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State of Minnesota
HOUSE OF REPRESENTATIVES

SPECIAL SESSION

H. F. No. 18

06/09/2025 Authored by Franson and Lee, F.,
The bill was read for the first time
R/S Rules Suspended, urgency declared
Read for the Second Time
Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1

A bill for an act

1.2

relating to capital investment; authorizing spending to acquire and better public

1.3

land and buildings and for other improvements of a capital nature with certain

1.4

conditions; establishing new programs and modifying existing programs; modifying

1.5

prior appropriations; authorizing the sale and issuance of state bonds; appropriating

1.6

money; amending Minnesota Statutes 2024, sections 16A.501; 116.182, subdivision

1.7

5; 446A.07, subdivision 8; 446A.072, subdivision 5a; 446A.073, subdivision 1,

1.8

as amended; 446A.081, subdivision 9; Laws 2013, chapter 143, article 12, section

1.9

21; Laws 2020, Fifth Special Session chapter 3, article 1, sections 16, subdivision

1.10

34; 17, subdivision 13, as amended; 21, subdivision 7, as amended; Laws 2023,

1.11

chapter 71, article 1, sections 9, subdivision 12; 11, subdivision 7; 14, subdivisions

1.12

24, 49, 67, as amended, 81, as amended, 93, as amended, 97; 15, subdivisions 7,

1.13

16; Laws 2023, chapter 72, article 1, sections 4; 7, subdivision 18; 16, subdivision

1.14

15; article 2, section 2; proposing coding for new law in Minnesota Statutes,

1.15

chapters 115B; 446A; 462A; repealing Minnesota Statutes 2024, sections 16A.662;

1.16

116J.417, subdivision 9.

1.17

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

1.18

ARTICLE 1

1.19

APPROPRIATIONS

1.20

Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.

1.21

The sums shown in the column under "Appropriations" are appropriated from the bond

1.22

proceeds fund, or another named fund, to the state agencies or officials indicated, to be

1.23

spent for public purposes. Appropriations of bond proceeds must be spent as authorized by

1.24

the Minnesota Constitution, article XI, section 5, clause (a), to acquire and better public

1.25

land and buildings and other public improvements of a capital nature, or as authorized by

1.26

the Minnesota Constitution, article XI, section 5, clauses (b) to (j), or article XIV. Unless

1.27

otherwise specified, money appropriated in this act:

2.1 (1) may be used to pay state agency staff costs that are attributed directly to the capital
2.2 program or project in accordance with accounting policies adopted by the commissioner of
2.3 management and budget;

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

2.6 (3) for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046,
2.7 should not be used for projects that can be financed within a reasonable time frame under
2.8 Minnesota Statutes, section 16B.322 or 16C.144; and

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

2.12 **APPROPRIATIONS**

2.13 **Sec. 2. UNIVERSITY OF MINNESOTA** **\$ 60,000,000**

2.14 To the Board of Regents of the University of
2.15 Minnesota to be spent in accordance with
2.16 Minnesota Statutes, section 135A.046.

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

2.19 **Subdivision 1. Total Appropriation** **\$ 84,000,000**

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

2.23 **Subd. 2. Higher Education Asset Preservation**
2.24 **and Replacement (HEAPR)** **60,000,000**

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

2.27 **Subd. 3. Alexandria Technical and Community**
2.28 **College** **24,000,000**

2.29 To construct, furnish, and equip a new
2.30 Transportation Center building at Alexandria
2.31 Technical and Community College. This
2.32 appropriation may also be used for the
2.33 demolition of buildings rendered obsolete by

3.1 the new Transportation Center and for the
3.2 renovation, furnishing, and equipping of
3.3 student services spaces.

3.4 Subd. 4. **Debt Service**

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

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

3.20 (c) The commissioner of management and
3.21 budget shall reduce the board's assessment
3.22 each year by one-third of the net income from
3.23 investment of general obligation bond
3.24 proceeds in proportion to the amount of
3.25 principal and interest otherwise required to be
3.26 paid by the board. The board shall pay its
3.27 resulting net assessment to the commissioner
3.28 of management and budget by December 1
3.29 each year. If the board fails to make a payment
3.30 when due, the commissioner of management
3.31 and budget shall reduce allotments for
3.32 appropriations from the general fund otherwise
3.33 available to the board and apply the amount
3.34 of the reduction to cover the missed debt
3.35 service payment. The commissioner of

4.1 management and budget shall credit the
4.2 payments received from the board to the bond
4.3 debt service account in the state bond fund
4.4 each December 1 before money is transferred
4.5 from the general fund under Minnesota
4.6 Statutes, section 16A.641, subdivision 10.

4.7 **Subd. 5. Unspent Appropriations**

4.8 (a) Upon substantial completion of a project
4.9 authorized in this section and after written
4.10 notice to the commissioner of management
4.11 and budget, the board must use any money
4.12 remaining in the appropriation for that project
4.13 for HEAPR under Minnesota Statutes, section
4.14 135A.046. The Board of Trustees must report
4.15 by February 1 of each even-numbered year to
4.16 the chairs of the house of representatives and
4.17 senate committees with jurisdiction over
4.18 capital investment and higher education
4.19 finance and to the chairs of the house of
4.20 representatives Ways and Means Committee
4.21 and the senate Finance Committee, on how
4.22 the remaining money has been allocated or
4.23 spent.

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

4.34 **Sec. 4. EDUCATION**

\$

750,000

5.1 To the commissioner of education for Mary
5.2 C. Murphy library construction grants under
5.3 Minnesota Statutes, section 134.45.

5.4 Sec. 5. **MINNESOTA STATE ACADEMIES** **\$** **1,000,000**

5.5 To the commissioner of administration for
5.6 capital asset preservation improvements and
5.7 betterments on both campuses of the
5.8 Minnesota State Academies, to be spent in
5.9 accordance with Minnesota Statutes, section
5.10 16B.307.

5.11 Sec. 6. **PERPICH CENTER FOR ARTS**
5.12 **EDUCATION** **\$** **1,260,000**

5.13 To the commissioner of administration for
5.14 capital asset preservation improvements and
5.15 betterments at the Perpich Center for Arts
5.16 Education, to be spent in accordance with
5.17 Minnesota Statutes, section 16B.307.

5.18 Sec. 7. **NATURAL RESOURCES**

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

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

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

5.30 **Subd. 2. Natural Resources Asset Preservation** **33,000,000**

5.31 For the preservation and replacement of
5.32 state-owned facilities and recreational assets
5.33 operated by the commissioner of natural

6.1 resources to be spent in accordance with

6.2 Minnesota Statutes, section 84.946.

6.3 Subd. 3. **Accessibility**

1,000,000

6.4 For the design and construction of accessibility

6.5 improvements at state parks, recreation areas,

6.6 and wildlife management areas.

6.7 Subd. 4. **Flood Hazard Mitigation**

9,000,000

6.8 (a) For the state share of flood hazard

6.9 mitigation grants for publicly owned capital

6.10 improvements to prevent or alleviate flood

6.11 damage under Minnesota Statutes, section

6.12 103F.161.

6.13 (b) Project priorities shall be determined by

6.14 the commissioner as appropriate, based on

6.15 need and consideration of available leveraging

6.16 of federal, state, and local funds.

6.17 (c) To the extent practicable and consistent

6.18 with the project, recipients of appropriations

6.19 for flood control projects in this subdivision

6.20 shall create wetlands that are eligible for

6.21 wetland replacement credit to replace wetlands

6.22 drained or filled as the result of repair,

6.23 reconstruction, replacement, or rehabilitation

6.24 of an existing public road under Minnesota

6.25 Statutes, section 103G.222, subdivision 1,

6.26 paragraphs (l) and (m).

6.27 (d) To the extent that the cost of a municipal

6.28 project exceeds two percent of the median

6.29 household income in the municipality

6.30 multiplied by the number of households in the

6.31 municipality, this appropriation is also for the

6.32 local share of the project.

7.1	<u>Subd. 5. Reforestation</u>		<u>1,000,000</u>
7.2	<u>For reforestation and stand improvement on</u>		
7.3	<u>state forest lands to meet the reforestation</u>		
7.4	<u>requirements of Minnesota Statutes, section</u>		
7.5	<u>89.002, subdivision 2, including purchasing</u>		
7.6	<u>native seeds and native seedlings, planting,</u>		
7.7	<u>seeding, site preparation, and protection on</u>		
7.8	<u>state lands administered by the commissioner.</u>		
7.9	<u>Subd. 6. Unspent Appropriations</u>		
7.10	<u>The unspent portion of an appropriation for a</u>		
7.11	<u>project in this section that is complete, upon</u>		
7.12	<u>written notice to the commissioner of</u>		
7.13	<u>management and budget, is available for asset</u>		
7.14	<u>preservation under Minnesota Statutes, section</u>		
7.15	<u>84.946. Minnesota Statutes, section 16A.642,</u>		
7.16	<u>applies from the date of the original</u>		
7.17	<u>appropriation to the unspent amount</u>		
7.18	<u>transferred.</u>		
7.19	<u>Sec. 8. POLLUTION CONTROL AGENCY</u>		
7.20	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>12,000,000</u>
7.21	<u>To the Pollution Control Agency for the</u>		
7.22	<u>purposes specified in this section.</u>		
7.23	<u>Subd. 2. Statewide Drinking Water</u>		
7.24	<u>Contamination Mitigation Program</u>		<u>6,000,000</u>
7.25	<u>For projects or grants under Minnesota</u>		
7.26	<u>Statutes, section 115B.245.</u>		
7.27	<u>Subd. 3. Capital Assistance Program</u>		<u>6,000,000</u>
7.28	<u>For grants under the capital assistance program</u>		
7.29	<u>under Minnesota Statutes, section 115A.54.</u>		
7.30	<u>Sec. 9. BOARD OF WATER AND SOIL</u>		
7.31	<u>RESOURCES</u>	<u>\$</u>	<u>5,000,000</u>
7.32	<u>To the Board of Water and Soil Resources to</u>		
7.33	<u>acquire land or permanent easements and to</u>		

