

## NINETY-FOURTH DAY

St. Paul, Minnesota, Thursday, May 5, 2016

The Senate met at 10:00 a.m. and was called to order by the President.

**CALL OF THE SENATE**

Senator Saxhaug imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Carol J. Tomer.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Abeler	Dziedzic	Johnson	Osmek	Skoe
Anderson	Eaton	Kent	Pappas	Sparks
Bakk	Eken	Kiffmeyer	Pederson	Stumpf
Benson	Franzen	Koenen	Pratt	Thompson
Bonoff	Gazelka	Latz	Reinert	Tomassoni
Brown	Goodwin	Limmer	Rest	Torres Ray
Carlson	Hall	Lourey	Rosen	Weber
Chamberlain	Hann	Marty	Ruud	Westrom
Champion	Hawj	Metzen	Saxhaug	Wiger
Clausen	Hayden	Miller	Scalze	Wiklund
Cohen	Hoffman	Nelson	Schmit	
Dahle	Housley	Newman	Senjem	
Dahms	Ingebrigtsen	Nienow	Sheran	
Dibble	Jensen	Ortman	Sieben	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

**MESSAGES FROM THE HOUSE**

Madam President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 3084.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned May 4, 2016

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 71, 2954, 3167, 3423 and 3944.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 4, 2016

### FIRST READING OF HOUSE BILLS

The following bills were read the first time.

**H.F. No. 71:** A bill for an act relating to public safety; creating an enhanced penalty for criminal vehicular homicide occurring within ten years of a qualified offense; amending Minnesota Statutes 2014, sections 609.2111; 609.2112, subdivision 1; 609.2114, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 82, now on General Orders.

**H.F. No. 2954:** A bill for an act relating to commerce; regulating unfair practices in motor vehicle distribution; amending Minnesota Statutes 2014, section 80E.13.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2769, now on General Orders.

**H.F. No. 3167:** A bill for an act relating to education; encouraging character development education to include a focus on Congressional Medal of Honor recipients; amending Minnesota Statutes 2014, section 120B.232.

Referred to the Committee on Education.

**H.F. No. 3423:** A bill for an act relating to public safety; providing for an advisory group on statewide criminal and juvenile justice information policy and funding issues; amending Minnesota Statutes 2014, section 299C.65.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2829, now on General Orders.

**H.F. No. 3944:** A bill for an act relating to health; specifying data from radon testing and mitigation; requiring rulemaking on indoor radon licensure and work standards; providing exemptions to radon licensing; changing fees for radon license application; allowing local governments to require inspections or permits; amending Minnesota Statutes 2014, section 13.3805, by adding a subdivision; Minnesota Statutes 2015 Supplement, section 144.4961, subdivisions 3, 4, 5, 6, 8, by adding subdivisions; Laws 2015, chapter 71, article 8, section 24.

Senator Bakk moved that H.F. No. 3944 be laid on the table. The motion prevailed.

### REPORTS OF COMMITTEES

Senator Bakk moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

**Senator Cohen from the Committee on Finance, to which was re-referred**

**S.F. No. 1306:** A bill for an act relating to agriculture; farmer-lender mediation; extending the Farmer-Lender Mediation Act for two years; requiring a report; repealing a law that would have extended the Farmer-Lender Mediation Act until June 30, 2017, if the legislature did not meet in regular session during calendar year 2016; amending Minnesota Statutes 2015 Supplement, section 583.215; repealing Laws 2015, First Special Session chapter 4, article 2, section 81.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 2

Renumber the sections in sequence

Page 1, line 3, delete "requiring a report;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Senator Cohen from the Committee on Finance, to which was re-referred**

**S.F. No. 2325:** A bill for an act relating to human services; modifying certain nursing facilities requirements; amending Minnesota Statutes 2014, section 144A.071, subdivisions 4c, 4d; Minnesota Statutes 2015 Supplement, section 256B.441, subdivisions 13, 53.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 4, delete section 2 and insert:

"Section 1. Minnesota Statutes 2014, section 144A.071, subdivision 4c, is amended to read:

Subd. 4c. **Exceptions for replacement beds after June 30, 2003.** (a) The commissioner of health, in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(1) to license and certify an 80-bed city-owned facility in Nicollet County to be constructed on the site of a new city-owned hospital to replace an existing 85-bed facility attached to a hospital that is also being replaced. The threshold allowed for this project under section 144A.073 shall be the maximum amount available to pay the additional medical assistance costs of the new facility;

(2) to license and certify 29 beds to be added to an existing 69-bed facility in St. Louis County, provided that the 29 beds must be transferred from active or layaway status at an existing facility in St. Louis County that had 235 beds on April 1, 2003.

The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment rate at that facility shall not be adjusted as a result of this transfer. The operating payment rate of the facility adding beds after completion of this project shall be the same as it was on the day prior to the day the beds are licensed and certified. This project shall not proceed unless it is approved and financed under the provisions of section 144A.073;

(3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new beds are transferred from a 45-bed facility in Austin under common ownership that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common ownership; (ii) the

commissioner of human services is authorized by the 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii) money is available from planned closures of facilities under common ownership to make implementation of this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's disease or related dementias;

(4) to license and certify up to 80 beds transferred from an existing state-owned nursing facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching campus. The operating cost payment rates for the new facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431. The property payment rate for the first three years of operation shall be \$35 per day. For subsequent years, the property payment rate of \$35 per day shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434;

(5) to initiate a pilot program to license and certify up to 80 beds transferred from an existing county-owned nursing facility in Steele County relocated to the site of a new acute care facility as part of the county's Communities for a Lifetime comprehensive plan to create innovative responses to the aging of its population. Upon relocation to the new site, the nursing facility shall delicense 28 beds. ~~The property payment rate for the first three years of operation of~~ external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (v):

(i) compute the estimated decrease in medical assistance residents served by the nursing facility by multiplying the decrease in licensed beds by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure of 28 beds by multiplying the anticipated decrease in medical assistance residents, determined in item (i), by the existing facility's weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the nursing facility, determined in item (i), by the average monthly elderly waiver service costs for individuals in Steele County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) divide the amount in item (iv) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days; and

~~For subsequent years, the adjusted property payment rate shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434; and~~

(6) to consolidate and relocate nursing facility beds to a new site in Goodhue County and to integrate these services with other community-based programs and services under a communities for a lifetime pilot program and comprehensive plan to create innovative responses to the aging of its population. ~~Eighty beds in the city of Red Wing shall be transferred from the downsizing and relocation of an existing 84-bed, hospital-owned nursing facility and the entire closure or downsizing~~

~~of beds from a 65-bed nonprofit nursing facility in the community resulting in the delicensure of 69 beds in the two existing facilities~~ Two nursing facilities, one for 84 beds and one for 65 beds, in the city of Red Wing licensed on July 1, 2015, shall be consolidated into a newly renovated 64-bed nursing facility resulting in the delicensure of 85 beds. Notwithstanding the carryforward of the approval authority in section 144A.073, subdivision 11, the funding approved in April 2009 by the commissioner of health for a project in Goodhue County shall not carry forward. The closure of the ~~69~~ 85 beds shall not be eligible for a planned closure rate adjustment under section 256B.437. The construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f. The ~~property~~ payment rate for ~~the first three years of operation of external fixed costs~~ for the new facility shall be increased by an amount as calculated according to items (i) to (vi):

(i) compute the estimated decrease in medical assistance residents served by both nursing facilities by multiplying the difference between the occupied beds of the two nursing facilities for the reporting year ending September 30, 2009, and the projected occupancy of the facility at 95 percent occupancy by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure by multiplying the anticipated decrease in the medical assistance residents, determined in item (i), by the hospital-owned nursing facility weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the facilities, determined in item (i), by the average monthly elderly waiver service costs for individuals in Goodhue County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) multiply the amount in item (iv) by ~~48.5~~ 57.2 percent; and

(vi) divide the difference of the amount in item (iv) and the amount in item (v) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days.

~~For subsequent years, the adjusted property payment rate shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434.~~

(b) Projects approved under this subdivision shall be treated in a manner equivalent to projects approved under subdivision 4a.

**EFFECTIVE DATE.** This section is effective for rate years beginning on or after January 1, 2017, except that the amendment to paragraph (a), clause (6), transferring the rate adjustment in items (i) to (vi) from the property payment rate to the payment rate for external fixed costs, is effective for rate years beginning on or after January 1, 2017, or upon completion of the closure and new construction authorized in paragraph (a), clause (6), whichever is later. The commissioner of human services shall notify the revisor of statutes when the section is effective.

