thereafter.

Sec. 3. 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. 4. **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.

Sec. 5. **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

SUPPLEMENTAL STATE GOVERNMENT APPROPRIATIONS

Section 1. Minnesota Statutes 2018, section 299C.106, subdivision 3, is amended to read:

Subd. 3. **Submission and storage of ~~unrestricted~~ sexual assault examination ~~kit~~ kits.** (a) Within 60 days of receiving an unrestricted sexual assault examination kit, a law enforcement agency shall submit the kit for testing to a forensic laboratory~~, unless the law enforcement agency deems the result of the kit would not add evidentiary value to the case. If a kit is not submitted during this time, the agency shall make a record, in consultation with the county attorney, stating the reasons why the kit was not submitted. Restricted sexual assault examination kits shall not be submitted for testing~~.The testing laboratory shall return unrestricted sexual assault examination kits to the submitting agency for storage after testing is complete. The submitting agency must store unrestricted sexual assault examination kits indefinitely.

(b) Within 60 days of a hospital preparing a restricted sexual assault examination kit or a law enforcement agency receiving a restricted sexual assault examination kit from a hospital, the hospital or the agency shall submit the kit to the Bureau of Criminal Apprehension. The bureau shall store all restricted sexual assault examination kits collected by hospitals or law enforcement agencies in the state. The bureau shall retain a restricted sexual assault examination kit for at least 30 months from the date the bureau receives the kit.

EFFECTIVE DATE. This section is effective January 1, 2021.

Sec. 2. Minnesota Statutes 2018, section 299C.106, is amended by adding a subdivision to read:

Subd. 3a. **Uniform consent form.** The superintendent of the Bureau of Criminal Apprehension shall develop a uniform sexual assault examination kit consent form. The form must clearly explain the differences between designating a kit as unrestricted or

restricted. In developing and designing the consent form, the superintendent must consult with hospital administrators, sexual assault nurse examiners, the Minnesota Coalition Against Sexual Assault, and other stakeholders. The uniform consent form shall be widely distributed to law enforcement agencies, medical providers, and other stakeholders. The superintendent must make the form available on the bureau's website.

Sec. 3. Minnesota Statutes 2018, section 299C.106, is amended by adding a subdivision to read:

Subd. 3b. **Web database requirement.** The commissioner, in consultation with the commissioner of administration, must maintain a website with a searchable database providing sexual assault victims with information on the status of their individual sexual assault examination kit. The superintendent must strictly control access to the database to protect the privacy of the victims' data.

Sec. 4. **APPROPRIATIONS; DIRECT CARE AND TREATMENT.**

$16,029,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of human services to support direct care and treatment services. The commissioner may transfer this appropriation between direct care and treatment appropriations. This appropriation is available until June 30, 2022. This is a onetime appropriation.

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

Sec. 5. **APPROPRIATIONS; DEPARTMENT OF PUBLIC SAFETY.**

Subdivision 1. **Appropriations.** The appropriations in this section are to the commissioner of public safety. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Patrolling highways.** (a) $7,168,000 in fiscal year 2021 is appropriated from the trunk highway fund for staff and operating costs to patrol highways.

(b) The base from the trunk highway fund for patrolling highways is $102,452,000 in each of fiscal years 2022 and 2023.

Subd. 3. **Commercial vehicle enforcement.** (a) $648,000 in fiscal year 2021 is appropriated from the trunk highway fund for commercial vehicle enforcement staff and operating costs.

(b) The base for commercial vehicle enforcement is $9,686,000 in each of fiscal years 2022 and 2023.

Subd. 4. **Civil unrest costs.** $5,072,000 in fiscal year 2021 is appropriated from the trunk highway fund for costs incurred by the agency related to the response to civil unrest in the Minneapolis-St. Paul area. This is a onetime appropriation.

Subd. 5. **Capitol security.** (a) $1,278,000 in fiscal year 2021 is appropriated from the general fund for capitol security staff and operating costs.

(b) The base for capitol security is $10,528,000 in each of fiscal years 2022 and 2023.

Subd. 6. **Civil unrest costs; summer.** $3,581,000 in fiscal year 2021 is appropriated from the general fund for costs incurred by the agency related to the response to civil unrest in the Minneapolis-St. Paul area. This is a onetime appropriation.

Subd. 7. **Appropriations; Department of Public Safety; State Patrol.** (a) $193,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of public safety for the salary increases. This is a onetime appropriation.

(b) $3,394,000 in fiscal year 2021 is appropriated from the trunk highway fund to the commissioner of public safety for the salary increases. This is a onetime appropriation.

(c) $49,000 in fiscal year 2021 is appropriated from the highway user tax distribution fund to the commissioner of public safety for the salary increases. This is a onetime appropriation.