8.1 restore, create, enhance, and preserve wetlands
8.2 to replace those wetlands drained or filled as
8.3 a result of the repair, reconstruction,
8.4 replacement, or rehabilitation of existing
8.5 public roads as required by Minnesota
8.6 Statutes, section 103G.222, subdivision 1,
8.7 paragraphs (l) and (m). Notwithstanding
8.8 Minnesota Statutes, section 103G.222,
8.9 subdivision 3, the board may implement the
8.10 wetland replacement program statewide. The
8.11 purchase price paid for acquisition of land or
8.12 perpetual easement must be a fair market value
8.13 as determined by the board. The board may
8.14 enter into agreements with the federal
8.15 government, other state agencies, political
8.16 subdivisions, nonprofit organizations, fee title
8.17 owners, or other qualified private entities to
8.18 acquire wetland replacement credits in
8.19 accordance with Minnesota Rules, chapter
8.20 8420. Up to five percent of this appropriation
8.21 may be used for restoration and enhancement.

8.22 **Sec. 10. MINNESOTA ZOOLOGICAL**
8.23 **GARDEN**

8.24 **Subdivision 1. Total Appropriation** **\$ 13,740,000**

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

8.27 **Subd. 2. Asset Preservation** **2,740,000**

8.28 For capital asset preservation improvements
8.29 and betterments to infrastructure and exhibits
8.30 at the Minnesota Zoo, to be spent in
8.31 accordance with Minnesota Statutes, section
8.32 16B.307. Notwithstanding the specified uses
8.33 of money under Minnesota Statutes, section
8.34 16B.307, this appropriation may be used to
8.35 replace buildings that are in poor condition,

9.1 outdated, and no longer support the work of
 9.2 the Minnesota Zoological Garden; to construct
 9.3 and renovate trails and roads on the Minnesota
 9.4 Zoological Garden site; and to renovate animal
 9.5 exhibits to meet modern animal welfare
 9.6 standards, address animal and staff safety
 9.7 issues, and improve the viewing experience
 9.8 for guests.

9.9 **Subd. 3. Animal Hospital** **11,000,000**

9.10 To design, construct, furnish, and equip a new
 9.11 animal hospital building at the Minnesota
 9.12 Zoological Garden.

9.13 **Sec. 11. ADMINISTRATION**

9.14 **Subdivision 1. Total Appropriation** **\$ 11,500,000**

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

9.17 **Subd. 2. Capital Asset Preservation and**
 9.18 **Replacement Account** **1,000,000**

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

9.21 **Subd. 3. Capitol Complex - Physical Security**
 9.22 **Upgrades Phase III** **2,000,000**

9.23 For the continuation of the design,
 9.24 construction, and equipping required to
 9.25 upgrade the physical security elements and
 9.26 systems for the Capitol Mall and the buildings
 9.27 listed in this subdivision, their attached tunnel
 9.28 systems, their surrounding grounds, and
 9.29 parking facilities as identified in the 2017
 9.30 Minnesota State Capitol Complex Physical
 9.31 Security Predesign completed by Miller
 9.32 Dunwiddie and an updated assessment
 9.33 completed in 2022. Upgrades include but are
 9.34 not limited to the installation of bollards, blast

10.1 protection, infrastructure security screen walls,
10.2 door access controls, emergency call stations,
10.3 surveillance systems, security kiosks, lighting
10.4 system upgrades, locking devices, and traffic
10.5 and crowd control devices. This appropriation
10.6 includes money for work associated with the
10.7 following buildings: Administration,
10.8 Ag/Health Lab, Andersen, BCA Maryland,
10.9 Capitol, Centennial, Freeman, Governor's
10.10 Residence, Judicial Center, Minnesota History
10.11 Center, Capitol Complex Power Plant and
10.12 Shops, Stassen, Senate, and Veterans Service.

10.13 **Subd. 4. Capitol Tunnel** **8,500,000**

10.14 To design, construct, and equip improvements
10.15 to bring a portion of the tunnel under Rev. Dr.
10.16 Martin Luther King Jr. Boulevard and to the
10.17 east to the State Capitol into compliance with
10.18 the Americans with Disabilities Act.

10.19 **Sec. 12. AMATEUR SPORTS COMMISSION**

10.20 **Subdivision 1. Total Appropriation** **\$ 6,000,000**

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

10.24 **Subd. 2. Asset Preservation** **5,000,000**

10.25 For asset preservation improvements and
10.26 betterments of a capital nature at the National
10.27 Sports Center in Blaine, to be spent in
10.28 accordance with Minnesota Statutes, section
10.29 16B.307.

10.30 **Subd. 3. Mighty Ducks** **1,000,000**

10.31 For grants to local units of government under
10.32 Minnesota Statutes, section 240A.09. This

11.1 appropriation must not be used to acquire ice
11.2 resurfacing or edging equipment.

11.3 Sec. 13. **PUBLIC SAFETY** **\$** **67,000,000**

11.4 To the commissioner of administration to
11.5 design, construct, furnish, and equip a new
11.6 Bureau of Criminal Apprehension regional
11.7 office and laboratory facility in Mankato. This
11.8 appropriation may also be used to design and
11.9 complete hazardous materials abatement. This
11.10 appropriation may also be used to fund the
11.11 state's portion of the cost to extend Bassett
11.12 Drive to serve the project site.

11.13 Sec. 14. **TRANSPORTATION**

11.14 Subdivision 1. **Total Appropriation** **\$** **80,000,000**

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

11.17 Subd. 2. **Local Road Improvement Program** **47,000,000**

11.18 (a) From the bond proceeds account in the
11.19 state transportation fund as provided in
11.20 Minnesota Statutes, section 174.50, for eligible
11.21 improvements on trunk highway corridor
11.22 projects under Minnesota Statutes, section
11.23 174.52, subdivision 2; for construction and
11.24 reconstruction of local roads with statewide
11.25 or regional significance under Minnesota
11.26 Statutes, section 174.52, subdivision 4; or for
11.27 grants to counties to assist in paying the costs
11.28 of rural road safety capital improvement
11.29 projects on county state-aid highways under
11.30 Minnesota Statutes, section 174.52,
11.31 subdivision 4a.

11.32 (b) \$5,000,000 of this appropriation is for
11.33 grants to townships for capital improvements
11.34 to township roads.

12.1	<u>Subd. 3. Local Bridge Replacement Program</u>	<u>31,000,000</u>
12.2	<u>(a) From the bond proceeds account in the</u>	
12.3	<u>state transportation fund to match federal</u>	
12.4	<u>money and to replace or rehabilitate local</u>	
12.5	<u>deficient bridges as provided in Minnesota</u>	
12.6	<u>Statutes, section 174.50.</u>	
12.7	<u>(b) \$11,000,000 of this appropriation is for</u>	
12.8	<u>grants for major local bridges under Minnesota</u>	
12.9	<u>Statutes, section 174.50, subdivision 6d. The</u>	
12.10	<u>appropriation under this paragraph may be</u>	
12.11	<u>used for other costs, including design,</u>	
12.12	<u>construction engineering, approach</u>	
12.13	<u>reconstruction work identified within the</u>	
12.14	<u>project limits, and right-of-way acquisition.</u>	
12.15	<u>Subd. 4. Highway Rail Grade Crossings</u>	<u>1,000,000</u>
12.16	<u>To design, construct, and equip the</u>	
12.17	<u>replacement of active highway rail grade</u>	
12.18	<u>warning devices that have reached the end of</u>	
12.19	<u>their useful life or new highway rail grade</u>	
12.20	<u>warning devices.</u>	
12.21	<u>Subd. 5. Minnesota Rail Service Improvement</u>	
12.22	<u>Program</u>	<u>1,000,000</u>
12.23	<u>For rail service improvement grants under</u>	
12.24	<u>Minnesota Statutes, section 222.50.</u>	
12.25	<u>Sec. 15. METROPOLITAN COUNCIL</u>	
12.26	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 16,000,000</u>
12.27	<u>To the Metropolitan Council for the purposes</u>	
12.28	<u>specified in this section.</u>	
12.29	<u>Subd. 2. Metropolitan Cities Inflow and</u>	
12.30	<u>Infiltration Grants</u>	<u>15,000,000</u>
12.31	<u>For inflow and infiltration grants under</u>	
12.32	<u>Minnesota Statutes, section 473.5491.</u>	
12.33	<u>Subd. 3. Community Tree-Planting Grants</u>	<u>1,000,000</u>

13.1 For community tree-planting grants under

13.2 Minnesota Statutes, section 473.355.

13.3 Sec. 16. **DIRECT CARE AND TREATMENT**

13.4 **Subdivision 1. Total Appropriation**

\$ 62,500,000

13.5 To the commissioner of administration for the

13.6 purposes specified in this section.