Sec. 2. Minnesota Statutes 2014, section 144A.071, subdivision 4d, is amended to read:

Subd. 4d. **Consolidation of nursing facilities.** (a) The commissioner of health, in consultation with the commissioner of human services, may approve a request for consolidation of nursing

facilities which includes the closure of one or more facilities and the upgrading of the physical plant of the remaining nursing facility or facilities, the costs of which exceed the threshold project limit under subdivision 2, clause (a). The commissioners shall consider the criteria in this section, section 144A.073, and section 256B.437, in approving or rejecting a consolidation proposal. In the event the commissioners approve the request, the commissioner of human services shall calculate a property external fixed costs rate adjustment according to clauses (1) to (3):

(1) the closure of beds shall not be eligible for a planned closure rate adjustment under section 256B.437, subdivision 6;

(2) the construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f, or a moratorium exception adjustment under section 144A.073; and

(3) the property payment rate for external fixed costs for a remaining facility or facilities shall be increased by an amount equal to 65 percent of the projected net cost savings to the state calculated in paragraph (b), divided by the state's medical assistance percentage of medical assistance dollars, and then divided by estimated medical assistance resident days, as determined in paragraph (c), of the remaining nursing facility or facilities in the request in this paragraph. The rate adjustment is effective on the later of the first day of the month following completion of the construction upgrades in the consolidation plan or the first day of the month following the complete closure of a facility designated for closure in the consolidation plan. If more than one facility is receiving upgrades in the consolidation plan, each facility's date of construction completion must be evaluated separately.

(b) For purposes of calculating the net cost savings to the state, the commissioner shall consider clauses (1) to (7):

(1) the annual savings from estimated medical assistance payments from the net number of beds closed taking into consideration only beds that are in active service on the date of the request and that have been in active service for at least three years;

(2) the estimated annual cost of increased case load of individuals receiving services under the elderly waiver;

(3) the estimated annual cost of elderly waiver recipients receiving support under group residential housing;

(4) the estimated annual cost of increased case load of individuals receiving services under the alternative care program;

(5) the annual loss of license surcharge payments on closed beds;

(6) the savings from not paying planned closure rate adjustments that the facilities would otherwise be eligible for under section 256B.437; and

(7) the savings from not paying property external fixed costs payment rate adjustments from submission of renovation costs that would otherwise be eligible as threshold projects under section 256B.434, subdivision 4f.

(c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical assistance resident days of the remaining facility or facilities shall be computed assuming 95 percent occupancy multiplied by the historical percentage of medical assistance resident days of the remaining facility

or facilities, as reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, multiplied by 365.

(d) For purposes of net cost of savings to the state in paragraph (b), the average occupancy percentages will be those reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, and the average payment rates shall be calculated based on the approved payment rates in effect at the time the consolidation request is submitted.

(e) To qualify for the property external fixed costs payment rate adjustment under this provision subdivision, the closing facilities shall:

- (1) submit an application for closure according to section 256B.437, subdivision 3; and
- (2) follow the resident relocation provisions of section 144A.161.

(f) The county or counties in which a facility or facilities are closed under this subdivision shall not be eligible for designation as a hardship area under section 144A.071, subdivision 3, for five years from the date of the approval of the proposed consolidation. The applicant shall notify the county of this limitation and the county shall acknowledge this in a letter of support.

**EFFECTIVE DATE.** This section is effective for rate years beginning on or after January 1, 2017."

Amend the title numbers accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

**Senator Cohen from the Committee on Finance, to which was re-referred**

**S.F. No. 2835:** A bill for an act relating to pari-mutuel horse racing; authorizing advance deposit wagering; providing for horse-racing revenue; appropriating money; amending Minnesota Statutes 2014, sections 240.08, subdivision 1; 240.13, subdivision 4; 240.15, subdivision 2; 240.25, subdivision 1; Minnesota Statutes 2015 Supplement, sections 240.01, by adding subdivisions; 240.08, subdivision 2; 240.10; 240.15, subdivisions 1, 6; 240.22; proposing coding for new law in Minnesota Statutes, chapter 240.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, delete lines 26 and 27 and insert:

"(c) The initial annual license application fee for a class C license to provide advance deposit wagering on horse racing under this chapter is \$10,000 and an annual license fee of \$2,500 applies thereafter."

Page 5, line 33, delete "post and" and insert "demonstrate evidence of financial responsibility in a format prescribed by the commission through a surety bond executed and issued by an insurer authorized to issue surety bonds in this state in the principal amount of \$1,000,000. The commission shall accept, as evidence of financial responsibility, that a surety bond in accordance with this subdivision has been filed with one or more states where the applicant is licensed as an advance deposit wagering provider. The commission may ask for evidence of financial responsibility at any time the commission deems necessary. Any surety bond issued under this subdivision shall be in favor of this state and shall specifically authorize recovery by the commission"

Page 5, delete line 34

Page 5, line 35, delete "as surety"

Page 6, line 26, delete everything after the period

Page 6, delete line 27

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

### SECOND READING OF SENATE BILLS

S.F. Nos. 1306 and 2325 were read the second time.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

#### Senator Benson introduced—

**S.F. No. 3606:** A bill for an act relating to health care; modifying standards for utilization review procedures; amending Minnesota Statutes 2014, sections 62M.04, subdivision 4; 62M.05, subdivision 3a; 62M.06, subdivision 3; 62M.09, subdivision 3; 62M.12.

Referred to the Committee on Commerce.

### MOTIONS AND RESOLUTIONS

#### Senator Limmer introduced –

**Senate Resolution No. 277:** A Senate resolution honoring Kelsey Frizell of Maple Grove on receiving a Comcast Leaders and Achievers Scholarship.

Referred to the Committee on Rules and Administration.

### SPECIAL ORDERS

Pursuant to Rule 26, Senator Bakk, Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 2764, H.F. Nos. 2927 and 3467.

### SPECIAL ORDER

**S.F. No. 2764:** A bill for an act relating to local government; counties; Hennepin County energy forward pricing; amending Minnesota Statutes 2014, section 383B.1588, subdivision 3.

Senator Wiklund moved to amend S.F. No. 2764 as follows:

Page 1, after line 4, insert:



"Section 1. Minnesota Statutes 2014, section 383B.142, is amended to read:

**383B.142 PROCEDURE.**

Subdivision 1. **Delegation of authority.** The county board may by resolution delegate the powers and duties enumerated in sections 383B.141 to ~~383B.151~~ 383B.1511, and those powers and duties necessary to the implementation of the purposes of central purchasing specifying the nature, scope and extent of the delegation. The authority and responsibility subject to delegation shall include, but not be limited to the following:

(a) purchasing and contracting for all goods, materials, supplies, equipment and contracted services, as provided in section 383B.143;

(b) preparation, review, modification and approval of all plans and specifications for goods, materials, supplies, equipment and contracted services;

(c) the transfer of any goods, materials, supplies, equipment or contracted services to or between departments, boards, commissions and agencies;

(d) selling or otherwise disposing of goods, materials, supplies, equipment and contracted services which are unusable or no longer required; and

(e) periodically reviewing and requiring department heads to supply necessary data concerning inventories and surpluses and monitoring compliance by department heads with purchasing laws, rules, regulations and procedures.

Subd. 2. **Administrator's duties.** Notwithstanding the provisions of section 373.02, the county board may delegate its purchasing powers and duties to the county administrator. The county administrator, wherever referred to in sections 383B.141 to ~~383B.151~~ 383B.1511, may designate and delegate a purchasing manager or other person to perform the tasks empowered or assigned to the county administrator. Any purchase in excess of \$3,500 shall require the signature of the county administrator or designee.

Sec. 2. **[383B.1511] JOB ORDER CONTRACTING.**

Subdivision 1. **Definitions.** (a) In this section, the definitions in this subdivision apply.

(b) "Job order contracting" means a project delivery method that requests a limited number of bids from a list of qualified contractors, selected from a registry of qualified contractors who have been prescreened and who have entered into master contracts with the county, as provided in this section.

(c) "Project" means an undertaking by the county to construct, alter, maintain, repair, or enlarge a building, structure, road, or bridge, or make other improvements.

(d) "Request for qualifications" means the document or publication soliciting qualifications for a job order contracting contract.

Subd. 2. **Authority.** Notwithstanding any law to the contrary, the county may utilize job order contracting for projects that do not exceed a construction cost of \$250,000.

Subd. 3. **Job order contracting request for qualifications.** (a) The county is authorized to issue a request for qualifications that includes the criteria that will be used for the projects, provided that these criteria (1) do not unduly restrict competition or impose conditions beyond reasonable

requirements, in order to ensure maximum participation of all qualified contractors, and (2) do not relate to the collective bargaining status of the contractor.

(b) The request for qualifications must be publicized in a manner designated by the county that ensures open and unrestricted access for any potential responder. To the extent practical, this must include posting on a county Web site.

Subd. 4. **Qualified contractors.** (a) The county shall review the responses to the request for qualifications and determine each proposer's ability to enter into the master contract that will be utilized for the projects. The county shall establish a list of qualified contractors based on the proposers' ability to enter into a master contract as described in the request for qualifications.

(b) The county may establish a reasonable limit to the number of contractors on the registry of qualified contractors, based on the reasonable needs of the county. The county may reserve up to 75 percent of the registry for certified small business enterprises that may include minority-owned business enterprises, women-owned business enterprises, and veteran-owned businesses. The remaining 25 percent of the registry may include qualified businesses of any size or ownership.

(c) The county shall establish procedures to allow firms to submit qualifications at least every 24 months to allow placement on the list of contractors qualified to enter into a master contract. The county is not prohibited from accepting qualifications more frequently or on an ongoing or rolling basis.