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

Sec. 6. **STATE PATROL TROOPER SALARY INCREASE.**

The commissioner of public safety must increase the salary paid to state patrol troopers by 8.4 percent.

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

Sec. 7. **APPROPRIATION; DEPARTMENT OF CORRECTIONS.**

$7,500,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of corrections for overtime and staffing. This is a onetime appropriation. Of this amount, $7,500,000 is for fiscal year 2021 employee compensation costs and continuity of operations of the challenge incarceration programs at Togo and Willow River through June 30, 2021.

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

Sec. 8. **APPROPRIATION; DEPARTMENT OF PUBLIC SAFETY; BUREAU OF CRIMINAL APPREHENSION.**

(a) $4,482,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of public safety for use by the Bureau of Criminal Apprehension in storing, tracking, and testing sexual assault examination kits; and forensic testing to combat violent crime.

(b) Of the amount appropriated in paragraph (a), $3,096,000 in fiscal year 2021 is to pay for the testing of unrestricted sexual assault examination kits, storage of restricted kits, and the development of an informational website for sexual assault survivors to learn the status of the testing of the survivor's individual sexual assault examination kit. The base for this appropriation is $2,067,000 in fiscal year 2022 and each year thereafter.

(c) Of the amount appropriated in paragraph (a), $1,386,000 in fiscal year 2021 is for staffing and operating costs to provide for training, supplies, and equipment; and renovate space to enhance the capacity for forensic testing to combat violent crime. The base for this appropriation is $844,000 in fiscal year 2022 and each year thereafter.

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

Sec. 9. **APPROPRIATION; NATURAL RESOURCES CIVIL UNREST COSTS.**

$2,112,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of natural resources for costs incurred by the agency related to the response to civil unrest in the Minneapolis-St. Paul area. This is a onetime appropriation.

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

Sec. 10. **APPROPRIATION; DEPARTMENT OF TRANSPORTATION.**

$865,000 is appropriated in fiscal year 2021 from the trunk highway fund to the commissioner of transportation for the costs incurred by the agency related to civil unrest response in the Minneapolis-St. Paul area. This is a onetime appropriation.

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

Sec. 11. **APPROPRIATION CHANGES; MEDICAL ASSISTANCE.**

As a result of Minnesota receiving the 6.2 percentage increase in the federal medical assistance percentage enacted under section 6008 of the Families First Coronavirus Response Act, Public Law 116-127, from October 1, 2020, to December 31, 2020, the fiscal year 2021 general fund appropriation in Laws 2019, First Special Session chapter 9, article 14, section 2, subdivision 15, is reduced by $59,456,000. The planning estimate for fiscal year 2022 for the same appropriation is increased by $34,400,000.

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

Sec. 12. **COVID-19 APPROPRIATION; FUNDING SOURCE.**

Subdivision 1. **Application.**

This section applies to funds as specified in the following paragraphs:

(1) funds allocated pursuant to the coronavirus relief fund request number 14 that are returned to the state by December 10, 2020; and

(2) $10,000,000 of the unappropriated funds in the coronavirus relief fund. The commissioner shall direct $10,000,000 of federal CARES Act funding to appropriate state activities that have been funded by the state general fund.

Subd. 2. **Appropriation.**

The commissioner of management and budget shall review all appropriations and transfers from the general fund in Laws 2020, chapters 66, 70, 71, 74, and 81, to determine whether those appropriations and transfers are eligible expenditures from the coronavirus relief federal fund. The commissioner shall designate a total amount of general fund appropriations and transfers in Laws 2020, chapters 66, 70, 71, 74, and 81, up to but not greater than the amount determined under subdivision 1, to be an eligible expenditure from the coronavirus relief federal fund. All appropriations and transfers designated by the commissioner in an amount up to, but not greater than the amounts as provided under subdivision 1, are canceled to the general fund. The commissioner may designate a portion of an appropriation or transfer for cancellation. Each amount designated under this subdivision is appropriated from the coronavirus relief federal fund for the purposes of the original general fund appropriation.

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

Sec. 13. **FUND MAXIMIZATION.**

On or after December 31, 2020, the commissioner of management and budget is authorized to use best efforts to maximize the use of federal CARES Act funding, consistent with applicable federal guidance, and to use any unobligated amounts to fund eligible state activities appropriated for in Laws 2020, chapters 66, 70, 71, 74, or 81.