13.7 **Subd. 2. Asset Preservation**

7,500,000

13.8 For asset preservation improvements and

13.9 betterments of a capital nature, to be spent in

13.10 accordance with Minnesota Statutes, section

13.11 16B.307, at facilities operated by Direct Care

13.12 and Treatment following the department's

13.13 separation from the Department of Human

13.14 Services.

13.15 **Subd. 3. Miller Building Replacement**

55,000,000

13.16 To design, construct, furnish, and equip a new

13.17 50-bed psychiatric residential treatment

13.18 facility and associated site improvements on

13.19 the campus of the Anoka Metro Regional

13.20 Treatment Center. This appropriation may also

13.21 be used to design and complete demolition of

13.22 the Miller Building located on the campus of

13.23 the Anoka Metro Regional Treatment Center,

13.24 and associated site improvements, and to

13.25 design and complete hazardous materials

13.26 abatement. Notwithstanding Minnesota

13.27 Statutes, section 16B.31, subdivision 2, the

13.28 Executive Board of Direct Care and Treatment

13.29 may use operating funds to complete the

13.30 project.

13.31 Sec. 17. **CHILDREN, YOUTH, AND**
13.32 **FAMILIES**

\$ 1,000,000

13.33 To the commissioner of Children, Youth, and

13.34 Families for grants under Minnesota Statutes,

14.1 section 142A.46, to predesign, design,
14.2 construct, renovate, furnish, and equip early
14.3 childhood learning facilities.

14.4 Sec. 18. **VETERANS AFFAIRS** **\$ 7,500,000**

14.5 To the commissioner of administration for
14.6 asset preservation improvements and
14.7 betterments of a capital nature at the veterans
14.8 homes in Minneapolis, Hastings, Fergus Falls,
14.9 Montevideo, Bemidji, Preston, Silver Bay,
14.10 and Luverne, and the state veterans cemeteries
14.11 at Little Falls, Preston, and Duluth, to be spent
14.12 in accordance with Minnesota Statutes, section
14.13 16B.307.

14.14 Sec. 19. **CORRECTIONS**

14.15 Subdivision 1. **Total Appropriation** **\$ 40,400,000**

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

14.18 Subd. 2. **Asset Preservation** **33,000,000**

14.19 For asset preservation improvement and
14.20 betterments of a capital nature at the
14.21 Minnesota correctional facilities statewide to
14.22 be spent in accordance with Minnesota
14.23 Statutes, section 16B.307.

14.24 Subd. 3. **Minnesota Correctional Facility - Lino**
14.25 **Lakes** **7,400,000**

14.26 To construct, renovate, furnish, and equip an
14.27 existing building and complete associated site
14.28 work at the Minnesota Correctional Facility -
14.29 Lino Lakes to construct an incarcerated
14.30 persons programming and support space. The
14.31 renovation of the existing building includes
14.32 but is not limited to the removal of hazardous
14.33 materials, upgrades to comply with current
14.34 codes, interior demolition, and the construction

15.1 of spaces appropriate for programming
15.2 functions. This appropriation is in addition to
15.3 the appropriation for the same purpose in Laws
15.4 2023, chapter 72, article 1, section 20,
15.5 subdivision 3.

15.6 **Subd. 4. Unspent Appropriations**

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

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

15.18 **Subdivision 1. Total Appropriation** **\$ 3,000,000**

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

15.22 **Subd. 2. Greater Minnesota Business**
15.23 **Development Public Infrastructure** **1,500,000**

15.24 For grants under Minnesota Statutes, section
15.25 116J.431.

15.26 **Subd. 3. Transportation Economic Development**
15.27 **Infrastructure** **1,500,000**

15.28 For grants under Minnesota Statutes, section
15.29 116J.436.

15.30 **Sec. 21. PUBLIC FACILITIES AUTHORITY**

15.31 **Subdivision 1. Total Appropriation** **\$ 176,000,000**

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

16.1	<u>Subd. 2. State Match for Federal Grants to State</u>	
16.2	<u>Revolving Loan Programs</u>	<u>39,000,000</u>
16.3	<u>To match federal capitalization grants for the</u>	
16.4	<u>clean water revolving fund under Minnesota</u>	
16.5	<u>Statutes, section 446A.07, and the drinking</u>	
16.6	<u>water revolving fund under Minnesota</u>	
16.7	<u>Statutes, section 446A.081. This appropriation</u>	
16.8	<u>must be used for qualified capital projects.</u>	
16.9	<u>Subd. 3. Water Infrastructure Funding Program</u>	<u>87,000,000</u>
16.10	<u>(a) For grants to eligible municipalities under</u>	
16.11	<u>the water infrastructure funding program under</u>	
16.12	<u>Minnesota Statutes, section 446A.072.</u>	
16.13	<u>(b) \$43,500,000 is for wastewater projects</u>	
16.14	<u>listed on the Pollution Control Agency's</u>	
16.15	<u>project priority list in the fundable range under</u>	
16.16	<u>the clean water revolving fund program.</u>	
16.17	<u>(c) \$43,500,000 is for drinking water projects</u>	
16.18	<u>listed on the commissioner of health's project</u>	
16.19	<u>priority list in the fundable range under the</u>	
16.20	<u>drinking water revolving fund program.</u>	
16.21	<u>(d) After all eligible projects under paragraph</u>	
16.22	<u>(b) or (c) have been funded in a fiscal year,</u>	
16.23	<u>the Public Facilities Authority may transfer</u>	
16.24	<u>any remaining, uncommitted money to eligible</u>	
16.25	<u>projects under a program defined in paragraph</u>	
16.26	<u>(b) or (c) based on that program's project</u>	
16.27	<u>priority list.</u>	
16.28	<u>Subd. 4. Point Source Implementation Grants</u>	
16.29	<u>Program</u>	<u>32,000,000</u>
16.30	<u>For grants to eligible municipalities under the</u>	
16.31	<u>point source implementation grants program</u>	
16.32	<u>under Minnesota Statutes, section 446A.073.</u>	
16.33	<u>This appropriation must be used for qualified</u>	
16.34	<u>capital projects.</u>	

17.1	<u>Subd. 5. Emerging Contaminants Grant</u>	
17.2	<u>Program</u>	<u>18,000,000</u>
17.3	<u>For grants to eligible municipalities under the</u>	
17.4	<u>Emerging Contaminants Grant Program under</u>	
17.5	<u>Minnesota Statutes, section 446A.082.</u>	
17.6	<u>Sec. 22. MINNESOTA HOUSING FINANCE</u>	
17.7	<u>AGENCY</u>	
17.8	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 29,000,000</u>
17.9	<u>To the Minnesota Housing Finance Agency</u>	
17.10	<u>for the purposes specified in this section.</u>	
17.11	<u>Subd. 2. Public Housing Rehabilitation</u>	<u>26,000,000</u>
17.12	<u>To finance the costs of rehabilitation to</u>	
17.13	<u>preserve public housing under Minnesota</u>	
17.14	<u>Statutes, section 462A.202, subdivision 3a.</u>	
17.15	<u>For purposes of this section, "public housing"</u>	
17.16	<u>means housing for low-income persons and</u>	
17.17	<u>households financed by the federal</u>	
17.18	<u>government and publicly owned. Priority may</u>	
17.19	<u>be given to proposals that maximize nonstate</u>	
17.20	<u>resources to finance the capital costs and</u>	
17.21	<u>requests that prioritize health, safety, and</u>	
17.22	<u>energy improvements. The priority in</u>	
17.23	<u>Minnesota Statutes, section 462A.202,</u>	
17.24	<u>subdivision 3a, for projects to increase the</u>	
17.25	<u>supply of affordable housing and the</u>	
17.26	<u>restrictions of Minnesota Statutes, section</u>	
17.27	<u>462A.202, subdivision 7, do not apply to this</u>	
17.28	<u>appropriation.</u>	
17.29	<u>Subd. 3. Cooperative Manufactured Housing</u>	
17.30	<u>Infrastructure</u>	<u>3,000,000</u>
17.31	<u>For grants under the cooperative manufactured</u>	
17.32	<u>housing infrastructure grant program under</u>	
17.33	<u>Minnesota Statutes, section 462A.2036.</u>	
17.34	<u>Sec. 23. MINNESOTA HISTORICAL</u>	
17.35	<u>SOCIETY</u>	

