

NINETY-EIGHTH DAY

St. Paul, Minnesota, Wednesday, April 2, 2008

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Sister Catherine Steffens.

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

Anderson	Erickson Ropes	Langseth	Ortman	Sieben
Bakk	Fischbach	Larson	Pappas	Skoe
Berglin	Foley	Latz	Pariseau	Skogen
Betzold	Frederickson	Limmer	Pogemiller	Sparks
Bonoff	Gerlach	Lourey	Prettner Solon	Stumpf
Carlson	Gimse	Lynch	Rest	Tomassoni
Chaudhary	Hann	Marty	Robling	Torres Ray
Clark	Higgins	Metzen	Rosen	Vandever
Cohen	Ingebrigtsen	Michel	Rummel	Vickerman
Dahle	Johnson	Moua	Saltzman	Wergin
Day	Jungbauer	Murphy	Saxhaug	Wiger
Dibble	Koch	Olseen	Scheid	
Dille	Koering	Olson, G.	Senjem	
Doll	Kubly	Olson, M.	Sheran	

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

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 3461.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 1, 2008

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2369: A bill for an act relating to education; requiring criminal history background checks; amending Minnesota Statutes 2006, section 123B.03, subdivision 1.

Senate File No. 2369 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 1, 2008

Senator Rest moved that the Senate do not concur in the amendments by the House to S.F. No. 2369, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2653: A bill for an act relating to education; establishing a conflict of interest exception for certain school contracts for professional and other services; amending Minnesota Statutes 2006, section 471.88, subdivision 5.

Senate File No. 2653 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 1, 2008

CONCURRENCE AND REPASSAGE

Senator Betzold moved that the Senate concur in the amendments by the House to S.F. No. 2653 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2653: A bill for an act relating to education; establishing a conflict of interest exception for certain contracts requiring school board approval; amending Minnesota Statutes 2006, section 471.88, by adding a subdivision.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Kubly	Olson, M.	Scheid
Bakk	Erickson Ropes	Langseth	Ortman	Senjem
Berglin	Foley	Larson	Pappas	Sheran
Betzold	Frederickson	Latz	Pariseau	Sieben
Bonoff	Gerlach	Lourey	Pogemiller	Skogen
Carlson	Hann	Lynch	Prettner Solon	Stumpf
Chaudhary	Higgins	Marty	Rest	Tomassoni
Clark	Ingebrigtsen	Metzen	Robling	Torres Ray
Dahle	Johnson	Michel	Rosen	Vandever
Day	Jungbauer	Moua	Rummel	Vickerman
Dibble	Koch	Olseen	Saltzman	Wergin
Dille	Koering	Olson, G.	Saxhaug	Wiger

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2908: A bill for an act relating to landlord and tenant; providing for certain notices relating to foreclosure; amending Minnesota Statutes 2006, sections 504B.151; 504B.178, subdivision 8; 504B.285, subdivision 1.

Senate File No. 2908 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 1, 2008

CONCURRENCE AND REPASSAGE

Senator Higgins moved that the Senate concur in the amendments by the House to S.F. No. 2908 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2908 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dahle	Gerlach	Kubly	Moua
Bakk	Day	Gimse	Larson	Olseen
Berglin	Dibble	Hann	Latz	Olson, G.
Betzold	Dille	Higgins	Limmer	Olson, M.
Bonoff	Doll	Ingebrigtsen	Lourey	Ortman
Carlson	Erickson Ropes	Johnson	Lynch	Pappas
Chaudhary	Fischbach	Jungbauer	Marty	Pariseau
Clark	Foley	Koch	Metzen	Pogemiller
Cohen	Frederickson	Koering	Michel	Prettner Solon

Rest	Saltzman	Sheran	Sparks	Vandever
Robling	Saxhaug	Sieben	Stumpf	Vickerman
Rosen	Scheid	Skoe	Tomassoni	Wergin
Rummel	Senjem	Skogen	Torres Ray	Wiger

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2909: A bill for an act relating to landlord and tenant; modifying right of tenant to pay utility bills; amending Minnesota Statutes 2006, section 504B.215, subdivision 3.

Senate File No. 2909 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 1, 2008

Senator Olseen moved that the Senate do not concur in the amendments by the House to S.F. No. 2909, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2918: A bill for an act relating to mortgages; providing for proof of abandonment for purposes of a reduced mortgage foreclosure redemption period; amending Minnesota Statutes 2006, section 582.032, subdivision 7.

Senate File No. 2918 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 1, 2008

CONCURRENCE AND REPASSAGE

Senator Higgins moved that the Senate concur in the amendments by the House to S.F. No. 2918 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2918 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Langseth	Pappas	Skoe
Bakk	Fischbach	Larson	Pariseau	Skogen
Berglin	Foley	Latz	Pogemiller	Sparks
Betzold	Frederickson	Limmer	Prettner Solon	Stumpf
Bonoff	Gerlach	Lourey	Rest	Tomassoni
Carlson	Gimse	Lynch	Robling	Torres Ray
Chaudhary	Hann	Marty	Rosen	Vanderveer
Clark	Higgins	Metzen	Rummel	Vickerman
Cohen	Ingebrigtsen	Michel	Saltzman	Wergin
Dahle	Johnson	Moua	Saxhaug	Wiger
Day	Jungbauer	Olseen	Scheid	
Dibble	Koch	Olson, G.	Senjem	
Dille	Koering	Olson, M.	Sheran	
Doll	Kubly	Ortman	Sieben	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1499, 3220, 3657, 3346, 3477 and 3516.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 1, 2008

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1499: A bill for an act relating to commerce; enacting the Uniform Prudent Management of Institutional Funds Act approved and recommended by the National Conference of Commissioners on Uniform State Laws; proposing coding for new law in Minnesota Statutes, chapter 309; repealing Minnesota Statutes 2006, sections 309.62; 309.63; 309.64; 309.65; 309.66; 309.67; 309.68; 309.69; 309.70; 309.71.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1406, now on the Calendar.

