

House Research Act Summary

CHAPTER: 189 including vetoed items

SESSION: 2010 Regular Session
(effective
March 15, 2010), as amended by
chapter 399 (effective May 26,
2010)

TOPIC: Omnibus Capital Investment

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Overview

The omnibus capital investment act, as passed by the legislature, appropriated a net total of approximately \$999 million for projects and made changes to related programs. The Governor's line-item vetoes reduced the appropriations to a net total of approximately \$686 million. Vetoes are indicated by italics. Laws 2010, chapter 399, sections 4, 7, 8, and 9 amended chapter 189, sections 14, 19, 21, and 56. For detailed information on the amounts and funds, see the spreadsheet by Koryn Zewers, House Fiscal Analyst for Capital Investment. <http://www.house.leg.state.mn.us/fiscal/files/bond10.pdf>

Section Vetoes

1 **Capital improvement appropriations.** Provides the summary by agency and fund sources.

New in this section is a provision requested by bond counsel and the Department of Management and Budget (MMB) that authorizes state agencies and officials to spend a portion of an appropriation to pay the capital costs of staff directly attributable to the capital project or projects funded with bond funds, consistent with the adopted department policies. Absent this express authority, otherwise eligible expenditures cannot be made. The legislature may exclude any particular project or agency from this authorization.

The December 2008 internal control and compliance audit of general obligation bond expenditures by the Legislative Auditor found that the Department of Management and Budget did not have a formal, written policy on paying internal project management costs from bond funds. Although the department advised agencies not to pay staff costs from bond funds without express legislative authority, the audit found that some agencies had done so. The department has now adopted a formal, written policy.

2 University of Minnesota.

Subd. 1. Total appropriation. \$100,001,000 (\$89,667,000 after vetoes)

Subd. 2. Higher Education Asset Preservation and Replacement Account. \$56,000,000

Subd. 3. Twin Cities campus. (a) Folwell Hall. \$23,000,000 to renovate.

(b) Physics and Nanotechnology. \$4,000,000 predesign and design a new building. Contingent on certification that building will not be within the area impacted by vibration or magnetic resonance caused by light rail transit on Washington Avenue.

Vetoed **Subd. 4. Duluth campus.** \$6,667,000 to build an American Indian Learning Resource Center.

Vetoed **Subd. 5. Itasca biological station.** \$3,667,000 to building a new biological station and renovate the lakeside lab.

Subd. 6. Laboratory renovation. \$6,667,000 to renovate research labs on Crookston, Duluth, Morris, and Twin Cities campuses.

Subd. 7. University share. States that the appropriations are for approximately two-thirds of the cost of the projects, except for HEAPR.

Subd. 8. Unspent appropriations. Requires any unused funds for completed projects in this section to be used for HEAPR. Requires biennial reports to the legislature on activity under this subdivision.

3 Minnesota State Colleges and Universities.

Subd. 1. Total appropriation. \$239,920,000 (\$106,169,000 after vetoes)

Subd. 2. Higher Education Asset Preservation and Replacement Account. \$52,000,000

Subd. 3. Alexandria Technical College. \$200,000 to design renovation and infill for library, student services and commons.

Vetoed **Subd. 4. Anoka Ramsey Community College, Coon Rapids.** \$5,357,000 for the fine arts building renovation. \$400,000 for design of bioscience and allied health addition.

Vetoed **Subd. 5. Dakota County Technical College.** \$300,000 for design of

transportation and emerging technologies lab.

Vetoed **Subd. 6. Hennepin Technical College, Eden Prairie and Brooklyn Park.** \$10,566,000 for renovation of learning resource and student services centers on both campuses.

Subd. 7. Lake Superior College. \$12,098,000 for a new health science center.

Subd. 8. Metropolitan State University. \$5,860,000 for a classroom center over the power plant building.

Vetoed **Subd. 9. Minneapolis Community and Technical College.** \$12,990,000 for renovation of space for the workforce program.

Subd. 10. Minnesota State Community and Technical College, Moorhead. \$5,448,000 for the library and classroom addition.

Vetoed **Subd. 11. Minnesota State University, Mankato.** \$1,908,000 to design a clinical sciences building.

Vetoed **Subd. 12. Minnesota State University, Moorhead.** \$14,901,000 for the Livingston Lord Library.