- 18.1 Subdivision 1. **Total Appropriation** \$ **5,000,000**
- 18.2 To the Minnesota Historical Society for the
- 18.3 purposes specified in this section.
- 18.4 Subd. 2. **Historic Sites Asset Preservation** **4,000,000**
- 18.5 For capital improvements and betterments at
- 18.6 state historic sites, buildings, landscaping at
- 18.7 historic buildings, exhibits, markers, and
- 18.8 monuments, to be spent in accordance with
- 18.9 Minnesota Statutes, section 16B.307. The
- 18.10 society shall determine project priorities as
- 18.11 appropriate based on need.
- 18.12 Subd. 3. **County and Local Preservation Grants** **1,000,000**
- 18.13 For grants to county and local jurisdictions as
- 18.14 matching money for historic preservation
- 18.15 projects of a capital nature, as provided in
- 18.16 Minnesota Statutes, section 138.0525.
- 18.17 Sec. 24. **BOND SALE AUTHORIZATION.**
- 18.18 (a) To provide the money appropriated in this act from the bond proceeds fund, and to
- 18.19 provide for expenses authorized in Minnesota Statutes, section 16A.641, subdivision 8,
- 18.20 paragraph (c), the commissioner of management and budget shall sell and issue bonds of
- 18.21 the state in an amount up to \$649,365,000 in the manner, upon the terms, and with the effect
- 18.22 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
- 18.23 Constitution, article XI, sections 4 to 7.
- 18.24 (b) To provide the money appropriated in this act from the bond proceeds account in
- 18.25 the state transportation fund, and to provide for expenses authorized in Minnesota Statutes,
- 18.26 section 16A.641, subdivision 8, paragraph (c), the commissioner of management and budget
- 18.27 shall sell and issue bonds of the state in an amount up to \$78,000,000 in the manner, upon
- 18.28 the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675,
- 18.29 and by the Minnesota Constitution, article XI, sections 4 to 7.
- 18.30 Sec. 25. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**
- 18.31 The amounts of the general obligation bond proceeds appropriations listed in the
- 18.32 cancellation report submitted to the legislature in 2025, pursuant to Minnesota Statutes,

19.1 section 16A.642, are canceled on the effective date of this section, with the exception of
19.2 appropriations and related bond sale authorizations that are extended in article 3. The
19.3 corresponding bond sale authorizations are reduced by the same amounts. If an appropriation
19.4 in this section is canceled more than once, the cancellation must be given effect only once.

19.5 Sec. 26. **BOND SALE SCHEDULE.**

19.6 The commissioner of management and budget shall schedule the sale of state general
19.7 obligation bonds so that, during the biennium ending June 30, 2027, no more than
19.8 \$1,205,280,000 will need to be transferred from the general fund to the state bond fund to
19.9 pay principal and interest due and to become due on outstanding state general obligation
19.10 bonds. During the biennium, before each sale of state general obligation bonds, the
19.11 commissioner of management and budget shall calculate the amount of debt service payments
19.12 needed on bonds previously issued and shall estimate the amount of debt service payments
19.13 that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the
19.14 amount of bonds scheduled to be sold so as to remain within the limit set by this section.
19.15 The amount needed to make the debt service payments is appropriated from the general
19.16 fund as provided in Minnesota Statutes, section 16A.641.

19.17 Sec. 27. **EFFECTIVE DATE.**

19.18 This article is effective the day following final enactment.

19.19 **ARTICLE 2**

19.20 **POLICY**

19.21 Section 1. Minnesota Statutes 2024, section 16A.501, is amended to read:

19.22 **16A.501 REPORT ON EXPENDITURE OF BOND PROCEEDS.**

19.23 (a) The commissioner of management and budget must report annually to the legislature
19.24 on the degree to which entities receiving appropriations for capital projects in previous
19.25 omnibus capital improvement acts have encumbered or expended that money. The report
19.26 must be submitted to the chairs of the house of representatives Ways and Means Committee
19.27 and the senate Finance Committee by January ~~1~~ 15 of each year.

19.28 (b) The commissioner of management and budget must report by January 15 of each
19.29 year to the chairs and ranking minority members of the house of representatives and senate
19.30 committees with jurisdiction over capital investment, finance, and ways and means on the
19.31 amount and percentage of each agency's capital appropriation that is used to pay for the
19.32 costs of staff directly attributable to capital programs or projects funded with state general

obligation bond proceeds. The report must also include information on agencies' compliance with the commissioner's policies governing the use of general obligation bond proceeds to pay staff costs and any changes to the commissioner's policies.

Sec. 2. **[115B.245] STATEWIDE DRINKING WATER CONTAMINATION
MITIGATION PROGRAM.**

Subdivision 1. Program established. The commissioner may design and construct, or may make grants to eligible grantees as provided under this section to design and construct, projects to provide safe drinking water, due to contamination of drinking water by hazardous substances, through projects such as treatment systems, new drinking water wells, sealing contaminated wells, and connecting to alternative drinking water sources. The criteria for selecting projects must follow the criteria and rules established under section 115B.17.

Subd. 2. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible grantee" means:

(1) for projects funded from the statewide drinking water contamination mitigation account in the bond proceeds fund, a city, county, school district, joint powers board, or other political subdivision of the state; and

(2) for projects funded from the statewide drinking water contamination mitigation account in the general fund, any person.

(c) "Private infrastructure projects" means improvements made to nonpublicly owned infrastructure such as sealing of private wells, connecting private properties to water mains, water service fees, treatment systems, and drilling new private wells in an unimpaired drinking water aquifer.

(d) "Public infrastructure projects" means improvements made to publicly owned infrastructure such as water main installation, public water system improvements, treatment systems, and associated improvements.

Subd. 3. Accounts. (a) A statewide drinking water contamination mitigation account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner for this purpose. Money in the account may only be expended to acquire land or an interest in land and predesign, design, construct, and improve public infrastructure projects that further the purposes of this section. Notwithstanding section 115B.17, subdivision 6 or 16, any money recovered in a civil action for a project

21.1 financed with bonds under this section shall be transferred to the commissioner of
21.2 management and budget and applied toward principal and interest on outstanding bonds.

21.3 (b) A statewide drinking water contamination mitigation account is established in the
21.4 general fund. The account consists of money as provided by law and any other money
21.5 donated, allotted, transferred, or otherwise provided to the account. Money in the account
21.6 may only be expended on public or private infrastructure projects that further the purposes
21.7 of this section.

21.8 Sec. 3. Minnesota Statutes 2024, section 116.182, subdivision 5, is amended to read:

21.9 Subd. 5. **Rules.** (a) The agency shall adopt rules for the administration of the financial
21.10 assistance program. For wastewater treatment projects, the rules must include:

21.11 (1) application requirements;

21.12 (2) criteria for the ranking of projects in order of priority based on factors including the
21.13 type of project and the degree of environmental impact, and scenic and wild river standards;
21.14 and

21.15 (3) criteria for determining essential project components.

21.16 (b) Notwithstanding any provision in Minnesota Rules, chapter 7077, to the contrary,
21.17 for purposes of Minnesota Rules, parts 7077.0117, 7077.0118, and 7077.0119, the
21.18 commissioner must assign 40 points if a municipality is proposing a project to address
21.19 emerging contaminants, as defined by the United States Environmental Protection Agency.
21.20 This paragraph expires June 30, 2030.

21.21 Sec. 4. Minnesota Statutes 2024, section 446A.07, subdivision 8, is amended to read:

21.22 Subd. 8. **Other uses of revolving fund.** (a) The clean water revolving fund may be used
21.23 as provided in title VI of the Federal Water Pollution Control Act, including the following
21.24 uses:

21.25 (1) to buy or refinance the debt obligation of governmental units for treatment works
21.26 where debt was incurred and construction begun after March 7, 1985, at or below market
21.27 rates;

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

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

22.4 (4) to provide loan guarantees, loans, or set-aside for similar revolving funds established
22.5 by a governmental unit other than state agencies, or state agencies under sections 17.117,
22.6 103F.725, subdivision 1a, and 116J.617;

22.7 (5) to earn interest on fund accounts; and

22.8 (6) to pay the reasonable costs incurred by the authority and the Pollution Control Agency
22.9 of administering the fund and conducting activities required under the Federal Water Pollution
22.10 Control Act, including water quality management planning under section 205(j) of the act
22.11 and water quality standards continuing planning under section 303(e) of the act;

22.12 (b) The clean water revolving fund may be used to provide additional subsidization as
22.13 permitted under the Federal Water Pollution Control Act and other federal laws to provide
22.14 principal forgiveness or grants:

22.15 ~~(7) to provide principal forgiveness or grants to the extent permitted under the Federal~~
22.16 ~~Water Pollution Control Act and other federal law, (1) based on the affordability criteria~~
22.17 ~~and requirements established for the wastewater water infrastructure funding program under~~
22.18 ~~section 446A.072; and~~

22.19 ~~(8) to provide loans, principal forgiveness, or grants to the extent permitted under the~~
22.20 ~~Federal Water Pollution Control Act and other federal law (2) for 25 percent of project costs~~
22.21 ~~up to a maximum of \$1,000,000 for projects to address green infrastructure, water or energy~~
22.22 ~~efficiency improvements, or other environmentally innovative activities; and~~

22.23 (3) for 50 percent of project costs up to a maximum of \$3,000,000 for projects that
22.24 address emerging contaminants as defined by the United States Environmental Protection
22.25 Agency.

22.26 ~~(b) Amounts spent under paragraph (a), clause (6), may not exceed the amount allowed~~
22.27 ~~under the Federal Water Pollution Control Act.~~

22.28 ~~(c) Principal forgiveness or grants provided under paragraph (a), clause (8), may not~~
22.29 ~~exceed 25 percent of the eligible project costs as determined by the Pollution Control Agency~~
22.30 ~~for project components directly related to green infrastructure, water or energy efficiency~~
22.31 ~~improvements, or other environmentally innovative activities, up to a maximum of~~
22.32 ~~\$1,000,000.~~

23.1 Sec. 5. Minnesota Statutes 2024, section 446A.072, subdivision 5a, is amended to read:

23.2 Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant
23.3 funding from the USDA/RECD, the authority may provide assistance in the form of a grant
23.4 of up to 65 percent of the eligible grant need determined by USDA/RECD. A governmental
23.5 unit may not receive a grant under this paragraph for more than ~~\$5,000,000~~ \$10,000,000
23.6 per project or \$20,000 per existing connection, whichever is less, unless specifically approved
23.7 by law.