H.F. No. 3220: A bill for an act relating to local government; authorizing political subdivisions to make grants to nonprofit organizations; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2929, now on the Calendar.

H.F. No. 3657: A bill for an act relating to Carver County; making the library board advisory to the county board.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3451, now on General Orders.

H.F. No. 3346: A bill for an act relating to housing; providing assistance to prevent mortgage foreclosure; increasing the maximum amount of financial assistance; amending Minnesota Statutes 2006, section 462A.209, subdivision 7.

Referred to the Committee on Finance.

H.F. No. 3477: A bill for an act relating to manufactured housing; providing for regulation of lending practices and default; providing notices and remedies; amending Minnesota Statutes 2006, sections 327.64, subdivision 2; 327.65; 327.66; 327B.01, by adding subdivisions; 327B.08, by adding a subdivision; 327B.09, by adding a subdivision; 327B.12; proposing coding for new law in Minnesota Statutes, chapters 327; 327B.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2917, now on General Orders.

H.F. No. 3516: A bill for an act relating to real property; providing specification of certain information about a premises subject to foreclosure; providing for electronic recording; requiring a report; amending Minnesota Statutes 2006, sections 14.03, subdivision 3; 58.02, by adding a subdivision; 287.08; 287.241; 287.25; 386.03; 386.19; 386.26, subdivision 1; 386.31; 386.409; 507.093; 507.40; 507.46, subdivision 1; Minnesota Statutes 2007 Supplement, section 507.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 272; 507; 580.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3516, now on the Calendar.

REPORTS OF COMMITTEES

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

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 3357 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3357	3208				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Senator Pogemiller, from the Committee on Rules and Administration, to which was referred

H.F. No. 3662 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
3662	3378				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3662 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3662, the second engrossment; and insert the language after the enacting clause of S.F. No. 3378, the first engrossment; further, delete the title of H.F. No. 3662, the second engrossment; and insert the title of S.F. No. 3378, the first engrossment.

And when so amended H.F. No. 3662 will be identical to S.F. No. 3378, and further recommends that H.F. No. 3662 be given its second reading and substituted for S.F. No. 3378, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 3357 and 3662 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Wergin moved that her name be stricken as a co-author to S.F. No. 1128. The motion prevailed.

Senator Dille moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 2576. The motion prevailed.

Senator Higgins moved that the names of Senators Erickson Ropes and Olseen be added as co-authors to S.F. No. 3135. The motion prevailed.

Senator Erickson Ropes moved that the names of Senators Torres Ray and Ingebrigtsen be added as co-authors to S.F. No. 3282. The motion prevailed.

Senator Foley moved that the name of Senator Erickson Ropes be added as a co-author to S.F. No. 3336. The motion prevailed.

Senator Erickson Ropes moved that the names of Senators Koering, Wergin, Anderson and Sparks be added as co-authors to S.F. No. 3412. The motion prevailed.

Senator Bonoff moved that the name of Senator Koering be added as a co-author to S.F. No.

3676. The motion prevailed.

Senator Koch introduced –

Senate Resolution No. 169: A Senate resolution congratulating Emily Carlson for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

Senator Koch introduced –

Senate Resolution No. 170: A Senate resolution congratulating Jenn Minke for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

Senator Koch introduced –

Senate Resolution No. 171: A Senate resolution congratulating Christina Schultz for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

Senator Koch introduced –

Senate Resolution No. 172: A Senate resolution congratulating Kirsten Ask for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

Senator Koch introduced –

Senate Resolution No. 173: A Senate resolution congratulating Emily Bischoff for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

Senator Koch introduced –

Senate Resolution No. 174: A Senate resolution congratulating Elizabeth Logas for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

Senator Koch introduced –

Senate Resolution No. 175: A Senate resolution congratulating Kristen Carlson for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

Senators Senjem and Lynch introduced –

Senate Resolution No. 176: A Senate resolution expressing the sense of the senate concerning the establishment of an Autism Task Force.

Referred to the Committee on Rules and Administration.

Senator Limmer introduced –

Senate Resolution No. 177: A Senate resolution congratulating Brett Johnson of Hanover, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Senators Prettner Solon and Pappas introduced –

Senate Resolution No. 178: A resolution urging the government of Turkey to grant the Ecumenical Patriarch appropriate international recognition, ecclesiastical succession, and the right to train clergy of all nationalities and to respect the property rights and human rights of the Ecumenical Patriarchate.

Referred to the Committee on Rules and Administration.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Cohen, Dibble, Moua, Senjem and Koch introduced–

S.F. No. 3816: A bill for an act relating to taxation; income and sales taxes; providing for a film investment credit; exempting motion picture productions from sales tax; amending Minnesota Statutes 2006, section 297A.68, subdivision 30; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senators Betzold and Chaudhary introduced–

S.F. No. 3817: A bill for an act relating to aids to local governments; amending the formula for distributing local government aid to cities; amending Minnesota Statutes 2006, sections 477A.011, subdivision 34, by adding a subdivision; 477A.013, subdivisions 8, 9, as amended; 477A.03, subdivision 2a; repealing Minnesota Statutes 2006, section 477A.011, subdivisions 30, 31, 32, 33, 38, 39, 40.

Referred to the Committee on Taxes.

Senator Higgins introduced—

S.F. No. 3818: A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 9; authorizing a council to establish salaries for legislators; changing the composition of the Citizen Compensation Council; amending Minnesota Statutes 2006, section 15A.082, subdivisions 1, 2, 3.

Referred to the Committee on State and Local Government Operations and Oversight.