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

ARTICLE 10

DIRECT SUPPORT PROFESSIONALS

Section 1. Minnesota Statutes 2019 Supplement, section 256B.0659, subdivision 11, as amended by Laws 2020, chapter 115, article 4, section 128, is amended to read:

Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant must meet the following requirements:

(1) be at least 18 years of age with the exception of persons who are 16 or 17 years of age with these additional requirements:

(i) supervision by a qualified professional every 60 days; and

(ii) employment by only one personal care assistance provider agency responsible for compliance with current labor laws;

(2) be employed by a personal care assistance provider agency;

(3) enroll with the department as a personal care assistant after clearing a background study. Except as provided in subdivision 11a, before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study on the personal care assistant under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:

(i) not disqualified under section 245C.14; or

(ii) disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22;

(4) be able to effectively communicate with the recipient and personal care assistance provider agency;

(5) be able to provide covered personal care assistance services according to the recipient's personal care assistance care plan, respond appropriately to recipient needs, and report changes in the recipient's condition to the supervising qualified professional, physician, or advanced practice registered nurse;

(6) not be a consumer of personal care assistance services;

(7) maintain daily written records including, but not limited to, time sheets under subdivision 12;

(8) effective January 1, 2010, complete standardized training as determined by the commissioner before completing enrollment. The training must be available in languages other than English and to those who need accommodations due to disabilities. Personal care assistant training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of personal care assistants including information about assistance with lifting and transfers for recipients, emergency preparedness, orientation to positive behavioral practices, fraud issues, and completion of time sheets. Upon completion of the training components, the personal care assistant must demonstrate the competency to provide assistance to recipients;

(9) complete training and orientation on the needs of the recipient; and

(10) be limited to providing and being paid for up to ~~275~~ 310 hours per month of personal care assistance services regardless of the number of recipients being served or the number of personal care assistance provider agencies enrolled with. The number of hours worked per day shall not be disallowed by the department unless in violation of the law.

(b) A legal guardian may be a personal care assistant if the guardian is not being paid for the guardian services and meets the criteria for personal care assistants in paragraph (a).

(c) Persons who do not qualify as a personal care assistant include parents, stepparents, and legal guardians of minors; spouses; paid legal guardians of adults; family foster care providers, except as otherwise allowed in section 256B.0625, subdivision 19a; and staff of a residential setting.

(d) Personal care assistance services qualify for the enhanced rate described in subdivision 17a if the personal care assistant providing the services:

(1) provides covered services to a recipient who qualifies for 12 or more hours per day of personal care assistance services; and

(2) satisfies the current requirements of Medicare for training and competency or competency evaluation of home health aides or nursing assistants, as provided in the Code of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved training or competency requirements.

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

Sec. 2. Minnesota Statutes 2019 Supplement, section 256B.85, subdivision 16, is amended to read:

Subd. 16. **Support workers requirements.** (a) Support workers shall:

(1) enroll with the department as a support worker after a background study under chapter 245C has been completed and the support worker has received a notice from the commissioner that the support worker:

(i) is not disqualified under section 245C.14; or

(ii) is disqualified, but has received a set-aside of the disqualification under section 245C.22;

(2) have the ability to effectively communicate with the participant or the participant's representative;

(3) have the skills and ability to provide the services and supports according to the participant's CFSS service delivery plan and respond appropriately to the participant's needs;

(4) complete the basic standardized CFSS training as determined by the commissioner before completing enrollment. The training must be available in languages other than English and to those who need accommodations due to disabilities. CFSS support worker training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of support workers including information about basic body mechanics, emergency preparedness, orientation to positive behavioral practices, orientation to responding to a mental health crisis, fraud issues, time cards and documentation, and an overview of person-centered planning and self-direction. Upon completion of the training components, the support worker must pass the certification test to provide assistance to participants;

(5) complete employer-directed training and orientation on the participant's individual needs;

(6) maintain the privacy and confidentiality of the participant; and

(7) not independently determine the medication dose or time for medications for the participant.

(b) The commissioner may deny or terminate a support worker's provider enrollment and provider number if the support worker:

(1) does not meet the requirements in paragraph (a);

(2) fails to provide the authorized services required by the employer;

(3) has been intoxicated by alcohol or drugs while providing authorized services to the participant or while in the participant's home;

(4) has manufactured or distributed drugs while providing authorized services to the participant or while in the participant's home; or

(5) has been excluded as a provider by the commissioner of human services, or by the United States Department of Health and Human Services, Office of Inspector General, from participation in Medicaid, Medicare, or any other federal health care program.

(c) A support worker may appeal in writing to the commissioner to contest the decision to terminate the support worker's provider enrollment and provider number.

(d) A support worker must not provide or be paid for more than ~~275~~ 310 hours of CFSS per month, regardless of the number of participants the support worker serves or the number of agency-providers or participant employers by which the support worker is employed. The department shall not disallow the number of hours per day a support worker works unless it violates other law.