Subd. 5. **Construction services bidding.** The county shall request bids for construction services for any project using job order contracting from qualified contractors as follows:

(1) for projects up to a maximum cost of \$50,000, the county shall request a minimum of two bids;

(2) for projects with a cost greater than \$50,000, but less than or equal to \$100,000, the county shall request a minimum of three bids; and

(3) for projects with a cost greater than \$100,000, but less than or equal to \$250,000, the county shall request a minimum of four bids.

Subd. 6. **Qualified contractor selection.** The county shall select the contractor who submits the lowest price bid for the construction services proposed. At the discretion of the county, any or all bids may be rejected if it is determined to be in the best interest of the county.

Subd. 7. **Reasonable distribution of bid requests among qualified contractors.** The county, in requesting bidding for projects using job order contracting as described in this section, shall develop a system to ensure a reasonable opportunity for all qualified contractors to periodically bid on construction services.

Subd. 8. **Expiration.** The authority to enter into new contracts under this section expires on December 31, 2019.

Subd. 9. **Reporting.** Hennepin County must provide reports to the chairs of the committees in the senate and the house of representatives that have jurisdiction over local government operations, describing the uses of the authority provided in this section. Uses of the authority described in the reports may include identifying the total number of projects where this procurement method was used, the total number of contractors qualified by the county, and the total annual expenditures for

projects under this section. The first report must be made by January 15, 2018, and subsequent reports must be made on January 15 of each subsequent even-numbered year."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 25, as follows:

Those who voted in the affirmative were:

Abeler	Dziedzic	Johnson	Reinert	Sparks
Bakk	Eaton	Kent	Rest	Stumpf
Bonoff	Eken	Koenen	Saxhaug	Tomassoni
Carlson	Franzen	Latz	Scalze	Torres Ray
Champion	Hawj	Lourey	Schmit	Wiger
Clausen	Hayden	Marty	Sheran	Wiklund
Dahle	Hoffman	Nelson	Sieben	
Dibble	Jensen	Pappas	Skoe	

Those who voted in the negative were:

Anderson	Gazelka	Kiffmeyer	Ortman	Ruud
Benson	Hall	Limmer	Osmek	Senjem
Brown	Hann	Miller	Pederson	Thompson
Chamberlain	Housley	Newman	Pratt	Weber
Dahms	Ingebrigtsen	Nienow	Rosen	Westrom

The motion prevailed. So the amendment was adopted.

S.F. No. 2764 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 46 and nays 17, as follows:

Those who voted in the affirmative were:

Abeler	Eaton	Koenen	Pratt	Sparks
Bakk	Eken	Latz	Reinert	Stumpf
Benson	Franzen	Limmer	Rest	Tomassoni
Bonoff	Hall	Lourey	Saxhaug	Torres Ray
Carlson	Hawj	Marty	Scalze	Wiger
Champion	Hayden	Miller	Schmit	Wiklund
Clausen	Hoffman	Nelson	Senjem	
Dahle	Jensen	Newman	Sheran	
Dibble	Johnson	Pappas	Sieben	
Dziedzic	Kent	Pederson	Skoe	

Those who voted in the negative were:

Anderson	Gazelka	Kiffmeyer	Rosen	Westrom
Brown	Hann	Nienow	Ruud	
Chamberlain	Housley	Ortman	Thompson	
Dahms	Ingebrigtsen	Osmek	Weber	

So the bill, as amended, was passed and its title was agreed to.

**SPECIAL ORDER**

**H.F. No. 2927:** A bill for an act relating to transportation; permitting specific service signs at two locations under certain circumstances; amending Minnesota Statutes 2014, section 160.293, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Abeler	Dibble	Jensen	Nienow	Senjem
Anderson	Dziedzic	Johnson	Ortman	Sheran
Bakk	Eaton	Kent	Osmek	Sieben
Benson	Eken	Kiffmeyer	Pappas	Skoe
Bonoff	Franzen	Koenen	Pederson	Sparks
Brown	Gazelka	Latz	Pratt	Stumpf
Carlson	Hall	Limmer	Reinert	Thompson
Chamberlain	Hann	Lourey	Rest	Tomassoni
Champion	Hawj	Marty	Rosen	Torres Ray
Clausen	Hayden	Metzen	Ruud	Westrom
Cohen	Hoffman	Miller	Saxhaug	Wiger
Dahle	Housley	Nelson	Scalze	Wiklund
Dahms	Ingebrigtsen	Newman	Schmit	

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

**H.F. No. 3467:** A bill for an act relating to state government; modifying provisions related to continuing care, health care, MNsure, Health Department, chemical and mental health, children and families, health-related licensing, human services forecast adjustments, health and human services appropriations, state government appropriations, state government, and public safety; making technical changes; adjusting rates for nursing facilities in border cities; limiting appropriations and transfers to MNsure; amending provisions relating to abortion; creating licenses relating to orthotics and genetic counselors; modifying barber licenses; modifying fees; canceling part of the senate carryforward account to the general fund; requiring savings from reducing salaries in the executive branch, instituting a hiring freeze, and limiting nonessential travel and advertising; requiring receipts from examinations by the state auditor be credited to the general fund; transferring funds in the state auditor enterprise fund to the general fund; suspending the public subsidy program for state elections to the end of fiscal year 2017; requiring the legislative auditor to participate in preparing fiscal notes, revenue estimates, and local impact notes; requiring county payments and political subdivision payments for state auditor costs be deposited in the general fund; requiring a centralized tracking list of agency projects over \$100,000; limiting fee or fine increases; requiring disclosure to the legislative auditor on potential federal penalties for the purchase or sale of state bonds; requiring legislature be notified of certain costs in state construction projects; requiring approval for certain state building projects; requiring termination of state grant agreement if recipient is convicted of a criminal offense related to the grant agreement; prohibiting fees for general fund grant administration; requiring audit of delegated authority; adding a provision for targeted group business; limiting number of full-time employees; changing provisions in the Veterans Preference Act; changing a provision for the IRRRB; changing payments from the manufactured home relocation trust fund; requiring a public hearing if a proposed interim ordinance deals with

housing; modifying health insurance provisions related to school districts and certain self-insurance pools; requiring reports; designating parking ramp financing; establishing Legislative Surrogacy Commission; requiring a study; increasing fine for certain traffic violations around school buses; enhancing penalties and establishing minimum fines for repeat violations of driving without a license; allowing alcohol use by sensory testing services; extending funding for avian influenza and agricultural emergency response; authorizing commissioner of corrections to negotiate for facility to house offenders; increasing maximum sentence for felony assault motivated by bias; prohibiting the use of unmanned vehicles near public safety helicopters; providing for a fund transfer from the correctional industries revolving fund to the general fund; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2014, sections 3.3005, subdivisions 3, 3b, 4, 5, 6, by adding subdivisions; 3.971, by adding a subdivision; 3.98; 3.987, subdivision 1; 6.56, subdivision 2; 6.581, subdivision 4; 16A.103, by adding a subdivision; 16A.1283; 16B.335, subdivision 1; 16C.03, subdivision 16; 16C.16, subdivision 5; 16E.0466; 16E.21, subdivision 2, by adding subdivisions; 62J.495, subdivision 4; 62J.496, subdivision 1; 62V.04, subdivisions 2, 3, 4; 62V.05, subdivision 2, by adding subdivisions; 62V.11, by adding a subdivision; 119B.13, subdivision 1; 144.05, by adding a subdivision; 144.293, subdivision 2; 144A.071, subdivisions 4c, 4d; 144A.073, subdivisions 13, 14, by adding a subdivision; 144A.471, subdivision 9; 144A.611, subdivisions 1, 2, by adding a subdivision; 144A.75, subdivisions 5, 6, 8, by adding a subdivision; 145.4716, subdivision 2, by adding a subdivision; 145.882, subdivisions 2, 3, 7; 145.925, subdivisions 1, 1a, by adding subdivisions; 149A.50, subdivision 2; 154.001, subdivision 2; 154.002; 154.01; 154.02; 154.04; 154.05; 154.065, subdivisions 2, 4; 154.07; 154.08; 154.09; 154.10, subdivision 2; 154.11, subdivision 1; 154.14; 154.15; 154.161, subdivision 7; 154.162; 154.19; 154.21; 154.24; 154.25; 157.15, subdivision 14; 169.444, subdivision 2; 171.24; 197.455, subdivision 1; 243.166, subdivision 1b; 245.99, subdivision 2; 254B.03, subdivision 4; 254B.04, subdivision 2a; 254B.06, subdivision 2, by adding a subdivision; 256.01, by adding a subdivision; 256B.042, by adding a subdivision; 256B.0621, subdivision 10; 256B.0625, by adding subdivisions; 256B.0644; 256B.0924, by adding a subdivision; 256B.15, subdivisions 1a, 2, by adding a subdivision; 256D.051, subdivision 6b; 256L.02, by adding a subdivision; 298.22, subdivision 1; 299A.41, subdivision 3; 327.14, subdivision 8; 327C.03, subdivision 6; 327C.095, subdivisions 12, 13; 353.01, subdivision 43; 462.355, subdivision 4; 471.6161, subdivision 8; 471.617, subdivision 2; 471.895, subdivision 1; 518.175, subdivision 5; 518A.34; 518A.36; 609.3241; 626.558, subdivisions 1, 2, by adding a subdivision; Minnesota Statutes 2015 Supplement, sections 6.481, subdivision 6; 16C.073, subdivision 2; 62V.03, subdivision 2; 144A.75, subdivision 13; 145.4131, subdivision 1; 149A.92, subdivision 1; 154.003; 154.11, subdivision 3; 154.161, subdivision 4; 197.46; 245.735, subdivisions 3, 4; 256B.059, subdivision 5; 256B.0625, subdivisions 17a, 18a, 20; 256B.431, subdivision 36; 256B.441, subdivisions 13, 53, 66; 256B.76, subdivisions 2, 4; 256B.766; 518A.26, subdivision 14; 518A.39, subdivision 2; 609.324, subdivision 1; Laws 2015, chapter 65, article 1, section 18; Laws 2015, chapter 71, article 1, section 125; article 14, sections 2, subdivision 5, as amended; 4, subdivisions 1, 3, 5, 10, 11; 9; Laws 2015, chapter 77, article 1, section 11, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 16C; 43A; 45; 62V; 144; 145; 148; 245A; 254B; 256B; 325E; 518A; 609; proposing coding for new law as Minnesota Statutes, chapters 147F; 153B; repealing Minnesota Statutes 2014, sections 3.886; 6.581, subdivision 1; 62V.01; 62V.02; 62V.03, subdivisions 1, 3; 62V.04; 62V.05, subdivisions 1, 2, 3, 4, 5, 9, 10; 62V.06; 62V.07; 62V.08; 62V.09; 62V.10; 62V.11, subdivisions 1, 2, 4; 144.058; 145.925, subdivision 2; 149A.92, subdivision 11; 154.03; 154.06; 154.11, subdivision 2; 154.12; 179A.50; 179A.51; 179A.52; 179A.53; Minnesota Statutes 2015 Supplement, sections 62V.03, subdivision 2; 62V.05, subdivisions 6, 7, 8, 11; 62V.051; Minnesota