Senator Rummel introduced—

S.F. No. 3819: A bill for an act relating to taxation; property; providing that the Vadnais Lake Area Management Organization is a special taxing district; amending Minnesota Statutes 2006, section 275.066, as amended.

Referred to the Committee on Taxes.

Senators Moua, Betzold, Skoe and Bakk introduced—

S.F. No. 3820: A bill for an act relating to taxation; modifying proposed property tax hearing for Ramsey County, St. Paul, and Independent School District No. 625; amending Minnesota Statutes 2006, section 275.065, subdivision 8.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Senator Metzen in the chair.

After some time spent therein, the committee arose, and Senator Metzen reported that the committee had considered the following:

S.F. No. 2869, which the committee recommends to pass, subject to the following motions:

Senator Bakk moved to amend S.F. No. 2869 as follows:

Page 9, line 32, delete "January 1" and insert "June 30"

Page 12, line 32, delete "paragraph (e)" and insert "section 477A.03, subdivision 5"

Page 13, line 24, after "is" insert "greater or"

Page 31, line 10, after "(1)" insert "~~or (2)~~"

Page 31, line 11, after "of" insert "no less than ten and"

Page 54, line 3, after the period, insert "The base year remains as initially approved under section 290D.02."

Page 55, line 14, delete "2008" and insert "2009"

Page 65, after line 15, insert:

"Sec. 5. Minnesota Statutes 2006, section 290.191, subdivision 5, is amended to read:

Subd. 5. **Determination of sales factor.** For purposes of this section, the following rules apply in determining the sales factor.

(a) The sales factor includes all sales, gross earnings, or receipts received in the ordinary course of the business, except that the following types of income are not included in the sales factor:

(1) interest;

(2) dividends;

(3) sales of capital assets as defined in section 1221 of the Internal Revenue Code;

(4) sales of property used in the trade or business, except sales of leased property of a type which is regularly sold as well as leased;

(5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue Code or sales of stock; and

(6) royalties, fees, or other like income of a type which qualify for a subtraction from federal taxable income under section 290.01, subdivision 19d(10).

(b) Sales of tangible personal property are made within this state if the property is received by a purchaser at a point within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point, other conditions of the sale, or the ultimate destination of the property.

(c) Tangible personal property delivered to a common or contract carrier or foreign vessel for delivery to a purchaser in another state or nation is a sale in that state or nation, regardless of f.o.b. point or other conditions of the sale.

(d) Notwithstanding paragraphs (b) and (c), when intoxicating liquor, wine, fermented malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by a state or political subdivision to resell this property only within the state of ultimate destination, the sale is made in that state.

(e) Sales made by or through a corporation that is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code are not considered to have been made within this state.

(f) Sales, rents, royalties, and other income in connection with real property is attributed to the state in which the property is located.

(g) Receipts from the lease or rental of tangible personal property, including finance leases and true leases, must be attributed to this state if the property is located in this state and to other states if the property is not located in this state. Receipts from the lease or rental of moving property

including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are included in the numerator of the receipts factor to the extent that the property is used in this state. The extent of the use of moving property is determined as follows:

- (1) A motor vehicle is used wholly in the state in which it is registered.
- (2) The extent that rolling stock is used in this state is determined by multiplying the receipts from the lease or rental of the rolling stock by a fraction, the numerator of which is the miles traveled within this state by the leased or rented rolling stock and the denominator of which is the total miles traveled by the leased or rented rolling stock.
- (3) The extent that an aircraft is used in this state is determined by multiplying the receipts from the lease or rental of the aircraft by a fraction, the numerator of which is the number of landings of the aircraft in this state and the denominator of which is the total number of landings of the aircraft.
- (4) The extent that a vessel, mobile equipment, or other mobile property is used in the state is determined by multiplying the receipts from the lease or rental of the property by a fraction, the numerator of which is the number of days during the taxable year the property was in this state and the denominator of which is the total days in the taxable year.
- (h) Royalties and other income not described in paragraph (a), clause (6), received for the use of or for the privilege of using intangible property, including patents, know-how, formulas, designs, processes, patterns, copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or similar items, must be attributed to the state in which the property is used by the purchaser. If the property is used in more than one state, the royalties or other income must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the royalties or other income must be excluded from both the numerator and the denominator. Intangible property is used in this state if the purchaser uses the intangible property or the rights therein in the regular course of its business operations in this state, regardless of the location of the purchaser's customers.
- (i) Sales of intangible property are made within the state in which the property is used by the purchaser. If the property is used in more than one state, the sales must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the sale must be excluded from both the numerator and the denominator of the sales factor. Intangible property is used in this state if the purchaser used the intangible property in the regular course of its business operations in this state.
- (j) Receipts from the performance of services must be attributed to the state where the services are received. For the purposes of this section, receipts from the performance of services provided to a corporation, partnership, or trust may only be attributed to a state where it has a fixed place of doing business. If the state where the services are received is not readily determinable or is a state where the corporation, partnership, or trust receiving the service does not have a fixed place of doing business, the services shall be deemed to be received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the services shall be deemed to be received at the office of the customer to which the services are billed.
- (k) For the purposes of this subdivision and subdivision 6, paragraph (l), receipts from management, distribution, or administrative services performed by a corporation or trust for a fund

of a corporation or trust regulated under United States Code, title 15, sections 80a-1 through 80a-64, must be attributed to the state where the shareholder of the fund resides. Under this paragraph, receipts for services attributed to shareholders are determined on the basis of the ratio of: (1) the average of the outstanding shares in the fund owned by shareholders residing within Minnesota at the beginning and end of each year; and (2) the average of the total number of outstanding shares in the fund at the beginning and end of each year. Residence of the shareholder, in the case of an individual, is determined by the mailing address furnished by the shareholder to the fund. Residence of the shareholder, when the shares are held by an insurance company as a depositor for the insurance company policyholders, is the mailing address of the policyholders. In the case of an insurance company holding the shares as a depositor for the insurance company policyholders, if the mailing address of the policyholders cannot be determined by the taxpayer, the receipts must be excluded from both the numerator and denominator. Residence of other shareholders is the mailing address of the shareholder.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2008.