Vetoed **Subd. 13. Minnesota West Community and Technical College, Canby.** \$200,000 for preliminary engineering and design of a wind turbine training facility.

Subd. 14. NHED Mesabi Range Community and Technical College, Eveleth. \$5,477,000 for shop space addition.

Vetoed **Subd. 15. NHED Mesabi Range Community and Technical College, Virginia.** \$3,000,000 for the Iron Range engineering program facilities.

Subd. 16. Normandale Community College. \$1,000,000 to design an academic partnership and student services center.

Subd. 17. North Hennepin Community College.

Vetoed (a) \$600,000 for design of new bioscience and health careers center addition.

(b) \$14,782,000 for new and renovated space for a center for business and technology.

Vetoed **Subd. 18. Ridgewater Community Technical College, Willmar.** \$14,300,000 for renovated technical instruction space.

Vetoed **Subd. 19. Rochester Community Technical College.** \$8,500,00 for workforce center collocation. Requires a lease agreement between MnSCU and the commissioner of employment and economic development that will provide for lease payments to cover the college's reasonable costs in support of the workforce center.

Vetoed **Subd. 20. South Central College, Faribault.** \$13,360,000 for classroom

renovation and addition.

Vetoed **Subd. 21. Southwest Minnesota State University.** \$200,000 for design of science and math building renovation.

Vetoed **Subd. 22. St. Cloud State University.** \$42,334,000 for a new integrated science and engineering lab facility.

Subd. 23. St. Cloud Technical College. \$5,421,000 for renovation of the allied health center.

Subd. 24. Classroom initiatives and demolition. \$3,883,000 for projects on campuses listed.

Vetoed **Subd. 25. Science, technology, engineering, and math initiatives.** \$4,835,000 for projects on campuses listed.

Subd. 26. Debt service. Requires one-third of the project costs, excluding HEAPR, to be user-financed. Provides that for the Rochester workforce center project, the commissioner of employment and economic development must pay debt service on \$5,262,000 of the principal amount of state bonds sold for the project.

Subd. 27. Unspent appropriations. Requires any unused funds for completed projects in this section to be used for HEAPR on the same campus. Requires biennial reports to the legislature on activity under this subdivision.

4 **Education.**

Vetoed **Subd. 1. Total appropriation.** \$7,780,000 (\$0 after vetoes)

Vetoed **Subd. 2. Independent School District No. 38, Red Lake.** \$5,780,000 from the maximum effort school loan fund for a grant to Red Lake.

Vetoed **Subd. 3. Library and accessibility grants.** \$2,000,000.

5 **Minnesota State Academies.**

Subd. 1. Total appropriation. \$2,500,000

Subd. 2. Asset preservation. \$2,000,000 is for asset preservation.

Subd. 3. Independent living housing. \$500,000 is for independent living housing on the Academy for the Blind campus. Project provided in collaboration with South Central College of Faribault.

6 **Perpich Center for Arts Education.**

Subd. 1. Total appropriation. \$1,373,000

Subd. 2. Alpha building demolition. \$755,000

Subd. 3. Delta dorm windows. \$489,000 to install new windows.

Subd. 4. Storage building. \$129,000 for a storage building.

7

Natural Resources.

Subd. 1. Total appropriation. \$126,254,000 (\$98,581,000 after vetoes)

Subd. 2. Natural resources asset preservation. \$1,000,000

Subd. 3. Flood hazard mitigation. \$63,500,000. For state share of projects. Includes money for municipal projects in cities and towns listed and for watershed projects in watershed districts listed. Prohibits the commissioner of natural resources from spending money for construction of the Fargo-Moorhead metropolitan diversion project until an implementation plan for mitigation of downstream impacts has been developed, or April 1, 2012, whichever occurs first. Requires the mitigation plan to ensure that the project will not make downstream flooding worse than it would have been without the project. Requires quarterly reports to chairs of relevant legislative committees.

Subd. 4. Groundwater monitoring and observation wells. \$1,000,000 for new wells to monitor the Mount Simon aquifer. Also for sealing obsolete wells.

*Vetoed
part*

Subd. 5. Dam renovation and removal. \$4,750,000 for dam projects listed. *Includes \$750,000 for renovation of Coon Rapids dam, contingent on sufficient funding to complete project.*

Subd. 6. Wildlife and aquatic management area land acquisition and improvement. \$1,000,000

Subd. 7. RIM critical habitat match. \$3,000,000

Vetoed

Subd. 8. Scientific and natural area acquisition and development. \$4,500,000 to acquire the Hastings Sand Coulee in Dakota County and other lands identified by the commissioner.