Rules, parts 7700.0010; 7700.0020; 7700.0030; 7700.0040; 7700.0050; 7700.0060; 7700.0070; 7700.0080; 7700.0090; 7700.0100; 7700.0101; 7700.0105.

Senator Latz moved to amend H.F. No. 3467, the unofficial engrossment, as follows:

Page 77, delete section 1

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

### CALL OF THE SENATE

Senator Latz imposed a call of the Senate for the balance of the proceedings on H.F. No. 3467. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Latz amendment. The motion prevailed. So the amendment was adopted.

Senator Stumpf moved to amend H.F. No. 3467, the unofficial engrossment, as follows:

Page 60, line 7, delete "For" and insert "From the general fund for"

The motion prevailed. So the amendment was adopted.

Senator Stumpf moved to amend H.F. No. 3467, the unofficial engrossment, as follows:

Page 60, line 19, after the period, insert "This appropriation is not available until the commissioner of employment and economic development determines that Northern Metals has met and is current on all permitting requirements and is vacating the entirety of its current premises in Minneapolis."

The motion prevailed. So the amendment was adopted.

Senator Ingebrigtsen moved to amend H.F. No. 3467, the unofficial engrossment, as follows:

Page 15, line 20, delete "10,000,000" and insert "10,050,000"

Page 18, delete lines 3 to 7

Renumber the subdivisions in sequence

Correct the subdivision and section totals and the appropriations by fund

Senator Senjem moved to amend the Ingebrigtsen amendment to H.F. No. 3467, the unofficial engrossment, as follows:

Page 1, delete lines 3 and 4 and insert:

"Page 1, delete article 1 and insert:

**"ARTICLE 1  
APPROPRIATIONS**

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless otherwise specified in this act, money appropriated in this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144. Unless otherwise specified, an appropriation that fully funds a project does not require a nonstate match. Unless otherwise specified, general fund appropriations in this act are onetime and are in fiscal year 2017.

**APPROPRIATIONS**

Sec. 2. **UNIVERSITY OF MINNESOTA**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>66,567,000</u></b>
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To the Board of Regents of the University of Minnesota for the purposes specified in this section.

<b><u>Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)</u></b>	<b><u>35,000,000</u></b>
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To be spent in accordance with Minnesota Statutes, section 135A.046.

<b><u>Subd. 3. Duluth - Chemical Sciences and Advanced Materials Science Building</u></b>	<b><u>27,167,000</u></b>
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To design, construct, furnish, and equip a new laboratory building on the Duluth campus, including classrooms and research and undergraduate instructional laboratories.

<b><u>Subd. 4. Twin Cities - Plant Growth Research Facility</u></b>	<b><u>4,400,000</u></b>
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To demolish the existing biological sciences greenhouse and to predesign, design, construct, furnish, and equip a greenhouse to support learning and research on the St. Paul campus.

**Subd. 5. University Share**

Except for the appropriation for HEAPR, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

**Subd. 6. Unspent Appropriations**

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

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

**Subdivision 1. Total Appropriation**

**\$ 120,611,000**

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

**Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)**

**45,000,000**

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

**Subd. 3. Anoka Ramsey Community College**

**4,965,000**



To design, renovate, furnish, and equip the Humanities Building and to design the Nursing and Active Learning Center and related campus redevelopment.

**Subd. 4. Century College**

5,500,000

To create flexible space for classroom, lab, and other learning use, to renovate the adjacent welding laboratory, and to expand robotic welding facilities.

**Subd. 5. Hennepin Technical College Advanced Manufacturing Integration and Revitalization Phase I; Design and Renovation**

8,231,000

For Phase I of the Advanced Manufacturing Integration and Revitalization (AMIR) project on the Brooklyn Park campus of Hennepin Technical College that will renovate and update approximately 25,530 square feet of skilled technical spaces. Phase I includes design of the entire project; roof replacement; construction, furnishing, and equipping of a new entry to the AMIR programs; and remodeling existing lab spaces and classrooms associated with the electronic, HVAC, and welding programs.

**Subd. 6. Minnesota State Community and Technical College**

**(a) Fergus Falls Campus**

978,000

To design, renovate, furnish, and equip a new Center for Student and Workforce Success (CSWS) that integrates the Regional Workforce Center. The board must enter into a lease agreement with the commissioner of employment and economic development, or partners of the commissioner, for use of the workforce center subject to Minnesota Statutes, section 16A.695. The board must use nonstate money for the remainder of the cost of the renovation.

**(b) Wadena Campus**

820,000

To design, renovate, furnish, and equip the relocation of the current library to underutilized space and converting the vacated space into a centralized student services center.

**Subd. 7. Northland Community and Technical College, East Grand Forks**

826,000

To design, renovate, furnish, and equip science and radiological lab space on the East Grand Forks campus.

**Subd. 8. Rochester Community and Technical College**

20,385,000

To complete design, demolish Memorial and Plaza Halls, construct, equip, and furnish an academic building expansion, and renovate, equip, and furnish replacement space for classrooms, labs, and office spaces.

**Subd. 9. South Central College, North Mankato**

8,600,000

To design, renovate, renew, furnish, and equip laboratory, classroom and office spaces on the North Mankato campus.

**Subd. 10. Winona State University, Education Village, Phase 2**

25,306,000

To complete design, construct, renovate, furnish, and equip Phase 2 of the Education Village project, including the renovation of Cathedral and Wabasha Halls and Wabasha Rec, and remove obsolete portions of Wabasha Rec and the Annex building between Cathedral School and Wabasha Rec.

**Subd. 11. Debt Service**

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

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

(c) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

**Subd. 12. Unspent Appropriations**

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of management and budget, the board must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house of representatives and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, on how

the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 18 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **EDUCATION**

Subdivision 1. **Total Appropriation** **\$ 2,500,000**

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

Subd. 2. **Library Construction Grants** **1,000,000**

For library construction grants under Minnesota Statutes, section 134.45.

Subd. 3. **Olmsted County - Dyslexia Institute of Minnesota** **1,500,000**

For a grant to Olmsted County to acquire land for, and to predesign, design, construct, furnish, and equip a facility in Olmsted County to support the local, regional, and national literacy work of the Dyslexia Institute of Minnesota, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. **Total Appropriation** **\$ 1,050,000**

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

Subd. 2. **Asset Preservation** **1,000,000**

For capital asset preservation improvements and betterments on both campuses of the Minnesota State Academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

**Subd. 3. Minnesota State Academies Security Corridor**

50,000

For predesign for a safety corridor on the Minnesota State Academy for the Deaf campus.

**Sec. 6. PERPICH CENTER FOR ARTS EDUCATION**

\$ 250,000

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

**Sec. 7. NATURAL RESOURCES**

**Subdivision 1. Total Appropriation**

\$ 39,450,000

To the commissioner of natural resources for the purposes specified in this section. The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

**Subd. 2. Natural Resources Asset Preservation**

10,000,000

For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946: (1) the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient

and carbon-reducing method of renovation; and (2) this appropriation may be used for projects to remove life safety hazards such as building code violations or structural defects.

**Subd. 3. Flood Hazard Mitigation**

5,000,000

(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

(b) Levee projects, to the extent practical, shall meet the state standard of three feet above the 100-year flood elevation.

(c) Project priorities shall be determined by the commissioner as appropriate and based on need.