Sec. 6. Minnesota Statutes 2006, section 290.191, subdivision 6, is amended to read:

Subd. 6. **Determination of receipts factor for financial institutions.** (a) For purposes of this section, the rules in this subdivision and ~~subdivision~~ subdivisions 5, paragraph (k), and 8 apply in determining the receipts factor for financial institutions.

(b) "Receipts" for this purpose means gross income, including net taxable gain on disposition of assets, including securities and money market instruments, when derived from transactions and activities in the regular course of the taxpayer's trade or business.

(c) "Money market instruments" means federal funds sold and securities purchased under agreements to resell, commercial paper, banker's acceptances, and purchased certificates of deposit and similar instruments to the extent that the instruments are reflected as assets under generally accepted accounting principles.

(d) "Securities" means United States Treasury securities, obligations of United States government agencies and corporations, obligations of state and political subdivisions, corporate stock, bonds, and other securities, participations in securities backed by mortgages held by United States or state government agencies, loan-backed securities and similar investments to the extent the investments are reflected as assets under generally accepted accounting principles.

(e) Receipts from the lease or rental of real or tangible personal property, including both finance leases and true leases, must be attributed to this state if the property is located in this state. Receipts from the lease or rental of tangible personal property that is characteristically moving property, including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment are included in the numerator of the receipts factor to the extent that the property is used in this state. The extent of the use of moving property is determined as follows:

(1) A motor vehicle is used wholly in the state in which it is registered.

(2) The extent that rolling stock is used in this state is determined by multiplying the receipts from the lease or rental of the rolling stock by a fraction, the numerator of which is the miles traveled within this state by the leased or rented rolling stock and the denominator of which is the total miles

traveled by the leased or rented rolling stock.

(3) The extent that an aircraft is used in this state is determined by multiplying the receipts from the lease or rental of the aircraft by a fraction, the numerator of which is the number of landings of the aircraft in this state and the denominator of which is the total number of landings of the aircraft.

(4) The extent that a vessel, mobile equipment, or other mobile property is used in the state is determined by multiplying the receipts from the lease or rental of property by a fraction, the numerator of which is the number of days during the taxable year the property was in this state and the denominator of which is the total days in the taxable year.

(f) Interest income and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property must be attributed to this state if the security property is located in this state under the principles stated in paragraph (e).

(g) Interest income and other receipts from consumer loans not secured by real or tangible personal property that are made to residents of this state, whether at a place of business, by traveling loan officer, by mail, by telephone or other electronic means, must be attributed to this state.

(h) Interest income and other receipts from commercial loans and installment obligations that are unsecured by real or tangible personal property or secured by intangible property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the income and receipts are attributed to the state in which the office of the borrower from which the application would be made in the regular course of business is located. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) Interest income and other receipts from a participating financial institution's portion of participation and syndication loans must be attributed under paragraphs (e) to (h). A participation loan is an arrangement in which a lender makes a loan to a borrower and then sells, assigns, or otherwise transfers all or a part of the loan to a purchasing financial institution. A syndication loan is a loan transaction involving multiple financial institutions in which all the lenders are named as parties to the loan documentation, are known to the borrower, and have privity of contract with the borrower.

(j) Interest income and other receipts including service charges from financial institution credit card and travel and entertainment credit card receivables and credit card holders' fees must be attributed to the state to which the card charges and fees are regularly billed.

(k) Merchant discount income derived from financial institution credit card holder transactions with a merchant must be attributed to the state in which the merchant is located. In the case of merchants located within and outside the state, only receipts from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Receipts from the performance of fiduciary and other services must be attributed to the state in which the services are received. For the purposes of this section, services provided to a corporation, partnership, or trust must be attributed to a state where it has a fixed place of doing business. If the state where the services are received is not readily determinable or is a state where the corporation, partnership, or trust does not have a fixed place of doing business, the services shall be deemed to

be received at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the services shall be deemed to be received at the office of the customer to which the services are billed.

(m) Receipts from the issuance of travelers checks and money orders must be attributed to the state in which the checks and money orders are purchased.

(n) Receipts from investments of a financial institution in securities and from money market instruments must be apportioned to this state based on the ratio that total deposits from this state, its residents, including any business with an office or other place of business in this state, its political subdivisions, agencies, and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies, and instrumentalities. In the case of an unregulated financial institution subject to this section, these receipts are apportioned to this state based on the ratio that its gross business income, excluding such receipts, earned from sources within this state bears to gross business income, excluding such receipts, earned from sources within all states. For purposes of this subdivision, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities must be attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(o) A financial institution's interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included in paragraph (n).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2008."

Page 67, after line 22, insert:

"Section 1. Minnesota Statutes 2006, section 168.012, subdivision 1, is amended to read:

Subdivision 1. **Vehicles exempt from tax, fees, or plate display.** (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from those institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for charitable, religious, or educational purposes;

(5) ambulances vehicles owned by ambulance services licensed under section 144E.10, the general appearance of which is unmistakable that are equipped and specifically intended for emergency response or providing ambulance service; and

(6) vehicles owned by a commercial driving school licensed under section 171.34, or an employee of a commercial driving school licensed under section 171.34, and the vehicle is used exclusively for driver education and training.

(b) Vehicles owned by the federal government, municipal fire apparatuses including fire-suppression support vehicles, police patrols, and ambulances, the general appearance of which is unmistakable, are not required to register or display number plates.