(e) CFSS qualify for an enhanced rate if the support worker providing the services:

(1) provides services, within the scope of CFSS described in subdivision 7, to a participant who qualifies for 12 or more hours per day of CFSS; and

(2) satisfies the current requirements of Medicare for training and competency or competency evaluation of home health aides or nursing assistants, as provided in the Code of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved training or competency requirements.

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

Sec. 3. **TEMPORARY PERSONAL CARE ASSISTANCE COMPENSATION FOR SERVICES PROVIDED BY A PARENT OR SPOUSE.**

(a) Notwithstanding Minnesota Statutes, section 256B.0659, subdivisions 3, paragraph (a), clause (1); 11, paragraph (c); and 19, paragraph (b), clause (3), during a peacetime emergency declared by the governor under Minnesota Statutes, section 12.31, subdivision 2, for an outbreak of COVID-19, a parent, stepparent, or legal guardian of a minor who is a personal care assistance recipient or a spouse of a personal care assistance recipient may provide and be paid for providing personal care assistance services.

(b) This section expires February 7, 2021.

EFFECTIVE DATE. This section is effective the day following final enactment or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 4. **DIRECT SUPPORT PROFESSIONALS TEMPORARY RATE INCREASE.**

Subdivision 1. **Definitions.**

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

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

(c) "Covered program" has the meaning given in Minnesota Statutes, section 256B.0711, subdivision 1, paragraph (b).

(d) "Direct support professional" means an individual employed to personally provide personal care assistance services covered by medical assistance under Minnesota Statutes, section 256B.0625, subdivisions 19a and 19c; or to personally provide medical assistance services covered under Minnesota Statutes, section 256B.0913, 256B.092, or 256B.49, or chapter 256S. Direct support professional does not include managerial or administrative staff who do not personally provide the services described in this paragraph.

(e) "Direct support services" has the meaning given in Minnesota Statutes, section 256B.0711, subdivision 1, paragraph (c).

Subd. 2. **Temporary rates for direct support services.**

(a) To respond to the infectious disease known as COVID-19, the commissioner must temporarily increase rates and enhanced rates by 8.4 percent for direct support services provided under a covered program or under Minnesota Statutes, section 256B.0659, while this section is effective.

(b) Providers that receive a rate increase under this section must:

(1) use at least 80 percent of the additional revenue to increase wages, salaries, and benefits for direct support professionals and any corresponding increase in the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation premiums; and

(2) use any remainder of the additional revenue for activities and items necessary to support compliance with Centers for Disease Control and Prevention guidance on sanitation and personal protective equipment.

Subd. 3. **Capitation rates and directed payments.**

(a) To implement the temporary rate increase under this section, managed care plans and county-based purchasing plans shall pay at least the fee-for-service rate inclusive of the 8.4 percent increase for the direct support services.

(b) If federal approval is not received due to the provisions of this subdivision, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and providers and between county-based purchasing plans and providers must allow recovery of payments from providers if federal approval for the provisions of this subdivision is not received and the commissioner reduces capitation payments as a result. Payment recoveries must not exceed the amount equal to any decrease in rates that results from this paragraph.

Subd. 4. **Consumer-directed community supports budgets.**

The commissioner shall temporarily adjust consumer-directed community supports budgets to account for the rate increase required in subdivision 2.

Subd. 5. **Consumer support grants; increased maximum allowable grant.**

The commissioner shall temporarily increase the maximum allowable monthly grant level for each recipient of consumer support grants to account for the rate increase required in subdivision 2.

Subd. 6. **Distribution plans.**

(a) A provider agency or individual provider that receives a rate increase under subdivision 2 shall prepare and, upon request, submit to the commissioner a distribution plan that specifies the anticipated amount and proposed uses of the additional revenue the provider will receive under subdivision 2.

(b) Within 60 days of final enactment of this section, the provider must post the distribution plan and leave it posted for a period of at least six weeks in an area of the provider's operation to which all direct support professionals have access. The provider must post with the distribution plan instructions on how to contact the commissioner if direct support professionals do not believe they have received the wage increase or benefits specified in the distribution plan. The instructions must include a mailing address, e-mail address, and telephone number that the direct support professional may use to contact the commissioner or the commissioner's representative.

Subd. 7. **Expiration.**

This section expires February 7, 2021.

EFFECTIVE DATE. This section is effective the day following final enactment or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval is obtained.

Sec. 5. **APPROPRIATION; HOME AND COMMUNITY-BASED DIRECT SUPPORT PROFESSIONALS.**

(a) $13,279,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of human services to implement the direct support professional provisions in this act.

(b) $12,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of human services for information technology systems. This is a onetime appropriation.

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

Presented to the governor October 16, 2020

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