(d) This appropriation includes money for the following county and municipal projects: Afton, Austin, Bloomington, Browns Valley, Delano, Golden Valley, Halstad, Hawley, Hendrum, Inver Grove Heights, Maynard, Montevideo, Nielsville, Ortonville, Owatonna, Perley, Rushford, and St. Vincent.

(e) This appropriation includes money for projects in the following watersheds: Bois de Sioux Watershed District, Buffalo Red River Watershed District, Cedar River Watershed District, Lower Minnesota River Watershed District, Middle Snake Tamarac Rivers Watershed District, Upper Minnesota River Watershed District, Prior Lake-Spring Lake Watershed District, Red Lake Watershed District, Roseau River Watershed District, Sand Hill River Watershed District, Shell Rock River Watershed District, Two Rivers Watershed District, and Wild Rice River Watershed District.

(f) For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may

allocate that project's money to a project on the commissioner's priority list.

(g) To the extent that the cost of a project exceeds two percent of the median household income in a municipality or township multiplied by the number of households in the municipality or township, this appropriation is also for the local share of the project.

(h) To the extent practicable and consistent with the project, recipients of appropriations for flood damage reduction projects in this subdivision shall create wetlands that are eligible for wetland replacement credit to replace wetlands drained or filled as a result of repair, reconstruction, replacement, or rehabilitation of an existing public road under Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

(i) Wetlands established by flood control projects funded in this subdivision that are not needed for replacement credit as part of a flood damage project funded in this subdivision, are eligible for wetland replacement credit under Minnesota Statutes, sections 103G.222 to 103G.2243.

**Subd. 4. Dam Renovation, Repair, Removal**

10,050,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. \$3,600,000 of this appropriation is for the Lanesboro Dam. This appropriation does not require a nonstate match for the Lanesboro Dam project.

**Subd. 5. Fish Hatchery Development**

1,000,000

For improvements and system upgrades of a capital nature to hatchery facilities owned by the state and operated by the commissioner of natural resources under Minnesota Statutes, section 97A.045, subdivision 1, to prevent the spread of invasive species and pathogens.

**Subd. 6. Mille Lacs Lake - Fisheries Management Station**

1,000,000

To design and construct a fishery management station near Mille Lacs Lake to provide office, hatchery, and storage space.

**Subd. 7. Reforestation and Stand Improvement**

1,000,000

To provide for reforestation and stand improvement on state forest lands to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including purchasing native seeds and native seedlings, planting, seeding, site preparation, and protection on state lands administered by the commissioner.

**Subd. 8. State Park Campground Renovations**

1,000,000

To rehabilitate and provide enhancements to campgrounds, including meeting code requirements and improving safety and accessibility. This appropriation is for the campground at Jay Cooke State Park and high-priority work at other campgrounds.

**Subd. 9. Park, State Recreation Area, and Trail Development**

6,900,000

(a) For acquisition, development, and renovation of state trails under Minnesota Statutes, section 85.015. Of this amount, \$2,000,000 is for the Gitchi-Gami Trail at Tofte.

(b) \$3,900,000 is for acquisition and development in the Cuyuna Country State Recreation Area, including the Cuyuna Mountain Bike System.

(c) \$1,000,000 is for acquisition of land and construction of, as well as other costs associated with, the extension of a segment of the Blufflands Trail system under Minnesota Statutes, section 85.015, subdivision 7, from Harmony to the Iowa border, including a connection to Niagara Cave in Fillmore County.



(d) The commissioner may allocate money not needed to complete a project listed in this section to another project listed in this section that may need additional money to be completed. For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may reallocate that project's money to another state trail project described in this section or other state trail infrastructure. The commissioner of natural resources must notify the chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts of any changes made under this paragraph.

**Subd. 10. Itasca State Park Renovations**

2,500,000

To provide for the renovation of buildings and infrastructure and for natural resources restoration in Itasca State Park. Projects include safety and accessibility improvements, rehabilitation of the historic Nicollet Court building, and erosion protection at the headwaters of the Mississippi River.

**Subd. 11. Rochester - Chester Woods Trail**

1,000,000

To complete construction and paving of Phase I of the Chester Woods State Trail from the city of Rochester to Chester Woods Park in Olmsted County.

**Subd. 12. Unspent Appropriations**

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

**Sec. 8. POLLUTION CONTROL AGENCY**

Subdivision 1. **Total Appropriation** **\$ 21,400,000**

To the Pollution Control Agency for the purposes specified in this section.

Subd. 2. **Capital Assistance Program** **2,500,000**

Of this appropriation, \$2,500,000 is for a grant to McLeod County to complete an integrated solid waste system.

Subd. 3. **Closed Landfill Cleanup** **2,000,000**

To design and construct remedial systems and acquire land at closed landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42. The agency must follow the agency priorities, which includes a construction project at the waste disposal engineering (WDE) site in Anoka County.

Subd. 4. **St. Louis River Area of Concern** **10,000,000**

To design and implement contaminated sediment management actions identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.

Subd. 5. **Redwood-Cottonwood Rivers Joint Powers - Lake Redwood Reclamation and Enhancement Project** **6,900,000**

For a grant to the Redwood-Cottonwood Rivers control area, a joint powers entity, to predesign, design, construct, and equip the reservoir reclamation and enhancement of the 66-acre Lake Redwood Reservoir. This appropriation is available after the commissioner of management and budget determines that \$870,000 is committed from nonstate sources.

Sec. 9. **BOARD OF WATER AND SOIL RESOURCES**

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

To the Board of Water and Soil Resources for the purposes specified in this section.

**Subd. 2. Reinvest in Minnesota (RIM) Reserve Program**

1,000,000

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

(b) The board shall give priority to leveraging federal money by enrolling targeted new lands or enrolling environmentally sensitive lands that have expiring federal conservation agreements.

(c) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration. Of this appropriation, up to five percent may be used for restoration and enhancement.

**Subd. 3. Local Government Roads Wetland Replacement Program**

500,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the U.S. Army Corps of Engineers under section 404 of the Clean

Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Sec. 10. **AGRICULTURE**

Subdivision 1. **Total Appropriations**

**\$ 1,606,000**

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

Subd. 2. **Agriculture Lab**

1,000,000

From the general fund for equipment and instruments for the agriculture laboratory. This appropriation is available until June 30, 2022.

Subd. 3. **AURI**

606,000

From the general fund for a grant to Agricultural Utilization Research Institute (AURI) for construction of a development kitchen, sensory lab, and safety and security upgrades at AURI's Crookston facility and for communications and information technology upgrades at the Crookston, Marshall, and Waseca facilities.

Sec. 11. **RURAL FINANCE AUTHORITY**

**\$ 10,000,000**

For the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is from the bond proceeds account in the rural finance administration fund and is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program

under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

Sec. 12. MINNESOTA ZOOLOGICAL GARDEN

Subdivision 1. Total Appropriation \$ 4,000,000

To the Minnesota Zoological Garden Board.

Subd. 2. Asset Preservation 4,000,000

For capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 13. ADMINISTRATION

Subdivision 1. Total Appropriation \$ 14,500,000

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

Subd. 2. Capitol Complex - Physical Security Upgrades 5,000,000

For the design, construction, and equipping required to upgrade the physical security elements and systems for the buildings listed below, their attached tunnel systems, and their surrounding grounds, and parking facilities as identified in the 2014 Minnesota State Capitol Complex Physical Security Study

conducted by Miller Dunwiddie Architecture. Work includes but is not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control. This appropriation includes money for work associated with the following buildings: Administration, Centennial, Judicial, Ag/Health Lab, Minnesota History Center, Minnesota History Center Loading Dock, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.

**Subd. 3. Capitol Complex - Physical Security Upgrades**

2,500,000

From the general fund in fiscal year 2017, for the design, construction, and equipping required to upgrade the physical security elements and systems for the buildings listed below, their attached tunnel systems, and their surrounding grounds and parking facilities as identified in the 2014 Minnesota State Capitol Complex Physical Security Study conducted by Miller Dunwiddie Architecture. Work includes but is not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control. This appropriation includes money for work associated with the Andersen and Freeman Buildings.

**Subd. 4. Centennial Parking Ramp**

5,000,000

(a) To complete design and for structural repairs to the Centennial parking ramp, including removal of the top deck green space to provide additional parking capacity, repairing damaged post-tension cables, and installation of a deck surface protection coating.

(b) Any unexpended amount of this appropriation after completing the project in paragraph (a) may be used to design and

construct a storm water retention basin, adjacent to the Centennial parking ramp, if the commissioner of administration determines that the basin is feasible.

**Subd. 5. Capital Asset Preservation and Replacement Account**

1,000,000

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

**Subd. 6. Agency Relocation**

1,000,000

From the general fund in fiscal year 2017 to relocate boards, councils, state agencies, and other state entities as needed for the efficient and effective operation of state government. This appropriation is available until June 30, 2022.

**Sec. 14. MINNESOTA AMATEUR SPORTS COMMISSION**

**Subdivision 1. Total Appropriation**

**\$ 3,350,000**

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

**Subd. 2. Asset Preservation**

850,000

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

**Subd. 3. National Sports Center Expansion**

2,500,000

To prepare a site for, including demolition, and to construct maintenance facilities, parking lots, roads, athletic fields, and other infrastructure necessary to complete the tournament field expansion at the National Sports Center in Blaine.