(c) Unmarked vehicles used in general police work, liquor investigations, or arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the Department of Corrections, must be registered and must display appropriate license number plates, furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the Department of Corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a Department of Corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the Division of Disease Prevention and Control of the Department of Health must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Division of Disease Prevention and Control.

(f) Unmarked vehicles used by staff of the Gambling Control Board in gambling investigations and reviews must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the board chair. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Gambling Control Board.

(g) All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, or licensed commercial driving school, plainly displayed on both sides of the vehicle; except that each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle, and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. This identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible

at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

EFFECTIVE DATE. This section is effective for registrations and renewals after June 30, 2008.

Sec. 2. Minnesota Statutes 2006, section 296A.07, subdivision 4, is amended to read:

Subd. 4. **Exemptions.** The provisions of subdivision 1 do not apply to gasoline purchased by:

(1) a transit system or transit provider receiving financial assistance or reimbursement under section 174.24, 256B.0625, subdivision 17, or 473.384; or

(2) an ambulance service licensed under chapter 144E for use in ambulances and other emergency response vehicles.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2008.

Sec. 3. Minnesota Statutes 2006, section 297A.67, subdivision 28, is amended to read:

Subd. 28. **Ambulance supplies, parts, and equipment.** The following sales to or use by an ambulance service licensed under section 144E.10 are exempt:

(1) supplies and equipment used to provide medical care; and

(2) repair and replacement parts for ambulances and vehicles equipped and specifically intended for emergency response.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2008."

Page 82, line 30, delete "\$4,000,000" and insert "\$6,000,000"

Page 118, line 22, delete "projects that meet the requirements of Minnesota"

Page 118, line 23, delete "Statutes, section 469.1761" and insert "activities"

Page 147, line 28, strike the first "prescription" and insert "legend" and strike the second "prescription" and insert "legend"

Page 147, line 30, strike "to the wholesale drug"

Page 147, line 31, strike "distributor" and insert "for the legend drugs" and delete everything after the period

Page 147, lines 32 to 34, delete the new language

Page 147, line 35, strike "prescription" and insert "legend"

Page 172, line 9, after "farming" insert "at least 40 acres, including undivided government lots and correctional 40's"

Page 173, line 31, after "paragraph" insert ", and that the property is not eligible for the valuation exclusion under subdivision 34"

Page 180, delete section 28

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Bakk moved to amend S.F. No. 2869 as follows:

Page 195, after line 9, insert:

"Section 1. Minnesota Statutes 2006, section 287.04, is amended to read:

287.04 EXEMPTIONS.

The tax imposed by section 287.035 does not apply to:

- (a) A decree of marriage dissolution or an instrument made pursuant to it.
- (b) A mortgage given to correct a misdescription of the mortgaged property.
- (c) A mortgage or other instrument that adds additional security for the same debt for which mortgage registry tax has been paid.
- (d) A contract for the conveyance of any interest in real property, including a contract for deed.
- (e) A mortgage secured by real property subject to the minerals production tax of sections 298.24 to 298.28.
- (f) The principal amount of a mortgage loan made under a low and moderate income or other affordable housing program, if the mortgagee is a federal, state, or local government agency.
- (g) Mortgages granted by fraternal benefit societies subject to section 64B.24.
- (h) A mortgage amendment or extension, as defined in section 287.01.
- (i) An agricultural mortgage if the proceeds of the loan secured by the mortgage are used to acquire or improve real property classified under section 273.13, subdivision 23, paragraph (a), or (b), clause (1), (2), or (3).
- (j) A mortgage on an armory building as set forth in section 193.147.
- (k) A mortgage, including one that replaces or refinances an existing mortgage, on property located in the area of southeast Minnesota designated under Presidential Declaration of Major Disaster, DR-1717, and which was damaged by that disaster. This paragraph applies to the extent that the new or additional indebtedness was used to repair or replace property damaged by the disaster. For a mortgage that replaces or refinances an existing mortgage, this exemption also applies to the debt replaced or refinanced. A form, prepared by the commissioner of revenue, must be signed by the property owner and the county assessor in which the property is located, stating that the property qualifies under this paragraph, to receive the exemption under this paragraph. The exemption under this paragraph is effective for one year from the date of the disaster declaration.

EFFECTIVE DATE. This section is effective for mortgages acknowledged and recorded on or after August 1, 2007. A property owner who has paid the tax under section 287.04 on a mortgage that qualifies for the exemption under this section may apply to the commissioner of revenue for a

refund of the tax."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Marty moved to amend S.F. No. 2869 as follows:

Page 129, delete section 24

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Erickson Ropes	Kubly	Pappas	Torres Ray
Berglin	Foley	Latz	Pariseau	Vandever
Betzold	Frederickson	Limmer	Rest	Vickerman
Bonoff	Gerlach	Lourey	Robling	Wergin
Chaudhary	Gimse	Marty	Rummel	Wiger
Day	Hann	Olseen	Saltzman	
Dibble	Ingebrigtsen	Olson, G.	Scheid	
Dille	Koch	Olson, M.	Sheran	
Doll	Koering	Ortman	Stumpf	

Those who voted in the negative were:

Bakk	Higgins	Metzen	Saxhaug	Sparks
Carlson	Johnson	Michel	Senjem	Tomassoni
Clark	Jungbauer	Moua	Sieben	
Cohen	Langseth	Pogemiller	Skoe	
Dahle	Larson	Rosen	Skogen	

The motion prevailed. So the amendment was adopted.

Senator Robling moved to amend S.F. No. 2869 as follows:

Page 14, line 12, after "2009" insert "and subsequent years"

Page 14, line 13, delete everything after the period

Page 14, delete lines 14 and 15

Page 14, line 16, delete "5."