Subd. 9. Forest for the Future. \$500,000 to acquire conservation easements.

Subd. 10. State forest land reforestation. \$3,000,000

Subd. 11. Forest roads and bridges. \$1,000,000

Subd. 12. Shade tree program. \$3,000,000 for grants to political subdivisions.

Subd. 13. State park rehabilitation. \$4,659,000 for projects identified in the January 20, 2010, list of projects titled "State Park Development Projects – 12 month completion possible."

Subd. 14. State park and recreation area acquisition. \$2,150,000 to acquire land for William O'Brien State Park, Split Rock Lighthouse State Park, and Cuyuna Country State Recreation Area.

Subd. 15. State park and recreation area development. \$1,250,000 for the Cuyuna Country State Recreation Area and \$350,000 for Glendalough State Park to develop a trail.

Subd. 16. State trail rehabilitation. \$4,000,000 for trails listed. Requires most of the appropriation to be spent by March 16, 2011.

Vetoed **Subd. 17. State trail acquisition and development.** \$21,423,000 for trails listed.

Subd. 18. Regional trails. \$500,000 for a grant to Aitkin County for the Northwoods Regional All-Terrain Vehicle Trail.

Subd. 19. Trail connections. \$3,292,000 for trails listed.

Subd. 20. St. Mathias trail paving – Fort Ripley. \$50,000

Subd. 21. Rum River buffer and bridge replacement. \$130,000 for a grant to Milaca to replace the pedestrian bridge.

Subd. 22. Fort Snelling Upper Bluff. \$1,200,000 for a grant to Hennepin County to stabilize vacant buildings.

Vetoed **Subd. 23. Lake Superior campground expansion.** \$1,000,000 for a grant to Two Harbors to expand its campground.

Subd. 24. Unspent appropriations. Up to 10 percent of an appropriation that is not needed for a project, except for flood hazard mitigation, may be used for asset preservation.

8 Pollution Control Agency.

Subd. 1. Total appropriation. \$14,275,000 (\$13,775,000 after vetoes)

Subd. 2. Closed landfill cleanup. \$8,700,000

Subd. 3. Capital assistance program. \$5,575,000

Vetoed (1) \$500,000 for Becker County

(2) \$5,075,000 for Perham. Requires counties using the facilities to agree to achieve a 60 percent recycling rate and an organics recovery rate of 15 percent by 2025.

9 Board of Water and Soil Resources.

Subd. 1. Total appropriation. \$27,500,000 (\$2,500,000 after vetoes)

Vetoed **Subd. 2. RIM conservation reserve.** \$25,000,000. Includes set-asides.

Subd. 3. Wetland replacement due to public road projects. \$2,500,000.

Requires the board to give priority consideration to establishing wetland credits in the seven-county metropolitan area in partnership with the Minneapolis Park and Recreation Board and the sculpture garden project.

- 10 Minnesota Zoological Garden.**
- Subd. 1. Total appropriation.** \$21,000,000
 - Subd. 2. Asset preservation and improvement.** \$6,000,000
 - Subd. 3. Master plan.** \$15,000,000 for phase 1 of the Heart of the Zoo entry, visitor center and environmental education center. Not available until St. Paul certifies to the commissioner of management and budget that the city has sufficient financing to complete phase 2 renovation of exhibits at the Como Zoo.
- 11 Administration.**
- Subd. 1. Total appropriation.** \$11,175,000 (\$10,175,000 after vetoes)
 - Subd. 2. Capital Asset Preservation and Replacement Account (CAPRA).** \$2,000,000
 - Subd. 3. Asset Preservation.** \$8,075,000, includes \$1,250,000 for phase 1 of Capitol campus security and \$75,000 to predesign renovation of the Governor's residence.
 - Vetoed* **Subd. 4. Cooperative local facilities grants.** \$1,000,000 for the program established in new Minnesota Statutes, section 16B.355 (section 35 of the act).
 - Subd. 5. Veterans, firefighters, and police memorial – Eagan.** \$100,000
- 12 Amateur Sports Commission.**
- Subd. 1. Total appropriation.** \$8,450,000 (\$4,950,000 after vetoes)
 - Subd. 2. Women's hockey center – Blaine.** \$950,000
 - Subd. 3. National volleyball center – Rochester.** \$4,000,000
 - Vetoed* **Subd. 4. Northwestern Minnesota Regional Sports Center – Moorhead.** \$3,500,000, contingent on match.
- 13 Military Affairs.**
- Subd. 1. Total appropriation.** \$11,900,000
 - Subd. 2. Asset preservation.** \$4,000,000
 - Subd. 3. Facility life safety improvements.** \$1,000,000
 - Subd. 4. Facility ADA compliance.** \$900,000
 - Subd. 5. Cedar Street Armory renovation.** \$5,000,000

Subd. 6. Camp Ripley troop support facility. \$1,000,000

Subd. 7. Unspent appropriations. Permits any extra money to be used for asset preservation.

14

Public Safety.

Subd. 1. Total appropriation. \$15,000,000 (\$10,000,000 after vetoes)

Subd. 2. Emergency management training facility – Camp Ripley. \$6,000,000 for the emergency vehicle operator’s course. See also Laws 2010, chapter 399, section 7.

Subd. 3. State emergency operations center – Arden Hills. \$2,250,000 for predesign and design. Requires a report to the legislature on how the Arden Hills site will be adequately accessible in the event of a disaster that adversely affects major transportation corridors.

Vetoed **Subd. 4. East Metro Regional Fire Training Facility – Maplewood.**
\$3,000,000

Subd. 5. Emergency operations center and fire training facility – Minneapolis. \$750,000, contingent on match.

Subd. 6. Marshall – Minnesota emergency response and industry training center (MERIT). \$1,000,000, contingent on match.

Vetoed **Subd. 7. Public safety facility – Princeton.** \$2,000,000

15

Transportation.

Subd. 1. Total appropriation. \$156,227,000 (\$139,527,000 after vetoes)

Subd. 2. Local bridges. \$66,000,000. Includes set-asides for Tower Road bridge in Fergus Falls, Lowry Avenue bridge in Minneapolis, and the Northtown Rail Yard bridge in Minneapolis.

Includes a direction to the commissioner of management and budget, subject to approval by the commissioner of transportation, to implement by November 1, 2010, a grant administration method that does not require a separate grant agreement for each project, that provides for efficient audits relating to state bond financed property, ensures that uses of state bond financed property will not cause the interest on the bonds issued to be or become taxable, and that otherwise complies with the state constitution and statutes governing state general obligation bonding. Requires a report to the legislature.

This provision is a result of the December 2008 internal control and compliance audit of general obligation bond expenditures by the Legislative Auditor that found the system in place for grants by MnDOT did not require adequate grant agreements. Counties and MnDOT believe the grant agreements MMB required in 2009 (after the audit) are unnecessarily burdensome and this provision is intended to address the need for a revised grant agreement process for bridge projects without halting grants to be made with this appropriation.

Vetoed **Subd. 3. Greater Minnesota transit.** \$2,500,000, with set aside for a multimodal hub in Northfield.

Subd. 4. Rail service improvement. \$2,000,000

Subd. 5. Minnesota Valley railroad track rehabilitation. \$5,000,000

Subd. 6. Northstar commuter rail extension to St. Cloud. \$1,000,000

Subd. 7. Railroad grade warning devices replacement. \$2,500,000, including \$900,000 for improvements in Grand Rapids.

Vetoed **Subd. 8. Port development assistance.** \$3,000,000

Vetoed **Subd. 9. Range Regional Airport.** \$3,700,000

Subd. 10. Duluth Airport terminal. \$11,700,000, contingent on match.

Subd. 11. Thief River Falls airport. \$2,097,000, contingent on \$699,000 match.

Subd. 12. Rochester maintenance facility. \$26,430,000 (trunk highway bonds)

Vetoed **Subd. 13. Arden Hills Training Center.** \$6,500,000 (trunk highway bonds)

Subd. 14. Maple Grove truck station. \$15,800,000 (trunk highway fund)

Subd. 15. Little Falls truck station. \$3,300,000 (trunk highway fund)

Subd. 16. Maplewood bridge crew building. \$3,000,000 (trunk highway fund)

Subd. 17. Design. \$700,000 for Willmar and Plymouth buildings (trunk highway fund).

Vetoed **Subd. 18. Hoffman Yard.** \$1,000,000

16 Metropolitan Council.

Subd. 1. Total appropriation. \$79,100,000 (\$29,500,000 after vetoes)

Vetoed **Subd. 2. Transit capital improvement program.** \$43,500,000

Subd. 3. Metropolitan cities inflow and infiltration grants. \$3,000,000

Subd. 4. Metropolitan regional parks and trails capital improvements.

(a) \$10,500,000 for council priorities;

(b) \$11,000,000 for Como Zoo phase 2 renovation;

Vetoed (c) \$2,000,000 for Minneapolis Sculpture Garden;

(d) \$2,000,000 for renovation of Old Cedar Avenue bridge in Bloomington;

Vetoed (e) \$1,100,000 for Phalen-Keller Regional Park;

(f) \$1,000,000 for the Rock Island Bridge park and trail in Inver Grove Heights;

Vetoed (g) \$2,000,000 for Springbrook Nature Center;

Vetoed (h) \$1,000,000 for the Theodore Wirth Olympic training center;

(i) \$2,000,000 for the Veterans Memorial Parks in Minneapolis.

17 Health.

Subd. 1. Total appropriation. \$15,000,000

Subd. 2. Gillette Children's Specialty Healthcare. \$10,000,000 to Ramsey County for the project, estimated to cost a total of \$62,000,000. Specifies the distribution of proceeds of the sale of the property if it is ever sold to say that the state gets back what it put in and the remainder goes to the county or its successor in interest in the property.

Subd. 3. Hyperbaric oxygen chamber. \$5,000,000

18 Human Services.

Subd. 1. Total appropriation. \$51,625,000 (\$49,625,000 after vetoes)

Subd. 2. Asset preservation. \$2,000,000

Vetoed

Subd. 3. Early childhood learning and child protection facilities.
\$2,000,000

Subd. 4. Remembering with dignity. \$125,000 for grave markers or memorials for deceased state hospital or regional treatment center residents.

Subd. 5. Minnesota sex offender program treatment facilities – Moose Lake. \$47,500,000

Subd. 6. Sex offender treatment center; facilities study. Requires the commissioner of human services, in consultation with the commissioners of administration and corrections, to report by January 15, 2011, to the legislature on the potential for using existing vacant or underused state facilities, including regional treatment centers, for the sex offender treatment program or other programs and services administered by the commissioner. Requires the study to examine current civil commitment policies, sex offender treatment, and possible legislation to change determinate sentencing of sex offenders.

19

Veterans Affairs.

Subd. 1. Total appropriation. \$13,900,000

Subd. 2. Asset preservation. \$4,000,000

Subd. 3. Luverne veterans home entrance enclosure. \$450,000

Subd. 4. Minneapolis veterans home. \$9,450,000. See also Laws 2010, chapter 399, section 8.

20

Corrections.

Subd. 1. Total appropriation. \$23,829,000

Subd. 2. Asset preservation. \$8,000,000

Subd. 3. ARMER radio system migration. \$5,800,000

Subd. 4. MCF – Oak Park Heights. (a) \$3,529,000 for exterior intrusion detection system; (b) \$6,500,000 for security system upgrade

Subd. 5. Unspent appropriations. Permits the department to use money remaining after a project is complete for asset preservation at the same facility.

21

Employment and Economic Development.

Subd. 1. Total appropriation. \$121,965,000 (\$56,200,000 after vetoes)

Subd. 2. Greater Minnesota business development infrastructure grant program. \$10,000,000

Subd. 3. Innovative Business development public infrastructure grant program. \$4,000,000

Subd. 4. Redevelopment account. \$5,000,000. Includes \$2,000,000 for Lake Elmo. See also Laws 2010, chapter 399, section 9. Extends the life of a 2006 grant to the city of Tower.

- Vetoed* **Subd. 5. Bemidji – Headwaters science center.** \$475,000 for predesign and design. Requires a match.
- Vetoed* **Subd. 6. Chatfield – Potter Center for the Arts.** \$2,200,000 for renovation of the auditorium and adjacent structures.
- Subd. 7. Duluth Zoo.** \$200,000 for asset preservation and exhibit renewal to achieve accreditation.
- Vetoed* **Subd. 8. Hennepin County – Minnesota African American History Museum and Cultural Center.** \$840,000. Requires a match.
- Vetoed* **Subd. 9. Mankato – Civic Center and All Seasons Arenas.** \$12,000,000. Requires a match.
- Vetoed* **Subd. 10. Minneapolis – Granary Road storm water infrastructure.** \$4,000,000. Requires a match.
- Subd. 11. Minneapolis – Orchestra Hall.** \$16,000,000 to renovate the hall and Peavey Plaza. Requires a match. Authorizes the city to operate a performing arts center and adjacent property for public recreation.
- Subd. 12. Ramsey County – Rice Street Bioscience Corridor.** \$5,000,000 for the Rice Street bridge over Highway 36.
- Vetoed* **Subd. 13. Rochester – Mayo Civic Center Complex.** \$28,000,000. Requires a match.
- Vetoed* **Subd. 14. St. Cloud – Civic Center expansion.** \$13,000,000. Requires a match.
- Vetoed* **Subd. 15. St. Louis County – Arrowhead regional event facilities.** \$250,000 for grants to the cities of Hibbing and Mountain Iron.
- Vetoed* **Subd. 16. St. Paul.** (a) \$5,000,000 for the Asian Pacific cultural center;
(b) \$16,000,000 for the Ordway renovation.

22 **Public Facilities Authority.**

Subd. 1. Total appropriation. \$57,000,000

Subd. 2. State match for federal grants. \$30,000,000, of which \$10,800,000 is for the drinking water revolving fund and the remainder is for the clean water revolving fund.

Subd. 3. Wastewater infrastructure funding program. \$27,000,000. Set aside of \$2,800,000 for Willmar for corrective action on its system.

23 *Vetoed* **Minnesota Housing Finance Agency.** \$10,000,000 for public housing.

24 **Minnesota Historical Society.**

Subd. 1. Total appropriation. \$13,757,000 (\$4,400,000 after vetoes)

Subd. 2. Historic sites asset preservation. \$3,400,000

Subd. 3. County and local preservation grants. \$1,000,000, of which \$150,000 is for renovation of a 1941 Navy Hangar in South St. Paul.

Vetoed **Subd. 4. Oliver H. Kelley Farm historic site.** \$9,357,000 for renovation.

25 **Bond sale expenses.**

26 **Bond sale authorization.**

27 **Cancellation; bond sale authorizations reduced.** Cancels remaining amounts from past capital appropriations for projects that are completed or amounts otherwise identified by agencies as unneeded. Reduces the corresponding bond sale authorizations.

28 **Report on expenditure of bond proceeds.** Requires the Department of Management and Budget to report by January 15 each year to the chairs and ranking minority members of the house and senate committees with jurisdiction over capital investment, finance, and ways and means on the amount and percentage of each agency's capital appropriation that is used to pay capital costs of staff directly attributable to the capital project funded with general obligation bond proceeds. Requires reporting on agencies' compliance with the Department of Management and Budget policies.

This relates to the addition in section one.

29 **Authority to issue.** Requested by the Department of Management and Budget, permits the state to issue 911 revenue bonds as tax credit or interest subsidy bonds.

30 **Sale; certain costs of issuance.** Requested by the Department of Management and Budget, this relates to "Build America bonds" - taxable bonds with a federal interest subsidy that results in bonds that can be a better deal than tax-exempt bonds. Tax-exempt bonds (most of what the state issues for capital projects) are typically sold at a premium. That is, the buyers pay more than the value of the bonds. The extra amount is used by the state to pay the underwriters and other costs of issuing the bonds, and the remainder of the premium is deposited into the state bond fund (used to pay debt service). Taxable bonds are not sold at a premium and so there is no extra money from the sale to cover underwriters' costs. The state does not have authority to issue more bonds than needed for project costs. So the state has not used the Build America bonds authority. The proposed language gives the state the authority to issue more bonds than the amount needed to pay for project costs in order to have enough money to pay the underwriters and other costs of issuance. The proposed language specifies that the extra amount issued cannot result in an increase in the general fund transfer to pay debt service.

There is a proposal at the federal level to make permanent the now-temporary authority for Build America bonds.

31 **Special provisions for sale and issuance.** Requested by the Department of Management and Budget, the new language does two things. First, it allows the state to issue cross-over

refunding bonds, which is an authority local governments have. Second, it allows bids for the securities to be purchased for the escrow account to be secured through the State Board of Investment or a suitable financial institution.

- 32 Utility companies; permits to cross state-owned lands.** Permits the commissioner of administration to grant an easement or permit over, under, or across state land for public purposes including mass transit and flood protection. Allows an easement granted to a state agency or political subdivision to be a permanent easement.
- 33 Recycling construction and demolition waste from state buildings; requirement.** Directs the commissioner of administration to include in contracts for construction, renovation, or demolition a requirement for contractors and subcontractors to recycle at least 50 percent of the nonhazardous construction and demolition waste, measured by weight or volume, or to demonstrate that the waste was delivered to a facility that maintains a 50 percent annual recycling rate. Applies to a project receiving money from the bond proceeds fund after January 1, 2011, that receives \$5 million or more from the bond proceeds funds for construction or renovation and that is within 40 miles of a recycling facility that processes the applicable building materials.
- 34 Construction and major remodeling.** Exempts parking structures, park and ride facilities, bus rapid transit stations, and light rail lines from the preliminary review requirements in section 16B.335.
- 35 Cooperative local facilities grants.** The funding for this program was vetoed. Establishes a new grant program in the Department of Administration to make grants to counties, cities, towns, and school districts for capital projects that provide cooperative facilities to be owned and operated by the grantees. Requires at least 30 percent nonstate funding for a project. No more than one-third of the appropriation for the program in an act may be given to one project.
- Requires a combination of at least three counties, cities, towns, or school districts that have entered into a joint powers agreement and formed a joint powers board to govern the facilities. Requires the application to show that the cooperative facilities will improve services and generate savings. States priorities for grants. Requires at least half of the money each biennium be granted to projects outside of the seven-county metropolitan area.
- Note: After the funding for this program was vetoed, Laws 2010, chapter 392, article 1, section 4, amended the program language to make it apply within the limits of available appropriations.
- 36 Camp Ripley/Veterans State Trail.** Establishes the state trail in statute.
- 37 Red River basin flood mitigation projects.** Strikes the limitation on use of Red River basin flood hazard mitigation grants so that any project in the Red River basin that is consistent with the 1998 mediation agreement may receive a grant for up to 75 percent of the costs.
- 38 Use for mitigation prohibited.** Prohibits RIM reserve funds from being used for environmental regulatory or wetland mitigation purposes.
- 39 Innovative business development public infrastructure grant program.** Renames the bioscience business development public infrastructure grant program the “innovative business development public infrastructure grant program.” Defines “innovative business”

and “proprietary technology.”

- 40 Grant criteria; rulemaking.** Clarifying.
- 41 Program administration; rulemaking.** Modifies state transportation fund grant making. Requires MnDOT, in consultation with local road authorities, to establish a minimum distance between any two bridges that cross over the same waterway so that only one of the bridges is eligible for a grant under this section. Permits exceptions.
- 42 Grant authority (early childhood learning facilities grants).** The funding for this program was vetoed. Increases the maximum grant amounts for early childhood learning facilities grants: from \$300,000 to \$500,000 for each program in an individual facility, up to a maximum of \$2,000,000 for a facility that houses three or more programs, increased from \$750,000.
- 43 Grant priority (early childhood learning facilities grants).** Adds to the early childhood learning facilities grant program priorities a project that will improve the quality of early childhood programs.
- 44 Procedure; certain costs of issuance.** Related to section 29. Requested by the Department of Management and Budget, permits the state to issue 911 revenue bonds as tax credit or interest subsidy bonds.
- 45 Authorization (nonprofit housing bonding).** Increases the 2008 authorization for the Minnesota Housing Finance Agency to issue nonprofit housing bonds from \$30,000,000 to \$36,000,000 and allows the bond proceeds to be used to finance the costs of the construction, acquisition, preservation, and rehabilitation of foreclosed or vacant housing to be used for affordable rental housing. The standing general fund appropriation to repay the bonds is not increased; the agency expects that the market conditions and interest rates will allow the agency to issue the additional debt within the current appropriation.
- 46 Red Rock Corridor transit way.** Adds acquisition of property and construction to the permitted uses of the 2005 appropriation for the transit way.
- 47 Bioscience development.** Allows the 2005 appropriation for Ramsey and Anoka Counties road improvements also to be used for road and bridge improvements at Highway 36 and Rice Street.
- 48 Asset preservation (Minnesota State Academies).** Changes the purpose of the 2006 appropriation of \$25,000 from design of Frechette Hall improvements to asset preservation.
- 49 Koochiching Renewable Energy Clean Air Project.** Amends the 2006 appropriation so that the county or its development authority may implement the project and permits use of the money to upgrade a county waste transfer station that serves the project and to do site preparation for the project. Permits money to be made available as nonstate match is made available.
- 50 Red Rock corridor transit way.** Adds acquisition of property and construction to the permitted uses of the 2006 appropriation for the transit way.
- 51 Hibbing Wastewater Treatment facilities.** Permits the city to use the 2006 bonding appropriation for storm water infrastructure improvements as well as the treatment plant.