23.8 (b) For a governmental unit receiving a loan from the clean water revolving fund under
23.9 section 446A.07, the authority may provide assistance under this section in the form of a
23.10 grant if the average annual residential wastewater system cost after completion of the project
23.11 would otherwise exceed 1.4 percent of the median household income of the project service
23.12 area. In determining whether the average annual residential wastewater system cost would
23.13 exceed 1.4 percent, the authority must consider the total costs associated with building,
23.14 operating, and maintaining the wastewater system, including existing wastewater debt
23.15 service, debt service on the eligible project cost, and operation and maintenance costs. Debt
23.16 service costs for the proposed project are calculated based on the maximum loan term
23.17 permitted for the clean water revolving fund loan under section 446A.07, subdivision 7.
23.18 The amount of the grant is equal to 80 percent of the amount needed to reduce the average
23.19 annual residential wastewater system cost to 1.4 percent of median household income in
23.20 the project service area, to a maximum of ~~\$5,000,000~~ \$10,000,000 per project or \$20,000
23.21 per existing connection, whichever is less, unless specifically approved by law. The eligible
23.22 project cost is determined by multiplying the total project costs minus any other grants by
23.23 the essential project component percentage calculated under subdivision 3, paragraph (c),
23.24 clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project
23.25 cost.

23.26 (c) For a governmental unit receiving a loan from the drinking water revolving fund
23.27 under section 446A.081, the authority may provide assistance under this section in the form
23.28 of a grant if the average annual residential drinking water system cost after completion of
23.29 the project would otherwise exceed 1.2 percent of the median household income of the
23.30 project service area. In determining whether the average annual residential drinking water
23.31 system cost would exceed 1.2 percent, the authority must consider the total costs associated
23.32 with building, operating, and maintaining the drinking water system, including existing
23.33 drinking water debt service, debt service on the eligible project cost, and operation and
23.34 maintenance costs. Debt service costs for the proposed project are calculated based on the
23.35 maximum loan term permitted for the drinking water revolving fund loan under section

24.1 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of
24.2 the amount needed to reduce the average annual residential drinking water system cost to
24.3 1.2 percent of median household income in the project service area, to a maximum of
24.4 ~~\$5,000,000~~ \$10,000,000 per project or \$20,000 per existing connection, whichever is less,
24.5 unless specifically approved by law. The eligible project cost is determined by multiplying
24.6 the total project costs minus any other grants by the essential project component percentage
24.7 calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the
24.8 grant exceed 80 percent of the eligible project cost.

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

24.15 Sec. 6. Minnesota Statutes 2024, section 446A.073, subdivision 1, as amended by Laws
24.16 2025, chapter 20, section 266, is amended to read:

24.17 Subdivision 1. **Program established.** When money is appropriated for grants under this
24.18 program, the authority shall award grants up to a maximum of ~~\$7,000,000~~ \$12,000,000 to
24.19 governmental units to cover 80 percent of the cost of water infrastructure projects made
24.20 necessary by:

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

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

24.26 (3) any other water quality-based effluent limit established under section 115.03,
24.27 subdivision 1, paragraph (a), clause (5), item (viii), and incorporated into a permit issued
24.28 by the Pollution Control Agency that exceeds secondary treatment limits; or

24.29 (4) a total nitrogen concentration or mass limit that requires discharging ten milligrams
24.30 per liter or less at permitted design flow.

25.1 Sec. 7. Minnesota Statutes 2024, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

25.15 (5) to earn interest on fund accounts;

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

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

25.21 (b) The drinking water revolving fund may be used to provide additional subsidization
25.22 as permitted under the federal Safe Drinking Water Act and other federal law to
25.23 disadvantaged communities to provide principal forgiveness or grants:

25.24 ~~(8) to provide principal forgiveness or grants to the extent permitted under the federal~~
25.25 ~~Safe Drinking Water Act and other federal law, (1) based on the affordability criteria and~~
25.26 ~~requirements established for drinking water projects under the water infrastructure funding~~
25.27 ~~program under section 446A.072;~~

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

~~(10) to provide principal forgiveness, or grants~~ (2) for 80 percent of project costs up to a maximum of \$100,000 for projects needed to comply with national primary drinking water standards for an existing nonmunicipal community public water system;

~~(11) to provide principal forgiveness or grants~~ (3) to the extent permitted under the federal Safe Drinking Water Act and other federal laws for projects to replace the privately owned portion of drinking water lead service lines; ~~and~~

~~(12) to provide principal forgiveness or grants~~ (4) to the extent permitted under the federal Safe Drinking Water Act and other federal laws for 50 percent of project costs up to a maximum of \$3,000,000 for projects to address emerging contaminants in drinking water as defined by the United States Environmental Protection Agency; and

(5) for 50 percent of project costs up to a maximum of \$3,000,000 for projects needed to comply with a maximum contaminant level as defined by the federal Safe Drinking Water Act.

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

Sec. 8. **[446A.082] EMERGING CONTAMINANTS GRANTS.**

Subdivision 1. **Program established.** When money is appropriated under this program, the authority shall award grants to a governmental unit for up to 50 percent of the cost of drinking water infrastructure projects to address a confirmed exceedance of a health advisory level for a drinking water emerging contaminant as defined by the Environmental Protection Agency.

Subd. 2. **Eligibility.** An eligible project for this program must:

(1) be listed on the Drinking Water Revolving Fund Project Priority List under Minnesota Rules, part 4720.9015;

(2) receive priority points under Minnesota Rules, part 4720.9020, subpart 4a; and

(3) be certified by the commissioner of health under Minnesota Rules, part 4720.9060.

Subd. 3. **Application and reservation of funds.** (a) Grant applications to the authority may be made at any time on forms prescribed by the authority, including a project schedule

27.1 and cost estimate for the work necessary to comply with the purpose described in subdivision
27.2 2.

27.3 (b) The commissioner of health shall review and certify to the authority those projects
27.4 that have plans and specifications approved under Minnesota Rules, part 4720.9060. When
27.5 a project is certified by the commissioner of health, the authority shall reserve grant funds
27.6 for the project in the order listed on the commissioner of health's project priority list and in
27.7 an amount based on the cost estimate in the commissioner of health's certification or the
27.8 as-bid costs, whichever is less.

27.9 Subd. 4. **Grant amount.** The grant amount for an eligible project under this program
27.10 shall be for an amount up to 50 percent of the eligible as-bid project cost up to \$5,000,000,
27.11 minus the amount of federal emerging contaminant funds the project receives under section
27.12 446A.081, subdivision 9, paragraph (b), clause (4), or other federal emerging contaminant
27.13 funds.

27.14 Subd. 5. **Grant approval.** The authority shall award a grant for an eligible project only
27.15 after:

27.16 (1) the applicant has submitted the as-bid project cost;

27.17 (2) the commissioner of health has certified the grant eligible portion of the project; and

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

27.20 Subd. 6. **Grant disbursement.** Grant funds shall be disbursed by the authority as eligible
27.21 project costs are incurred by the governmental unit and in accordance with a project financing
27.22 agreement and applicable state laws and rules governing the disbursements.

27.23 Subd. 7. **Recovering expenses.** Money granted to a grantee under this program may be
27.24 recovered in a civil action brought by the attorney general against any person who may be
27.25 liable under section 115B.04 or any other law. To be eligible for recovery, the expenses
27.26 must be reasonable and necessary expenses, including all response costs, and administrative
27.27 and legal expenses. The authority, Department of Health, and Pollution Control Agency's
27.28 certification of expenses shall be prima facie evidence that the expenses are reasonable and
27.29 necessary. Any money recovered in a civil action for a project financed with bonds under
27.30 this section shall be transferred to the commissioner of management and budget for deposit
27.31 in the state bond proceeds fund and applied toward principal interest on outstanding bonds.

28.1 Sec. 9. **[462A.2036] COOPERATIVE MANUFACTURED HOUSING**
28.2 **INFRASTRUCTURE GRANT PROGRAM.**

28.3 Subdivision 1. **Grant program established.** The agency may make grants to counties
28.4 and cities to provide up to 50 percent of the capital costs of housing infrastructure necessary
28.5 for an eligible cooperative manufactured housing development project. The agency shall
28.6 prioritize a grant award after determining that nonstate resources are committed to complete
28.7 the project. The nonstate contribution may be either cash or in kind. In-kind contributions
28.8 may include the value of the site, whether the site is prepared before or after the law
28.9 appropriating money for the grant is enacted.

28.10 Subd. 2. **Definition.** For purposes of this section, "housing infrastructure" means publicly
28.11 owned physical infrastructure necessary to support cooperative manufactured housing
28.12 development projects, including but not limited to sewers, water supply systems, utility
28.13 extensions, streets, wastewater treatment systems, stormwater management systems, and
28.14 facilities for pretreatment of wastewater to remove phosphorus.

28.15 Subd. 3. **Eligible projects.** Housing infrastructure eligible for a grant under this section
28.16 shall serve manufactured housing cooperatives as defined in section 273.124, subdivision
28.17 3a.