**Sec. 15. MILITARY AFFAIRS**

**Subdivision 1. Total Appropriation**

**\$ 10,500,000**

To the adjutant general for the purposes specified in this section.

**Subd. 2. Asset Preservation**

2,500,000

For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307. Of this appropriation, \$1,620,000 is for asset preservation at the Rochester Readiness Center and \$880,000 is for asset preservation at the Willmar Readiness Center.

**Subd. 3. St. Cloud Armory**

3,500,000

To complete design, renovation, expansion, furnishing, and equipping of the St. Cloud Readiness Center. The renovation includes but is not limited to: installing HVAC systems, improving life/safety systems, increasing energy efficiency, and upgrading the facility to serve a dual gender force. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

**Subd. 4. West St. Paul Armory**

4,500,000

To predesign, design, construct, furnish, and equip a new National Guard Readiness Center in a metropolitan county as defined in Minnesota Statutes, section 473.121, subdivision 4. This appropriation is intended to support construction of a joint National Guard Readiness Center and city of West St. Paul municipal building located in the city of West St. Paul, provided that the city identifies suitable land to meet federal rules for armory construction and agrees by the end of 2016 to commit sufficient nonstate funds to complete the project.

This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed from nonstate sources.



**Subd. 5. Unspent Appropriations**

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for statewide asset preservation under Minnesota Statutes, section 16B.307. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

**Sec. 16. PUBLIC SAFETY**

**Subdivision 1. Total Appropriation** **\$ 3,521,000**

To the commissioner of public safety for the purposes specified in this section.

**Subd. 2. Camp Ripley - Railroad and Pipeline Incident Training Facility** **3,521,000**

To design and construct a joint emergency railroad and pipeline emergency response training facility at Camp Ripley, including the construction of stations and capital infrastructure needed for mock disaster training.

**Subd. 3. Glenwood - Police and Fire Departments** **300,000**

For a grant to the city of Glenwood to design, renovate, construct, furnish, and equip a facility for the municipal police and fire departments. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

**Sec. 17. TRANSPORTATION**

**Subdivision 1. Total Appropriation** **\$ 274,400,000**

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

**Subd. 2. Local Road Improvement Fund Grants** **70,000,000**

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

**Subd. 3. Local Bridge Replacement and Rehabilitation**

80,000,000

This appropriation is from the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50.

**Subd. 4. Safe Routes to School**

1,000,000

For grants under Minnesota Statutes, section 174.40.

**Subd. 5. Golden Valley - Douglas Drive and Highway 55**

1,000,000

For a grant to the city of Golden Valley to reconstruct approximately one and three-quarters miles of Douglas Drive north of Highway 55, including on-street bicycle lanes and off-street trails and sidewalks, and to design, engineer, and construct public safety improvements at the intersection of Douglas Drive and Highway 55, including a box culvert underpass across Highway 55, a roundabout and extended frontage road south of Highway 55, retaining wall construction, underground utility relocation, sidewalk and trail connections to existing facilities, Americans with Disabilities Act-compliant facilities, and landscaping. This appropriation does not require a nonstate contribution.

**Subd. 6. Port Development Assistance**

2,500,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

**Subd. 7. Rail Grade Separation on Crude Oil Rail Corridors**

51,715,000

(a) To design and construct rail safety projects at highway railroad grade crossings in accordance with Minnesota Statutes, section 219.016. Of this appropriation:

(1) \$39,729,000 is for a grant to the city of Moorhead for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation in the vicinity of 21st Street South; and

(2) \$11,987,000 is for a grant to Anoka County for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Anoka County State-Aid Highway 78, known as Hanson Boulevard, in Coon Rapids.

(b) Any unspent portion of this appropriation after completion of any project in this subdivision may be used for additional grants in accordance with Minnesota Statutes, section 219.016.

**Subd. 8. Railroad Warning Devices**

1,000,000

To design, construct, and equip replacement of active highway-rail grade warning devices that have reached the end of their useful life.

**Subd. 9. Rail Service Improvement**

1,000,000

For the rail service improvement program to be spent for the purposes set forth in Minnesota Statutes, section 222.50, subdivision 7.

**Subd. 10. Duluth Airport Authority**

5,900,000

From the state airports fund in fiscal year 2017 to provide the federal match to design

and construct runway infrastructure at the Duluth International and Sky Harbor Airports in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation is for costs incurred after March 1, 2016, and is available until and must be encumbered by June 30, 2017. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

**Subd. 11. Hennepin County - U.S. Highway 12**

15,000,000

From the bond proceeds account in the trunk highway fund for projects, including preliminary and final design, engineering, environmental analysis, right-of-way acquisition, construction, and reconstruction on marked U.S. Highway 12 as follows:

(1) realignment at the intersections with Hennepin County State-Aid Highway 92;

(2) realignment and safety improvements at the intersection with Hennepin County State-Aid Highway 90; and

(3) safety median improvements from the interchange with Wayzata Boulevard in Wayzata to approximately one-half mile east of the interchange with Hennepin County State-Aid Highway 6.

**Subd. 12. Hennepin County - Interstate Highway 35W and Lake Drive**

20,000,000

For a grant to Anoka County to (1) complete the design, land acquisition, engineering, and construction of an interchange at the intersection of marked Interstate Highway 35W, marked Trunk Highway 97, and County State-Aid Highway 23, and (2) realign and make associated improvements to County State-Aid Highway 54, known as West Freeway Drive, in the city of Columbus.

**Subd. 13. Hugo - Short Line Railway**1,100,000

For a grant to Minnesota Commercial Railway for construction of repairs and other capital improvements to approximately 6.5 miles of railroad track described as that portion of the Minnesota Commercial Railway main running lead, between M & D Junction in White Bear Lake and the end of the track in Hugo. This appropriation must be used for the purposes set forth in the Minnesota Constitution, article XI, section 5, clause (i), to improve and rehabilitate railroad rights-of-way and other rail facilities, whether public or private. This appropriation does not require a nonstate match.

**Subd. 14. International Falls-Koochiching County Airport Commission**3,000,000

(a) From the state airports fund for a grant to the International Falls-Koochiching County Airport Commission for the following improvements to the Falls International Airport:

(1) demolition of the existing terminal building;

(2) rehabilitation;

(3) site preparation, including utilities and civil work;

(4) design, construction, furnishing, and equipping Phase II of the new terminal building, including a Transportation Safety Administration office, weather office, conference room, circulation corridor, airport administration offices, U.S. Customs and Border Protection storage rooms, offices, restrooms, passenger-processing area, wet-hold room, interview room, search room, precustoms and postcustoms passenger waiting areas, and vestibule; and

(5) associated appurtenances of a capital nature.

(b) After completion of the improvements under paragraph (a), any unspent money from this appropriation may be used by the International Falls-Koochiching County Airport Commission for a commercial airline apron expansion project at the Falls International Airport.

(c) This appropriation does not require a nonstate contribution or match.

**Subd. 15. Minnesota Valley Regional Rail Authority**

3,000,000

For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of railroad track from Winthrop to Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this section is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62. This appropriation is in addition to the appropriations in Laws 2006, chapter 258, section 16, subdivision 6; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; and Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4.

**Subd. 16. Ramsey - Rail Grade Separation at County Road 56**

1,500,000

For a grant to the city of Ramsey for predesign and design of a highway-rail grade separation at the intersection of Anoka County Road 56, also known as Ramsey Boulevard, with the Burlington Northern Santa Fe mainline. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

**Subd. 17. Redwood County - State Veterans Cemetery**700,000

For a grant to Redwood County for paving Nobles Avenue as the main access road to a new State Veterans Cemetery to be located in Paxton Township.

**Subd. 18. Rochester International Airport**4,985,000

From the general fund to design, construct, renovate, and improve the Rochester International Airport, in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation is available until and must be encumbered by June 30, 2017. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

**Subd. 19. St. Paul - Rail Grade Separation at Westminster Junction and Division Street**1,000,000

For a grant to the Ramsey County Regional Railroad Authority for environmental analysis and design of rail grade separation of Union Pacific and Burlington Northern Santa Fe between Westminster Junction and Division Street/Hoffman Interlocking in St. Paul. This appropriation is not available until the commissioner determines that an equal amount has been committed to the project from nonstate sources.

**Subd. 20. West St. Paul - Robert Street Reconstruction**10,000,000

From the trunk highway fund for a grant to the city of West St. Paul to complete the reconstruction of South Robert Street, marked as Trunk Highway 952. This appropriation is available after the commissioner of management and budget determines that

\$7,363,000 is committed from nonstate sources.

Sec. 18. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation**

**\$ 5,000,000**

To the Metropolitan Council for the purposes specified in this section.

Subd. 2. **Metropolitan Regional Parks and Trails Capital Improvements**

**2,500,000**

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. This appropriation must not be used to purchase easements.

Subd. 3. **Metropolitan Cities Inflow and Infiltration Grants**

**2,500,000**

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.



Sec. 19. **HEALTH** **\$** **1,000,000**

From the general fund in fiscal year 2017 to the commissioner of health for equipment and instruments for the public health laboratory. Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until June 30, 2022.