Page 14, line 28, after "2009" insert "and subsequent years"

Page 14, delete lines 29 and 30

Page 14, line 31, delete "subdivision 5."

Page 15, line 7, after "2009" insert "and subsequent years"

Page 15, line 8, delete everything after the period

Page 15, delete lines 9 and 10

Page 15, delete section 15

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 21 and nays 44, as follows:

Those who voted in the affirmative were:

Day	Hann	Koering	Pariseau	Wergin
Dille	Ingebrigtsen	Limmer	Robling	
Fischbach	Johnson	Michel	Rosen	
Gerlach	Jungbauer	Olson, G.	Senjem	
Gimse	Koch	Ortman	Vandev eer	

Those who voted in the negative were:

Anderson	Dibble	Latz	Pogemiller	Skoe
Bakk	Doll	Lourey	Prettner Solon	Skogen
Betzold	Erickson Ropes	Lynch	Rest	Sparks
Bonoff	Foley	Marty	Rummel	Stumpf
Carlson	Frederickson	Metzen	Saltzman	Tomassoni
Chaudhary	Higgins	Moua	Saxhaug	Torres Ray
Clark	Kubly	Olseen	Scheid	Vickerman
Cohen	Langseth	Olson, M.	Sheran	Wiger
Dahle	Larson	Pappas	Sieben	

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

Senator Pariseau moved to amend S.F. No. 2869 as follows:

Page 195, after line 16, insert:

"Sec. 2. **SUPERMAJORITY VOTE ON TAX INCREASES.**

Enactment of a law that imposes or authorizes a new tax, increases a tax rate, extends a tax base, extends an expiring tax, or changes a tax policy in a manner that directly causes a net tax revenue gain to the state or a taxing district must be voted for by at least three-fifths of the members of each house of the legislature."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 42, as follows:

Those who voted in the affirmative were:

Day	Gimse	Koch	Ortman	Vandev eer
Dille	Hann	Koering	Pariseau	Wergin
Fischbach	Ingebrigtsen	Limmer	Robling	
Frederickson	Johnson	Michel	Rosen	
Gerlach	Jungbauer	Olson, G.	Senjem	

Those who voted in the negative were:

Anderson	Dahle	Lourey	Rest	Sparks
Bakk	Dibble	Lynch	Rummel	Stumpf
Berglin	Doll	Marty	Saltzman	Tomassoni
Betzold	Foley	Metzen	Saxhaug	Torres Ray
Bonoff	Higgins	Moua	Scheid	Vickerman
Carlson	Kubly	Olseen	Sheran	Wiger
Chaudhary	Langseth	Pappas	Sieben	
Clark	Larson	Pogemiller	Skoe	
Cohen	Latz	Prettner Solon	Skogen	

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

Senator Marty moved to amend S.F. No. 2869 as follows:

Page 117, delete section 10

Pages 121 to 125, delete sections 17 and 18

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 10 and nays 48, as follows:

Those who voted in the affirmative were:

Berglin	Gimse	Ingebrigtsen	Marty	Rummel
Dille	Hann	Limmer	Rest	Torres Ray

Those who voted in the negative were:

Bakk	Fischbach	Langseth	Pogemiller	Skogen
Betzold	Foley	Larson	Robling	Sparks
Bonoff	Frederickson	Latz	Rosen	Stumpf
Carlson	Gerlach	Lourey	Saltzman	Tomassoni
Chaudhary	Higgins	Lynch	Saxhaug	Vandever
Clark	Johnson	Metzen	Scheid	Vickerman
Cohen	Jungbauer	Michel	Senjem	Wergin
Dahle	Koch	Moua	Sheran	Wiger
Day	Koering	Olseen	Sieben	
Dibble	Kubly	Olson, G.	Skoe	

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

Senator Hann moved to amend S.F. No. 2869 as follows:

Page 65, after line 15, insert:

"Sec. 5. Minnesota Statutes 2006, section 290.0674, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** An individual is allowed a credit against the tax imposed by this chapter in an amount equal to 75 percent of the amount paid for education-related expenses for a qualifying child in kindergarten through grade 12. For purposes of this section, "education-related expenses" means:

(1) fees or tuition for instruction by an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5), or a member of the Minnesota Music Teachers Association, and who is

not a lineal ancestor or sibling of the dependent for instruction outside the regular school day or school year, including tutoring, driver's education offered as part of school curriculum, regardless of whether it is taken from a public or private entity or summer camps, in grade or age appropriate curricula that supplement curricula and instruction available during the regular school year, that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the required academic standards under section 120B.021, subdivision 1, and the elective standard under section 120B.022, subdivision 1, clause (2), and that do not include the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship;

(2) expenses for textbooks, including books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(3) a maximum expense of \$200 per family for personal computer hardware, excluding single purpose processors, and educational software that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the required academic standards under section 120B.021, subdivision 1, and the elective standard under section 120B.022, subdivision 1, clause (2), purchased for use in the taxpayer's home and not used in a trade or business regardless of whether the computer is required by the dependent's school; and

(4) the amount paid to others for tuition and transportation of a qualifying child attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A.

For purposes of this section, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2007."