28.18 Subd. 4. **Application.** (a) The agency must develop forms and procedures for soliciting,
28.19 reviewing, and prioritizing applications for grants under this section. At a minimum, a
28.20 county or city may include in its application a resolution of the county or city council
28.21 certifying that the required nonstate match is available. The agency must evaluate complete
28.22 applications for funding for eligible projects to determine that:

28.23 (1) the project is necessary to increase sites available for housing development that will
28.24 provide adequate housing stock for the current or future workforce; and

28.25 (2) the increase in workforce housing will result in substantial public and private capital
28.26 investment in the county or city in which the project would be located.

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

28.30 Subd. 5. **Maximum grant amount.** A county or city may receive no more than \$60,000
28.31 per manufactured housing lot.

29.1 Sec. 10. Laws 2013, chapter 143, article 12, section 21, is amended to read:

29.2 **Sec. 21. LEGISLATIVE OFFICE FACILITIES.**

29.3 (a) The commissioner of administration may enter into a long-term lease-purchase
29.4 agreement for a term of up to 25 years, to predesign, design, construct, and equip offices,
29.5 hearing rooms, and parking facilities for legislative and other functions. The facility must
29.6 be located on the block bounded by Sherburne Avenue on the north, Park Street on the west,
29.7 University Avenue on the south, and North Capitol Boulevard on the east. The legislative
29.8 office facility must provide office accommodations for all senators and senate staff who do
29.9 not have offices in the Capitol building and on-site parking facilities for all members and
29.10 staff and disabled visitors to senate offices. A parking structure may also be built on the
29.11 state-owned land located in the block bounded by Sherburne Avenue on the north, Park
29.12 Street on the east, University Avenue on the south, and Rice Street on the west. The
29.13 commissioner of management and budget may issue lease revenue bonds or certificates of
29.14 participation associated with the lease-purchase agreement. The lease-purchase agreements
29.15 must not be terminated, except for nonappropriation of money. The lease-purchase
29.16 agreements must provide the state with a unilateral right to purchase the leased premises at
29.17 specified times for specified amounts. The lease-purchase agreements are exempt from
29.18 Minnesota Statutes, section 16B.24, subdivisions 6 and 6a.

29.19 (b) The facilities under the lease-purchase agreement are exempt from the design
29.20 competition requirement under Minnesota Statutes, section 15B.10. Notwithstanding anything
29.21 to the contrary under Minnesota Statutes, sections 16C.32 and 16C.33, if the commissioner
29.22 of administration elects to use a design-build delivery method to design and construct one
29.23 or more facilities under this appropriation, the Capitol Area Architectural and Planning
29.24 Board, in cooperation with the commissioner, shall create a selection committee to act as
29.25 the board under Minnesota Statutes, sections 16C.32 and 16C.33, for the design and
29.26 construction of the facilities. Notwithstanding Minnesota Statutes, section 16B.33, if the
29.27 commissioner elects to contract with a primary designer to design one or more facilities
29.28 under this appropriation, the Capitol Area Architectural and Planning Board, in cooperation
29.29 with the commissioner, shall create a selection committee to conduct the selection process
29.30 in accordance with standards under Minnesota Statutes, chapters 15B, 16B, and 16C. A
29.31 selection committee created under this section must contain no more than seven members,
29.32 including at least three representatives designated by the senate Committee on Rules and
29.33 Administration and three representatives designated by the speaker of the house.

(c) Notwithstanding any provision to the contrary in Minnesota Statutes, sections 16C.32 and 16C.33, if the commissioner of administration elects to use a design-build delivery method to design, construct, and equip one or more facilities and associated infrastructure to provide audio and video broadcast services for the Capitol building, State Office Building, and a new legislative office building, if applicable, the commissioner shall create a selection committee to act as the board under Minnesota Statutes, sections 16C.32 and 16C.33, to design, build, and equip the facilities. The selected design-builder may self-perform trade work or name an audio and video subcontractor as a member of the design-builder's team. If an audio and video subcontractor is named as a member of the design-builder's team, the design-builder is not required to competitively bid the trade work. Notwithstanding Minnesota Statutes, section 16C.33, subdivision 5, paragraph (b), after obtaining and evaluating qualifications from each design-builder, in accordance with the weighted criteria and subcriteria and procedures provided in the request for qualifications, the selection committee shall select a short list of up to five proposals. If the commissioner does not receive any proposals, the commissioner may either:

(1) solicit new proposals;

(2) revise the request for qualifications and thereafter solicit new proposals using the revised request for qualifications; or

(3) request selection of a primary designer under Minnesota Statutes, section 16B.33, 16C.08, or 16C.095, and proceed with competitive bidding pursuant to Minnesota Statutes, sections 16C.25 to 16C.29.

(d) The commissioner of administration may enter into a ground lease for state-owned property in the capitol area in conjunction with the execution of a lease-purchase agreement entered into under this section for any improvements constructed on that site. Notwithstanding the requirements of Minnesota Statutes, section 16A.695, subdivision 2, paragraph (b), the ground lease must be for a term equal to the term of the lease-purchase agreement, and must include an option to purchase the land at its then fair market value, if the improvements are not purchased by the state at the end of the term of the lease-purchase agreement, or at any earlier time that the lease-purchase agreement is terminated.

(e) The commissioner of administration must not prepare final plans and specifications for any construction authorized under this section until the program plan and cost estimates for all elements necessary to complete the project have been approved by the senate Committee on Rules and Administration.

(f) \$3,000,000 is appropriated in fiscal year 2014 from the general fund to the commissioner of administration for predesign and design of facilities authorized under paragraph (a). This appropriation is available for expenditure the day following final enactment and until June 30, 2015.

(g) The commissioner of administration may reserve a portion of money from appropriations for office space costs of the legislature to fund future repairs for facilities constructed under the authority provided in this section. Money reserved under this paragraph must be credited to a segregated account for each building in the special revenue fund and is appropriated to the commissioner to make the repairs. When the state acquires title to a building with an account established under this paragraph, the account for that building must be abolished and the balance remaining in the account must be transferred to the appropriate asset preservation and replacement account.

(h) Certificates of participation or lease revenue bonds issued by the commissioner of management and budget may be issued by public or private sale and in one or more series on the terms and conditions the commissioner of management and budget determines to be in the best interests of the state, shall be dated and bear interest at a fixed or variable rate, may be includable in or excludable from the gross income of the owners for federal income tax purposes, and may be sold at any price or percentage of par value. Any bid received may be rejected.

(i) At the time of, or in anticipation of, issuing the lease revenue bonds or certificates of participation, and at any time thereafter, so long as the bonds or certificates are outstanding, the commissioner of management and budget may enter into agreements and ancillary arrangements relating to the bonds or certificates, 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 of management and budget included in an interest exchange agreement that the agreement relates to a certificate or bond shall be conclusive.

(j) The commissioner of management and budget may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with or facilitate the issuance of the lease-purchase agreement and the related lease revenue bonds or certificates of participation 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 certificates or bonds set forth in the order or resolution authorizing the issuance of the certificates or bonds or in a separate document authorized by the order or resolution.

(k) The commissioner of administration from time to time may enter into a new lease-purchase agreement and the commissioner of management and budget may issue and sell lease revenue bonds or certificates of participation for the purpose of refunding any lease-purchase agreement authorized under this section and related lease revenue bonds or certificates of participation then outstanding, including the payment of any redemption premiums, any interest accrued or that is to accrue to the redemption date, and costs related to the issuance and sale of such refunding bonds or certificates. The proceeds of any refunding bonds or certificates may, in the discretion of the commissioner of management and budget, be applied to the purchase or payment at maturity of the bonds or certificates to be refunded, to the redemption of the outstanding lease-purchase agreements and bonds or certificates on any redemption date, or to pay interest on the refunding lease-purchase agreements and bonds or certificates and may, pending such application, be placed in escrow to be applied to such purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under Minnesota Statutes, section 11A.24. The income earned or realized on any authorized investment may also be applied to the payment of the lease-purchase agreements and bonds or certificates to be refunded, to interest or premiums on the refunded bonds or certificates, or to pay interest on the refunding lease-purchase agreements and bonds or certificates. After the terms of the escrow have been fully satisfied, any balance of proceeds and any investment income may be returned to the general fund for use in a lawful manner. All refunding lease-purchase agreements and bonds or certificates issued under the provisions of this section must be prepared, executed, delivered, and secured by appropriations in the same manner as the lease-purchase agreements and bonds or certificates to be refunded.

(l) The waiver of immunity by the state provided for by Minnesota Statutes, section 3.751, subdivision 1, shall be applicable to lease revenue bonds or certificates of participation issued under this section and any ancillary contracts to which the commissioner is a party.

Sec. 11. **DEPARTMENT OF PUBLIC SAFETY; LAND ACQUISITION.**

Notwithstanding Minnesota Statutes, section 16B.31, subdivision 2, at the request of the commissioner of public safety, the commissioner of administration is authorized to acquire land adjacent to the Bureau of Criminal Apprehension facility in the city of Bemidji.

Sec. 12. **REPEALER.**

(a) Minnesota Statutes 2024, section 16A.662, is repealed.

(b) Minnesota Statutes 2024, section 116J.417, subdivision 9, is repealed effective retroactively from June 2, 2023.