Sec. 20. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **\$** **75,005,000**

To the commissioner of administration, or another named agency, for the purposes specified in this section.

Subd. 2. **Asset Preservation** **2,500,000**

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Minnesota Security Hospital - St. Peter** **70,255,000**

To complete design, remodel, construct, furnish, and equip the second phase of the two-phase project to remodel existing and to develop new residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center. This appropriation includes money to: demolish, renovate, and remodel existing space; construct new space; address fire and life safety, and other building code deficiencies; replace or renovate interior finishes; purchase furnishings, fixtures, and equipment; replace or renovate the Minnesota Security Hospital building's HVAC, plumbing, electrical, security, and life safety systems; tuck-point; replace windows and doors; design and abate asbestos and hazardous materials; and complete site work necessary to support the programmed use of the facilities on the St. Peter Regional Treatment Center upper campus.

**Subd. 4. Anoka Metro Regional Treatment Center  
Safety and Security Renovations**

2,250,000

To provide security upgrades of a capital nature at the Anoka Metro Regional Treatment Center campus, including but not limited to control centers, electronic monitoring and perimeter security equipment, new or updated security fencing, and other building security renovations. This appropriation includes money for: predesign, design, furnishing, fixtures, and equipment; construction of safety and security improvements to courtyards on residential treatment units; securely enclosing the nursing station on Unit G; and installing a campus-wide closed-circuit television video security system, a facility-wide personal duress alarm system, a key control system, and an electronic access control system.

**Sec. 21. VETERANS AFFAIRS**

**Subdivision 1. Total Appropriation**

**\$ 12,851,000**

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

**Subd. 2. Asset Preservation**

5,000,000

For asset preservation improvements and betterments of a capital nature at the veterans homes in Minneapolis, Hastings, Fergus Falls, Silver Bay, and Luverne, to be spent in accordance with Minnesota Statutes, section 16B.307.

**Subd. 3. Minneapolis Veterans Home Truss Bridge Project**

7,851,000

To design, construct, renovate, and equip the historic truss bridge on the Minneapolis Veterans Home campus, including asbestos and hazardous materials abatement and associated site work.

**Sec. 22. CORRECTIONS**

**Subdivision 1. Total Appropriation**

**\$ 22,000,000**

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

**Subd. 2. Asset Preservation**

10,000,000

For asset preservation improvements and betterments of a capital nature at Minnesota correctional facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

**Subd. 3. St. Cloud - Minnesota Correctional Facility**

10,000,000

To construct and equip a new intake unit and a loading dock with a secure connection to a new central warehouse at the Minnesota Correctional Facility – St. Cloud.

**Subd. 4. Northeast Regional Corrections Center**

2,000,000

For a grant to the Arrowhead Regional Corrections Joint Powers Board to demolish an existing facility and update, renovate, and expand buildings used for vocational and educational programming at the Northeast Regional Corrections Center. This project will expand the processing facility, add a packaging facility, and improve farm operations and vocational buildings, including the replacement or repair of roofs and air handling systems. Nonstate contributions to improvements at the center made before or after the enactment of this subdivision are considered to be a sufficient match, and no further nonstate match is required.

**Subd. 5. Unspent Appropriations**

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

Sec. 23. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation** \$ 32,880,000

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

Subd. 2. **Transportation Economic Development** 5,000,000

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

Subd. 3. **Greater Minnesota Business Development Public Infrastructure Grants** 5,000,000

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

Subd. 4. **Innovative Business Development Public Infrastructure Grants** 2,500,000

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

Subd. 5. **Bemidji - Regional Dental Facility** 5,000,000

For a grant to the city of Bemidji to acquire land for and to predesign, design, construct, renovate, furnish, and equip a regional dental facility in Bemidji, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget has determined that at least \$3,000,000 has been committed to the project from nonstate sources. The value of the land purchased or acquired by the city after January 1, 2016, for this facility shall count toward the nonstate match.

Subd. 6. **Jackson - Memorial Park Redevelopment Phase I** 282,000

For a grant to the city of Jackson to complete Phase I of the redevelopment of Memorial Park, including trails, landscaping, a canoe launch, and other amenities. This appropriation is not available until the commissioner of management and budget

determines that at least an equal amount is committed to the project from nonstate sources. This appropriation does not require a nonstate match.

**Subd. 7. Litchfield - Power Generation Improvements**

5,000,000

For a grant to the city of Litchfield to design and construct electrical generation improvements in the city of Litchfield to expand the current standby capacity, including replacement of two old generators. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

**Subd. 8. Madelia - Public Infrastructure**

98,000

For a grant to the city of Madelia for repair and replacement of a capital nature of public infrastructure damaged by a fire in Madelia in February 2016. This appropriation does not require a nonstate match.

**Subd. 9. St. Paul - Science Museum of Minnesota Building Preservation**

10,000,000

For a grant to the city of St. Paul for predesign, design, and construction work to replace water-damaged elements of the Science Museum of Minnesota's exterior envelope and some resultant interior damage caused by latent design and construction defects, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that \$16,000,000 has been committed to the project from nonstate sources. Capital costs paid by the Science Museum of Minnesota since January 1, 2014, relating to the water intrusion damage, shall count towards the match requirement.

**Sec. 24. PUBLIC FACILITIES AUTHORITY**

**Subdivision 1. Total Appropriation**

**\$ 187,731,000**

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

**Subd. 2. State Match for Federal Grants**

25,000,000

To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081. This appropriation must be used for qualified capital projects.

**Subd. 3. Water Infrastructure Funding Program**

80,000,000

(a) For grants to eligible municipalities under the water infrastructure funding program under Minnesota Statutes, section 446A.072.

(b) \$55,000,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) \$25,000,000 is for drinking water projects listed on the Department of Health's project priority list in the fundable range under the drinking water revolving fund program.

(d) After all eligible projects under paragraph (b) or (c) have been funded, the Public Facilities Authority may transfer any remaining, uncommitted money to eligible projects under a program defined in paragraph (b) or (c) based on that program's project priority list.

**Subd. 4. Point Source Implementation Grants Program**

62,000,000

For grants to eligible municipalities under the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation must be used for qualified capital projects.

**Subd. 5. Big Lake Area Sanitary District - Sewer System and Force Main**

1,200,000

For a grant to the Big Lake Area Sanitary District to construct a pressure sewer system

and force main to convey sewage to the Western Lake Superior Sanitary District connection in the city of Cloquet. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources. This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 4.

**Subd. 6. Brainerd - Airport Water and Sewer**

4,000,000

For a grant to the city of Brainerd to design, construct, and equip publicly owned infrastructure to increase the water supply and expand sewer and water service to the Brainerd Lakes Regional Airport.

**Subd. 7. Clear Lake and Clearwater - Wastewater Treatment Facility**

1,400,000

For a grant to the Clear Lake-Clearwater Sewer Authority to remove and replace the existing wastewater treatment facility. This appropriation is not available until the commissioner of management and budget determines that at least \$200,000 is committed to the project from nonstate sources and the authority has applied for at least two grants to offset the cost. Any money received by the authority from grants will be returned to the general fund.

**Subd. 8. Dennison - Sewage Treatment System Improvements**

726,000

For a grant to the city of Dennison to predesign, design, and construct a new lift station and make sewage pond improvements. This appropriation does not require a nonstate contribution.

**Subd. 9. East Grand Forks - Wastewater Infrastructure**

5,275,000

For a grant to East Grand Forks to design and construct wastewater infrastructure improvements interconnecting the

wastewater system of East Grand Forks to the wastewater treatment system in Grand Forks, North Dakota. This appropriation may not be used for improvements outside the state. This appropriation is in addition to grants under Minnesota Statutes, section 446A.072. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

**Subd. 10. Koochiching County - Voyageurs National Park Clean Water Project**

6,240,000

(a) For a grant to Koochiching County to acquire land or interests in land, and to design, engineer, construct, and equip sanitary sewage systems and facilities to implement a portion or portions of the Voyageurs National Park clean water project comprehensive plan. This appropriation is available after the commissioner of management and budget determines that \$4,500,000 is committed from nonstate sources.

(b) This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 7. Notwithstanding the match requirement in Laws 2014, chapter 294, article 1, section 22, subdivision 7, the nonstate match required for this appropriation and the 2014 appropriation for a grant to Koochiching County is 25 percent of the state grant amounts. Any money remaining from this appropriation after completion of the projects in paragraph (a) is available for grants to Koochiching County or St. Louis County to be used for other projects described in the comprehensive plan.

**Subd. 11. Lilydale - Highway 13 Storm Water Conveyance**

140,000

From the general fund for a grant to the city of Lilydale to design, acquire, construct, and install a storm water sewer and drop structure along Trunk Highway 13 in Lilydale that will be large enough to effectively collect



water from springs and storm water runoff from above the road and safely convey the water to below the bluff. The city must coordinate this project with the Department of Transportation's Trunk Highway 13 project. The appropriation and project also include capital repairs and improvements to existing drainage structures along the Big Rivers Regional Trail at the base of the bluff. This appropriation does not require a nonstate contribution.