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 20 and nays 43, as follows:

Those who voted in the affirmative were:

Fischbach	Hann	Koch	Olson, G.	Rosen
Frederickson	Ingebrigtsen	Koering	Ortman	Senjem
Gerlach	Johnson	Limmer	Pariseau	Vandever
Gimse	Jungbauer	Michel	Robling	Wergin

Those who voted in the negative were:

Anderson	Dahle	Lourey	Prettner Solon	Skogen
Bakk	Dibble	Lynch	Rest	Sparks
Berglin	Doll	Marty	Rummel	Stumpf
Betzold	Foley	Metzen	Saltzman	Tomassoni
Bonoff	Higgins	Moua	Saxhaug	Torres Ray
Carlson	Kubly	Olseen	Scheid	Vickerman
Chaudhary	Langseth	Olson, M.	Sheran	Wiger
Clark	Larson	Pappas	Sieben	
Cohen	Latz	Pogemiller	Skoe	

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

Senator Vandever moved to amend S.F. No. 2869 as follows:

Page 41, after line 34, insert:

"Sec. 23. Minnesota Statutes 2006, section 273.1384, subdivision 1, is amended to read:

Subdivision 1. **Residential homestead market value credit.** Each county auditor shall determine a homestead credit for each class 1a, 1b, and 2a homestead property within the county equal to ~~0.4~~ 0.33 percent of the first \$76,000 of market value of the property minus .09 percent of the market value in excess of \$76,000. The credit amount may not be less than zero. In the case of an agricultural or resort homestead, only the market value of the house, garage, and immediately surrounding one acre of land is eligible in determining the property's homestead credit. In the case of a property that is classified as part homestead and part nonhomestead, (i) the credit shall apply only to the homestead portion of the property, but (ii) if a portion of a property is classified as nonhomestead solely because not all the owners occupy the property, not all the owners have qualifying relatives occupying the property, or solely because not all the spouses of owners occupy the property, the credit amount shall be initially computed as if that nonhomestead portion were also in the homestead class and then prorated to the owner-occupant's percentage of ownership. For the purpose of this section, when an owner-occupant's spouse does not occupy the property, the percentage of ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

EFFECTIVE DATE. This section is effective for taxes payable in 2009 and thereafter."

Page 46, after line 11, insert:

"Sec. 32. Minnesota Statutes 2006, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. **Refund.** A refund shall be allowed each claimant ~~in the amount that based on the relationship between property taxes payable or rent constituting property taxes exceed the percentage of and the household income of the claimant specified in subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the rent was paid as specified in subdivision 2 or 2a. If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section.~~

EFFECTIVE DATE. This section is effective for claims filed in 2009 and thereafter based on property taxes payable in 2009 and thereafter.

Sec. 33. Minnesota Statutes 2006, section 290A.04, subdivision 2, is amended to read:

Subd. 2. **Homeowners.** (a) A claimant whose property taxes payable are in excess of the percentage of the household income stated below ~~shall pay an amount~~ is eligible for a refund equal to the excess property taxes payable times the percent of income paid by the state shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the under this paragraph must not exceed the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant <u>State</u>	Maximum State Refund
\$0 to 1,189	1.0 percent	15 <u>85</u> percent	\$1,450
1,190 to 2,379	1.1 percent	15 <u>85</u> percent	\$1,450
2,380 to 3,589	1.2 percent	15 <u>85</u> percent	\$1,410
3,590 to 4,789	1.3 percent	20 <u>80</u> percent	\$1,410
4,790 to 5,979	1.4 percent	20 <u>80</u> percent	\$1,360
5,980 to 8,369	1.5 percent	20 <u>80</u> percent	\$1,360
8,370 to 9,559	1.6 percent	25 <u>75</u> percent	\$1,310
9,560 to 10,759	1.7 percent	25 <u>75</u> percent	\$1,310
10,760 to 11,949	1.8 percent	25 <u>75</u> percent	\$1,260
11,950 to 13,139	1.9 percent	30 <u>70</u> percent	\$1,260
13,140 to 14,349	2.0 percent	30 <u>70</u> percent	\$1,210
14,350 to 16,739	2.1 percent	30 <u>70</u> percent	\$1,210
16,740 to 17,929	2.2 percent	35 <u>65</u> percent	\$1,160
17,930 to 19,119	2.3 percent	35 <u>65</u> percent	\$1,160
19,120 to 20,319	2.4 percent	35 <u>65</u> percent	\$1,110
20,320 to 25,099	2.5 percent	40 <u>60</u> percent	\$1,110
25,100 to 28,679	2.6 percent	40 <u>60</u> percent	\$1,070
28,680 to 35,849	2.7 percent	40 <u>60</u> percent	\$1,070
35,850 to 41,819	2.8 percent	45 <u>55</u> percent	\$ 970
41,820 to 47,799	3.0 percent	45 <u>55</u> percent	\$ 970
47,800 to 53,779	3.2 percent	45 <u>55</u> percent	\$ 870
53,780 to 59,749	3.5 percent	50 percent	\$ 780
59,750 to 65,729	4.0 percent	50 percent	\$ 680
65,730 to 69,319	4.0 percent	50 percent	\$ 580
69,320 to 71,719	4.0 percent	50 percent	\$ 480

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71,720 to 74,619	4.0 percent	50 percent	\$ 390
74,620 to 77,519	4.0 percent	50 percent	\$ 290

(b) A claimant shall be eligible for a refund equal to the amount that the claimant's property taxes payable, net of any refund determined under paragraph (a), exceed five percent of household income.

(c) A claimant's property tax refund shall be the sum of the refund amount determined under paragraph (a) and the refund amount determined under paragraph (b).

~~The payment made to a claimant shall be the amount of the state refund calculated under this subdivision.~~

(d) No payment is allowed if the claimant's household income is \$77,520 or more.

EFFECTIVE DATE. This section is effective for claims filed in 2009 and thereafter based on property taxes payable in 2009 and thereafter."