Sec. 13. **EFFECTIVE DATE.**

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

**ARTICLE 3
MODIFICATIONS**

Section 1. Laws 2020, Fifth Special Session chapter 3, article 1, section 16, subdivision 34, is amended to read:

Subd. 34. Chisago County; U.S. Highway 8 Reconstruction	8,000,000
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(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~~

34.1 ~~completed or abandoned~~ Notwithstanding
34.2 Minnesota Statutes, section 16A.642, the bond
34.3 sale authorization and appropriation of bond
34.4 proceeds for the project in this subdivision are
34.5 available until December 31, 2029.

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

34.14 Sec. 2. Laws 2020, Fifth Special Session chapter 3, article 1, section 17, subdivision 13,
34.15 as amended by Laws 2023, chapter 72, article 3, section 23, is amended to read:

34.16 Subd. 13. **White Bear Lake Communities; Lake**
34.17 **Links Trail**

3,600,000

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

34.23 (1) \$2,600,000 of this appropriation is for a
34.24 ~~grant~~ one or more grants to the city of
34.25 Dellwood in Washington County to design,
34.26 engineer, construct, and equip trail
34.27 improvements consistent with the completed
34.28 preliminary engineering along or parallel with
34.29 the shore of White Bear Lake between the
34.30 Mahtomedi city limits and the western line of
34.31 Washington County. This appropriation may
34.32 also be used for the acquisition of permanent
34.33 easements and right-of-way;

35.1 (2) \$500,000 of this appropriation is for a
35.2 grant to White Bear Township in Ramsey
35.3 County to design, engineer, construct, and
35.4 equip trail improvements along and parallel
35.5 with the shore of White Bear Lake between
35.6 the Washington County line and the city limits
35.7 of the city of White Bear Lake, Ramsey
35.8 County; and

35.9 (3) \$500,000 of this appropriation is for a
35.10 grant to the city of White Bear Lake in
35.11 Ramsey County to design, engineer, construct,
35.12 and equip trail improvements along or parallel
35.13 with the shore of White Bear Lake between
35.14 the eastern city limits of White Bear Lake and
35.15 Pacific Avenue.

35.16 (b) The city of Dellwood may complete the
35.17 trail improvements funded under paragraph
35.18 (a), clause (1), in the following segments and
35.19 in any order, and may enter into separate grant
35.20 agreements for each trail segment or any
35.21 combination of segments:

35.22 (1) Echo Street to Dwinnell Avenue, along the
35.23 railway bed;

35.24 (2) Yellow Birch Road to Echo Street, along
35.25 Dellwood Avenue;

35.26 (3) Meadow Lane to Yellow Birch Road,
35.27 along Dellwood Avenue; and

35.28 (4) from the intersection of Dellwood Road
35.29 and Dellwood Avenue to the intersection of
35.30 Meadow Lane and Dellwood Avenue, along
35.31 Dellwood Avenue.

35.32 Amounts remaining after substantial
35.33 completion of a trail segment or combination
35.34 of segments under this paragraph may be

36.1 applied to any other trail segment or
36.2 combination of segments described in this
36.3 paragraph.

36.4 (c) Notwithstanding Minnesota Statutes,
36.5 section 16A.642, the bond sale authorization
36.6 and appropriation of bond proceeds for this
36.7 project is available until December 31, 2026
36.8 2028.

36.9 Sec. 3. Laws 2020, Fifth Special Session chapter 3, article 1, section 21, subdivision 7,
36.10 as amended by Laws 2024, chapter 88, article 2, section 9, is amended to read:

36.11 Subd. 7. **Alexandria; Runestone Community**
36.12 **Center Expansion** 5,600,000

36.13 For a grant to the city of Alexandria to design,
36.14 construct, furnish, and equip an expansion and
36.15 renovation of the Runestone Community
36.16 Center in Alexandria. The grant under this
36.17 subdivision is exempt from the requirements
36.18 in Minnesota Statutes, sections 16B.32,
36.19 16B.325, 216C.19, and 216C.20.
36.20 Notwithstanding Minnesota Statutes, section
36.21 16A.642, the bond sale authorization and
36.22 appropriation of bond proceeds for the project
36.23 in this subdivision are available until
36.24 December 31, 2028.

36.25 **EFFECTIVE DATE.** This section is effective retroactively from October 21, 2020.

36.26 Sec. 4. Laws 2023, chapter 71, article 1, section 9, subdivision 12, is amended to read:

36.27 Subd. 12. **Marshall; MERIT Training Center** 2,250,000

36.28 For a grant to the city of Marshall to design,
36.29 construct, furnish, and equip ~~improvements~~ a
36.30 50-yard and 300-yard firearms range and
36.31 firearms support buildings at the Minnesota
36.32 Emergency Response and Industrial Training
36.33 Center outlined in Phase 3 of the Master

37.1 Development Plan, ~~including: a 50-yard and~~
37.2 ~~300-yard firearms range; firearms support~~
37.3 ~~buildings; and a live-burn buildout structure.~~

37.4 Sec. 5. Laws 2023, chapter 71, article 1, section 11, subdivision 7, is amended to read:

37.5 Subd. 7. **Dellwood; Lake Links Trail** 2,000,000

37.6 For ~~a grant~~ one or more grants to the city of
37.7 Dellwood in Washington County to design,
37.8 engineer, construct, and equip trail
37.9 improvements consistent with the completed
37.10 preliminary engineering along or parallel with
37.11 the shore of White Bear Lake between the
37.12 Mahtomedi city limits and the western border
37.13 of Washington County. This appropriation
37.14 may also be used for the acquisition of
37.15 permanent easements and right-of-way. This
37.16 appropriation is in addition to the
37.17 appropriation in Laws 2020, Fifth Special
37.18 Session chapter 3, article 1, section 17,
37.19 subdivision 13, for the same purposes.
37.20 Notwithstanding Minnesota Statutes, section
37.21 16A.642, the appropriation for this project is
37.22 available until December 31, 2028.

37.23 Sec. 6. Laws 2023, chapter 71, article 1, section 14, subdivision 24, is amended to read:

37.24 Subd. 24. **Maple Grove; Community Center** 6,000,000

37.25 For a grant to the city of Maple Grove to
37.26 predesign and, design, and construct the
37.27 expansion and renovation of the Maple Grove
37.28 Community Center.

37.29 Sec. 7. Laws 2023, chapter 71, article 1, section 14, subdivision 49, is amended to read:

37.30 Subd. 49. **St. Cloud; CentraCare** 5,000,000

37.31 For a grant to CentraCare to design, construct,
37.32 renovate, furnish, and equip a University of

38.1 Minnesota Medical School Campus on the
38.2 CentraCare Health System Campus in the city
38.3 of St. Cloud.

38.4 Sec. 8. Laws 2023, chapter 71, article 1, section 14, subdivision 67, as amended by Laws
38.5 2024, chapter 88, article 1, section 23, is amended to read:

38.6 Subd. 67. **Isuroon** 3,000,000

38.7 (a) For a grant to Isuroon to predesign, design,
38.8 construct, and renovate the property located
38.9 at 1600 East Lake Street, in the city of
38.10 Minneapolis, to carry out the mission of the
38.11 organization to support immigrant women and
38.12 provide mental health counseling. This
38.13 appropriation may be used to reimburse
38.14 Isuroon for costs incurred for this project after
38.15 June 1, 2023.

38.16 (b) Any money remaining after the project in
38.17 paragraph (a) is completed may be used to
38.18 acquire property for, and to predesign, design,
38.19 furnish, equip, renovate, and construct a
38.20 specialty care center for women's maternal
38.21 health located in Ramsey County.

38.22 Sec. 9. Laws 2023, chapter 71, article 1, section 14, subdivision 81, as amended by Laws
38.23 2024, chapter 88, article 1, section 26, is amended to read:

38.24 Subd. 81. **Open Arms** 500,000

38.25 For a grant to Open Arms of Minnesota to
38.26 ~~acquire items of capital equipment to be used~~
38.27 ~~for a new kitchen and nutrition counseling~~
38.28 ~~center in Ramsey County to expand access to~~
38.29 ~~medically tailored meals for Minnesotans with~~
38.30 ~~life-threatening illnesses~~ capital equipment to
38.31 be used in the kitchen and for HVAC
38.32 improvements for the nutrition counseling
38.33 center building in the city of Minneapolis. This

39.1 appropriation is available for expenditures
39.2 made on or after July 1, 2023.

39.3 Sec. 10. Laws 2023, chapter 71, article 1, section 14, subdivision 93, as amended by Laws
39.4 2024, chapter 88, article 1, section 28, is amended to read:

39.5 Subd. 93. **Somali Museum** 3,900,000

39.6 For a grant to the Somali Museum to ~~acquire~~
39.7 ~~land, predesign, acquire property for and to~~
39.8 design, construct, furnish, and equip a facility
39.9 in the city of Minneapolis to be used for a
39.10 museum of Somali relics and artifacts, Somali
39.11 cultural history, and education.

39.12 Sec. 11. Laws 2023, chapter 71, article 1, section 14, subdivision 97, is amended to read:

39.13 Subd. 97. **The Link** 5,000,000

39.14 For a grant to The Link for land acquisition
39.15 and to predesign, and design, construct,
39.16 ~~furnish, and equip~~ a new multiuse facility in
39.17 North Minneapolis. The new building would
39.18 include a youth program and recreational
39.19 space, administrative and program office
39.20 space, and between 40 to 45 new units of
39.21 housing for unaccompanied homeless youth,
39.22 sex-trafficked youth, and young families
39.23 experiencing homelessness.

39.24 Sec. 12. Laws 2023, chapter 71, article 1, section 15, subdivision 7, is amended to read:

39.25 Subd. 7. **First District Association; Wastewater**
39.26 **Industrial Pretreatment Facility** 5,000,000

39.27 For a grant to the First District Association, a
39.28 dairy cooperative located in the city of
39.29 Litchfield, to acquire land for, and to design,
39.30 engineer, construct, equip, and furnish, a new
39.31 wastewater industrial pretreatment facility in
39.32 the city of Litchfield with a processing

40.1 capacity of up to 1,750,000 gallons per day of
40.2 high strength wastewater, a biosolids handling
40.3 process, and renewable gas production.

40.4 Sec. 13. Laws 2023, chapter 71, article 1, section 15, subdivision 16, is amended to read:

40.5 Subd. 16. **Western Lake Superior Sanitary**
40.6 **District; Clarifiers** 17,500,000

40.7 For a grant to the Western Lake Superior
40.8 Sanitary District to design, construct, and
40.9 rehabilitate four secondary clarifiers in the
40.10 district's wastewater treatment system.

40.11 Notwithstanding Minnesota Statutes, section
40.12 16A.642, this appropriation is available until
40.13 December 31, 2029.

40.14 Sec. 14. Laws 2023, chapter 72, article 1, section 4, is amended to read:

40.15 Sec. 4. **EDUCATION** \$ 4,000,000

40.16 To the commissioner of education for library
40.17 construction grants under Minnesota Statutes,
40.18 section 134.45. A grant to the city of Redwood
40.19 Falls from this appropriation is exempt from
40.20 the requirements in Minnesota Statutes,
40.21 sections 16B.32, 16B.325, 216C.19, and
40.22 216C.20.

40.23 **EFFECTIVE DATE.** This section is effective retroactively from June 1, 2023.

40.24 Sec. 15. Laws 2023, chapter 72, article 1, section 7, subdivision 18, is amended to read:

40.25 Subd. 18. **Heartland State Trail** 2,950,000

40.26 (a) For capital improvements to the Heartland
40.27 State Trail. Of this amount, (1) \$550,000 is
40.28 for construction of a trail segment of the
40.29 Heartland State Trail between Detroit Lakes
40.30 and Frazee; and (2) \$2,400,000 is for the
40.31 environmental review, predesign, design, and
40.32 construction of a paved multiple-use trail to

41.1 connect Itasca State Park to the Heartland
41.2 State Trail beginning from the park contact
41.3 station to the park's southeast boundary and
41.4 through a Phase 1 tunnel to be constructed
41.5 under marked U.S. Highway 71, and
41.6 continuing from there for about two miles.

41.7 (b) This appropriation is in addition to the
41.8 appropriations in Laws 2017, First Special
41.9 Session chapter 8, article 1, section 6,
41.10 subdivision 6, and Laws 2020, Fifth Special
41.11 Session chapter 3, article 1, section 7,
41.12 subdivision 12.

41.13 (c) Any unspent portion of the appropriation
41.14 remaining after completion of the project listed
41.15 in paragraph (a), clause (1), after written notice
41.16 to the commissioner of management and
41.17 budget, is available for the purposes of
41.18 environmental review, engineering, and design
41.19 of the following segments of the Heartland
41.20 State Trail: from the west Becker County line
41.21 to Detroit Lakes, from Park Rapids to Osage,
41.22 and from Osage to Frazee.

41.23 Sec. 16. Laws 2023, chapter 72, article 1, section 16, subdivision 15, is amended to read:

41.24 Subd. 15. **Savage; Road and Bridge**
41.25 **Improvements**

800,000

41.26 From the bond proceeds account in the state
41.27 transportation fund, as provided in Minnesota
41.28 Statutes, section 174.50, for a grant to the city
41.29 of Savage to predesign and design the
41.30 expansion of Quentin Avenue and
41.31 reconstruction of two railroad bridges that pass
41.32 over Quentin Avenue. ~~The project area for this~~
41.33 ~~project is from approximately 600 feet to the~~
41.34 ~~south to approximately 600 feet to the north~~

42.1 ~~of the two railroad bridges that pass over~~
42.2 ~~Quentin Avenue.~~ Notwithstanding Minnesota
42.3 Statutes, section 16A.642, the bond sale
42.4 authorization and appropriation of bond
42.5 proceeds for the project in this subdivision are
42.6 available until December 31, 2029.

42.7 Sec. 17. Laws 2023, chapter 72, article 2, section 2, is amended to read:

42.8	Sec. 2. MINNESOTA STATE COLLEGES AND		
42.9	UNIVERSITIES	\$	1,347,000

42.10 To the board of trustees of the Minnesota State
42.11 Colleges and Universities to design the
42.12 renovation of space for Career and Technical
42.13 Education programs and to construct the first
42.14 phase of the roof replacement at the Heintz
42.15 Center at Rochester Community and Technical
42.16 College.

42.17 Sec. 18. EFFECTIVE DATE.

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

APPENDIX
Article locations for 251-H0018-1

ARTICLE 1 APPROPRIATIONS..... Page.Ln 1.18

ARTICLE 2 POLICY..... Page.Ln 19.19

ARTICLE 3 MODIFICATIONS..... Page.Ln 33.11

16A.662 INFRASTRUCTURE DEVELOPMENT BONDS.

Subdivision 1. **Infrastructure development fund.** The infrastructure development fund is created as an account in the state treasury. The commissioner of management and budget shall credit to the fund income from the sources provided by law. The commissioner of management and budget shall from time to time certify to the State Board of Investment the assets of the fund not currently needed. The amount certified must be invested by the State Board of Investment subject to section 11A.24. Investment income and investment losses attributable to investment of fund assets must be credited to or borne by the fund.

Subd. 2. **Bonds authorized.** When authorized by law enacted in accordance with the constitution, article XI, sections 5 and 7, the commissioner may by order sell and issue bonds of the state evidencing public debt incurred for any purpose stated in the law. The bonds are general obligations of the state, and the full faith and credit of the state are pledged for their payment.

Subd. 3. **Manner of issuance; maturities.** The bonds must be issued and sold in accordance with section 16A.641. Sections 16A.672 and 16A.675 apply to the bonds.

Subd. 4. **Debt service account; appropriation of debt service account money.** There is established within the state bond fund a separate and special account designated as the infrastructure development bond debt service account. The money on hand in the debt service account must be used solely for the payment of the principal of and interest on bonds issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.

Subd. 5. **Assessment to higher education systems.** (a) In order to reduce the amount otherwise required to be transferred to the state bond fund with respect to bonds heretofore or hereafter issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2, the commissioner of management and budget shall assess each higher education system for one-third the amount that would otherwise need to be transferred with respect to those bonds sold to finance capital improvement projects at institutions under the control of the system; provided that, to the extent that the amount to be transferred is for payment of principal and interest on bonds sold to finance life safety improvements, the commissioner must not assess the higher education systems for the transfer.

(b) After each sale of the bonds, the commissioner of management and budget shall notify the Board of Trustees of the Minnesota State Colleges and Universities and the regents of the University of Minnesota of the amounts for which each system is responsible for each year for the life of the bonds. The amounts payable each year are reduced by one-third of the net income from investment of those bond proceeds that must be allocated among the systems in proportion to the amount of principal and interest otherwise required to be paid by each. Each higher education system shall pay its annual share of debt service payments to the commissioner of management and budget by December 1 each year. If a higher education system fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise payable to the system to cover the amount of the missed debt service payment. The commissioner of management and budget shall credit the payments received from the higher education systems to the infrastructure development bond debt service account in the state bond fund each December 1 before the transfer is made under subdivision 4.

Subd. 6. **Appropriation from general fund.** There is annually appropriated from the general fund for transfer to the infrastructure development bond debt service account the amount that, added to the amount in the infrastructure development bond debt service account on December 1 each year, after giving effect to subdivisions 4 and 5, is equal to the full amount of principal and interest to come due on all bonds to and including July 1 in the second ensuing year.

Subd. 7. **Constitutional tax levy.** Under the constitution, article XI, section 7, the state auditor must levy each year on all taxable property within the state a tax sufficient, with the amount then on hand in the infrastructure development bond debt service account, to pay all principal and interest on the bonds due and to become due to and including July 1 in the second ensuing year. The tax is not subject to limit as to rate or amount. However, the amount of money appropriated from other sources as provided in subdivisions 4, 5, and 6, and actually received and on hand before the levy in any year, reduces the amount of the tax otherwise required to be levied. The proceeds of the tax must be credited to the infrastructure development bond debt service account.

Subd. 8. **Application and appropriation of proceeds.** The proceeds of the bonds must be deposited and spent as provided in this subdivision and are appropriated for those purposes. Any accrued interest and any premium received on the sale of the bonds must be credited to the infrastructure development bond debt service account. Except as otherwise required by law, the

APPENDIX
Repealed Minnesota Statutes: 251-H0018-1

balance of the bond proceeds shall be credited to the infrastructure development fund and spent for the purposes specified in the law authorizing the issuance of the bonds. So much of the proceeds as is necessary must be used to pay costs incurred in issuing and selling the bonds.

116J.417 GREATER MINNESOTA CHILD CARE FACILITY CAPITAL GRANT PROGRAM.

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.