- 52 **Itasca County – infrastructure.** Modifies the 2006 appropriation for infrastructure to support the steel plant so it can be used by the regional railroad authority and the public utilities commission in addition to the county.
- 53 **State road construction.** Amends the 2008 transportation funding act to (1) shift trunk highway bonding authorization to occur earlier, so that fiscal year 2011 and 2012 appropriations are increased from \$100 million to \$200 million (in each fiscal year) and fiscal years 2017 and 2018 appropriations are removed; and (2) prevent cancellation of the bonding authority from occurring prior the year of the bonding authorization.
- 54 **Technology center (Minnesota State Academies).** Changes the purpose of the 2008 appropriation from predesign for Mott Hall to predesign of a technology center.
- 55 **Mississippi River aquatic invasive species barrier.** Allows the 2008 appropriation to be used for renovation or construction of a barrier, not just design. This allows the money to be used for the Coon Rapids Dam project.
- 56 **State trail acquisition, rehabilitation, and development.** Modifies the 2008 Minnesota River Trail project so it goes from Appleton to Milan and to the Marsh Lake Dam. See also Laws 2010, chapter 399, section 4.
- 57 **Itasca County – steel plant infrastructure.** Modifies the 2008 appropriation for infrastructure to support the steel plant so it can be used by the regional railroad authority and the public utilities commission in addition to the county.
- 58 **Old Cedar Avenue bridge.** Modifies the 2008 appropriation to renovate, not replace, the bridge.
- 59 **Minneapolis veterans home.** Permits the 2008 appropriation for demolition of building 9 to also be used to make associated site improvements. There was some money remaining after demolition was complete.
- 60 **Management.** Requires Lake Vermilion State Park area to remain open for use the same as it was before it was acquired by the state, without restrictions, until it is developed.
- 61 **Acquisition; Lake Vermilion State Park.** Strikes the cap on the purchase price for the property.
- 62 **Intercity passenger rail projects.** Permits MnDOT to spend a portion of the appropriation to pay capital costs of agency staff directly attributable to the capital project, consistent with the policies adopted by the Department of Management and Budget. (The new authority in section 1 does not apply to prior appropriations. This grants specific authority to a prior appropriation.)
- 63 **Bond sale schedule.** Amends (lowers) the 2009 bond sale schedule, which sets the limit on the amount that may be transferred from the general fund to the state bond fund to pay debt service during the biennium.
- 64 **Lease revenue; St. Cloud Technical College.** Exempts the Minnesota State Colleges and Universities (MnSCU) Board of Trustees from a statutory requirement to pay lease revenue on a building acquired for St. Cloud Technical College and leased to a private party proportionate to the share of state bond funding for the building. Requires the board to pay

one-third of the lease revenue to the state to be used for the debt payment on the building acquired for St. Cloud Technical College.

In 2006, the Board of Trustees of MnSCU for St. Cloud Technical College acquired the adjacent Allied Health/Health Partners building with a \$3.4 million appropriation of state bond funds. The appropriation represented 95 percent of the total purchase price. Since the purchase, the majority of the facility has been leased to the previous owner for a lease payment plus operating costs. Minnesota law requires private lease payments on bond financed property to be paid to MMB in the same proportion as the state bond financing for the property less operating costs. The December 2008 internal control and compliance audit of general obligation bond expenditures by the Legislative Auditor found that the college failed to pay the required 95 percent of its lease revenue to the state.

- 65** **Repealer.** Repeals the 2009 law that prohibits demolition or removal of the Rock Island Bridge.
- 66** **Effective** March 15, 2010.