**Subd. 12. Oronoco - Wastewater Collection and Treatment Facilities**

500,000

From the general fund for a grant to the city of Oronoco to commission a study to evaluate options and commence engineering, predesign, and design for solving the wastewater infrastructure needs for the region including the city of Oronoco, the city of Pine Island, or the city of Rochester. This appropriation does not require a nonstate match.

**Subd. 13. St. James - Storm Sewer Line Replacement**

1,250,000

For a grant to the city of St. James to replace a storm sewer line in St. James. This appropriation is not available until at least an equal amount is committed from nonstate sources.

**Sec. 25. MINNESOTA HOUSING FINANCE AGENCY**

\$ 15,000,000

For transfer to the housing development fund to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by the public housing authorities and agencies formed by cities and counties. Public housing authorities receiving a public housing assessment composite score of 80

or above or an equivalent designation are eligible to receive funding. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

**Sec. 26. MINNESOTA HISTORICAL SOCIETY**

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

To the Minnesota Historical Society for the purposes specified in this section.

**Subd. 2. Historic Sites Asset Preservation** **2,500,000**

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

**Subd. 3. County and Local Preservation Grants** **1,500,000**

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

**Sec. 27. OFFICE OF THE LEGISLATIVE AUDITOR - ASSET PRESERVATION FUNDING REPORT**

**\$ 50,000**

From the general fund to the Office of the Legislative Auditor for the report on options for funding asset preservation, as described in article 2, section 19.

**Sec. 28. BOND SALE EXPENSES**

**Subdivision 1. Total Appropriation** **\$ 913,000**

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

**Subd. 2. Bond Proceeds Fund** 898,000

From the bond proceeds fund for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

**Subd. 3. Trunk Highway Fund** 15,000

From the bond proceeds account in the trunk highway fund for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 29. Laws 2015, First Special Session chapter 5, article 1, section 19, is amended to read:

**Sec. 19. BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2017, no more than ~~\$1,267,459,000~~ \$1,240,178,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

**Sec. 30. BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$748,510,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$150,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. **Trunk highway fund.** To provide the money appropriated in this act from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$15,015,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner

of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Sec. 31. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

(a) The bond sale authorization in Laws 1990, chapter 610, article 1, section 30, subdivision 1, as amended, is reduced by \$3,129.

(b) The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1, as amended, is reduced by \$24,480.

(c) The bond sale authorization in Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by \$96,992.

(d) The bond sale authorization in Laws 1999, chapter 240, article 1, section 13, subdivision 1, as amended, is reduced by \$212,472.

(e) The bond sale authorization in Laws 2000, chapter 492, article 1, section 26, subdivision 1, as amended, is reduced by \$7,933,538.

(f) The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as amended, is reduced by \$188,471.

(g) The bond sale authorization in Laws 2002, First Special Session chapter 1, section 9, subdivision 1, s reduced by \$217,959.

(h) The bond sale authorization in Laws 2003, First Special Session chapter 19, article 3, section 2, is reduced by \$201,530.

(i) The bond sale authorization in Laws 2003, First Special Session chapter 19, article 4, section 4, is reduced by \$326,534.

(j) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended, is reduced by \$3,366,628.

Sec. 32. **EFFECTIVE DATE.**

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

Page 77, delete section 1

Page 94, line 15, delete "\$70,000,000" and insert "\$60,000,000"

Page 95, line 5, delete "\$5,600,000" and insert "\$4,800,000"

Correct the subdivision and section totals and the appropriations by fund

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the Senjem amendment to the Ingebrigtsen amendment.

The roll was called, and there were yeas 18 and nays 47, as follows:

Those who voted in the affirmative were:

Abeler	Gazelka	Miller	Pederson	Senjem
Benson	Hann	Nelson	Pratt	Westrom
Chamberlain	Ingebrigtsen	Newman	Rosen	
Dahms	Limmer	Osmeck	Ruud	

Those who voted in the negative were:

Anderson	Dziedzic	Jensen	Pappas	Stumpf
Bakk	Eaton	Johnson	Reinert	Thompson
Bonoff	Eken	Kent	Rest	Tomassoni
Brown	Franzen	Kiffmeyer	Saxhaug	Torres Ray
Carlson	Goodwin	Koenen	Scalze	Weber
Champion	Hall	Latz	Schmit	Wiger
Clausen	Hawj	Lourey	Sheran	Wiklund
Cohen	Hayden	Metzen	Sieben	
Dahle	Hoffman	Nienow	Skoe	
Dibble	Housley	Ortman	Sparks	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Ingebrigtsen amendment. The motion prevailed. So the amendment was adopted.

Senator Pratt moved to amend H.F. No. 3467, the unofficial engrossment, as follows:

Page 77, after line 11, insert:

"Section 1. Minnesota Statutes 2014, section 16A.105, is amended to read:

**16A.105 DEBT CAPACITY FORECAST; LIMIT.**

Subdivision 1. Forecast. In February and November of each year the commissioner shall prepare a debt capacity forecast to be delivered to the governor and legislature according to section 16A.103, subdivision 1. The debt capacity forecast must include statements of the indebtedness of the state for bonds, notes, and other forms of long-term general obligation indebtedness. The forecast must show the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and the next six fiscal years, the debt authorized and unissued, and the borrowing capacity for the next six fiscal years. The forecast must include the debt limit determined under subdivision 2.

Subd. 2. Debt limit. (a) For purposes of this subdivision, "debt" means state debt payable from nondedicated state general fund revenues, including:

- (1) state general obligation bonds payable from the general fund;
- (2) state appropriation bonds;
- (3) agency appropriation bonds payable from a statutory appropriation from the general fund or other debt issued by the state, a state agency, or the University of Minnesota, payable from a statutory appropriation of general fund money;
- (4) state certificates of participation; and
- (5) state lease-purchase financing for acquisition of real estate or equipment payable from the general fund.

(b) The debt limit established in this subdivision applies in addition to any other guideline adopted or used by the commissioner to prudently manage debt in the state's best interests.

(c) For each forecast under subdivision 1, the commissioner shall determine the maximum amount of new debt that may be issued so that payment due on all outstanding debt is no more than three percent of the estimated nondedicated general fund revenue received by the state for the same time periods. Estimated nondedicated general fund revenue shall exclude transfers into the general fund from other state funds. The debt limit in this subdivision may only be used to limit authorization and issuance of new debt after the forecast that indicates the limit will be exceeded and does not require either reduction in previously authorized debt or cancellation of appropriations.

**EFFECTIVE DATE.** This section is effective for the sale and issuance of debt by the state on or after July 1, 2017."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 39, as follows:

Those who voted in the affirmative were:

Abeler	Gazelka	Limmer	Osmek	Thompson
Anderson	Hall	Miller	Pederson	Weber
Benson	Hann	Nelson	Pratt	Westrom
Brown	Housley	Newman	Rosen	
Chamberlain	Ingebrigtsen	Nienow	Ruud	
Dahms	Kiffmeyer	Ortman	Sheran	

Those who voted in the negative were:

Bakk	Dziedzic	Jensen	Pappas	Skoe
Bonoff	Eaton	Johnson	Reinert	Sparks
Carlson	Eken	Kent	Rest	Stumpf
Champion	Franzen	Koenen	Saxhaug	Tomassoni
Clausen	Goodwin	Latz	Scalze	Torres Ray
Cohen	Hawj	Lourey	Schmit	Wiger
Dahle	Hayden	Marty	Senjem	Wiklund
Dibble	Hoffman	Metzen	Sieben	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 3467 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 40 and nays 26, as follows:

Those who voted in the affirmative were:

Bakk	Dziedzic	Jensen	Nelson	Sieben
Bonoff	Eaton	Johnson	Pappas	Skoe
Carlson	Eken	Kent	Reinert	Sparks
Champion	Franzen	Koenen	Rest	Stumpf
Clausen	Goodwin	Latz	Saxhaug	Tomassoni
Cohen	Hawj	Lourey	Scalze	Torres Ray
Dahle	Hayden	Marty	Schmit	Wiger
Dibble	Hoffman	Metzen	Sheran	Wiklund

Those who voted in the negative were:

Abeler	Gazelka	Limmer	Pederson	Weber
Anderson	Hall	Miller	Pratt	Westrom
Benson	Hann	Newman	Rosen	
Brown	Housley	Nienow	Ruud	
Chamberlain	Ingebrigtsen	Ortman	Senjem	
Dahms	Kiffmeyer	Osmek	Thompson	

So, not having received a three-fifths vote, the bill, as amended, failed to pass.

### RECESS

Senator Bakk moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### APPOINTMENTS

Senator Bakk from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2777: Senators Hoffman, Champion and Abeler.

H.F. No. 2749: Senators Cohen, Wiger, Lourey, Saxhaug and Fischbach.

Senator Bakk moved that the foregoing appointments be approved. The motion prevailed.

### MEMBERS EXCUSED

Senator Fischbach was excused from the Session of today. Senators Cohen and Metzen were excused from the Session of today from 10:00 to 10:35 a.m. Senator Goodwin was excused from the Session of today from 10:00 to 11:45 a.m. Senator Weber was excused from the Session of today from 10:35 to 10:40 a.m. Senator Marty was excused from the Session of today from 1:00 to 1:25 p.m.

### ADJOURNMENT

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Monday, May 9, 2016. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate