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 28 and nays 34, as follows:

Those who voted in the affirmative were:

Bonoff	Gimse	Koering	Rest	Sheran
Clark	Hann	Limmer	Robling	Vandever
Day	Ingebrigtsen	Marty	Rosen	Vickerman
Dille	Johnson	Michel	Rummel	Wergin
Doll	Jungbauer	Olson, G.	Saltzman	
Gerlach	Koch	Pariseau	Senjem	

Those who voted in the negative were:

Anderson	Dahle	Latz	Pappas	Skogen
Bakk	Dibble	Lourey	Pogemiller	Sparks
Berglin	Foley	Lynch	Prettner Solon	Stumpf
Betzold	Higgins	Metzen	Saxhaug	Tomassoni
Carlson	Kubly	Moua	Scheid	Torres Ray
Chaudhary	Langseth	Olseen	Sieben	Wiger
Cohen	Larson	Olson, M.	Skoe	

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

Senator Senjem moved to amend S.F. No. 2869 as follows:

Page 55, after line 16, insert:

"Section 1. Minnesota Statutes 2006, section 289A.08, is amended by adding a subdivision to read:

Subd. 17. **Voluntary payment forms.** The commissioner must provide a form to allow any taxpayer to voluntarily increase the taxpayer's payment or voluntarily direct the taxpayer's allowable refund as a voluntary payment to the state of Minnesota. The commissioner must provide

information concerning voluntary payments and the appropriate form to use to make a voluntary payment in the same section of the income tax instructions booklet that provides information on payments and refunds. The voluntary payment form and accompanying payment must be filed in the form and manner the commissioner prescribes."

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 30 and nays 33, as follows:

Those who voted in the affirmative were:

Bonoff	Fischbach	Koch	Olseen	Robling
Dahle	Gerlach	Koering	Olson, G.	Saltzman
Day	Gimse	Kubly	Olson, M.	Senjem
Dille	Hann	Latz	Ortman	Vandever
Doll	Ingebrigtsen	Limmer	Pariseau	Vickerman
Erickson Ropes	Jungbauer	Michel	Rest	Wergin

Those who voted in the negative were:

Anderson	Cohen	Marty	Rummel	Sparks
Bakk	Dibble	Metzen	Saxhaug	Stumpf
Berglin	Foley	Moua	Scheid	Tomassoni
Betzold	Higgins	Pappas	Sheran	Torres Ray
Carlson	Langseth	Pogemiller	Sieben	Wiger
Chaudhary	Larson	Prettner Solon	Skoe	
Clark	Lourey	Rosen	Skogen	

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

Senator Vandever moved to amend S.F. No. 2869 as follows:

Pages 93 to 97, delete sections 7 to 18

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 39, as follows:

Those who voted in the affirmative were:

Day	Hann	Koering	Pariseau	Sheran
Dille	Ingebrigtsen	Lynch	Robling	Vandever
Fischbach	Johnson	Michel	Rosen	Wergin
Gerlach	Jungbauer	Olseen	Saltzman	
Gimse	Koch	Ortman	Senjem	

Those who voted in the negative were:

Anderson	Cohen	Larson	Pogemiller	Skogen
Bakk	Dibble	Latz	Prettner Solon	Sparks
Berglin	Doll	Limmer	Rest	Stumpf
Betzold	Foley	Lourey	Rummel	Tomassoni
Bonoff	Frederickson	Metzen	Saxhaug	Torres Ray
Carlson	Higgins	Moua	Scheid	Vickerman
Chaudhary	Kubly	Olson, M.	Sieben	Wiger
Clark	Langseth	Pappas	Skoe	

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

RECONSIDERATION

Having voted on the prevailing side, Senator Limmer moved that the vote whereby the second Vandever amendment to S.F. No. 2869 was not adopted on April 2, 2008, be now reconsidered. The motion prevailed. So the vote was reconsidered.

The question recurred on the adoption of the second Vandever amendment.

The roll was called, and there were yeas 26 and nays 37, as follows:

Those who voted in the affirmative were:

Day	Ingebrigtsen	Lynch	Robling	Vickerman
Dille	Johnson	Michel	Rosen	Wergin
Fischbach	Jungbauer	Olseen	Saltzman	
Gerlach	Koch	Olson, G.	Scheid	
Gimse	Koering	Ortman	Senjem	
Hann	Limmer	Pariseau	Vandever	

Those who voted in the negative were:

Anderson	Cohen	Langseth	Pogemiller	Sparks
Bakk	Dahle	Larson	Prettner Solon	Stumpf
Berglin	Dibble	Latz	Rest	Tomassoni
Betzold	Doll	Lourey	Rummel	Torres Ray
Bonoff	Foley	Metzen	Saxhaug	Wiger
Carlson	Frederickson	Moua	Sheran	
Chaudhary	Higgins	Olson, M.	Skoe	
Clark	Kubly	Pappas	Skogen	

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

Senator Hann moved to amend S.F. No. 2869 as follows:

Page 13, after line 33, insert:

"Sec. 12. Minnesota Statutes 2006, section 477A.013, is amended by adding a subdivision to read:

Subd. 12. **No aid for cities with sanctuary ordinances.** Notwithstanding subdivisions 8 and 9, no city may receive aid under this section if the city has, at the time the aid is certified, an ordinance prohibiting public safety officials from undertaking any law enforcement action for the purpose of detecting the presence of undocumented persons, or to verify immigration status. Any aid that would otherwise go to a city under that section shall be redistributed to other cities under subdivisions 8 and 9.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2009."

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 24 and nays 33, as follows:

Those who voted in the affirmative were:

Day	Gimse	Koch	Ortman	Senjem
Dille	Hann	Koering	Pariseau	Skogen
Fischbach	Ingebrigtsen	Limmer	Robling	Vandever
Frederickson	Johnson	Michel	Rosen	Wergin
Gerlach	Jungbauer	Olson, G.	Saltzman	

Those who voted in the negative were:

Anderson	Cohen	Latz	Pogemiller	Stumpf
Bakk	Dibble	Lourey	Prettner Solon	Tomassoni
Berglin	Foley	Lynch	Rest	Torres Ray
Betzold	Higgins	Marty	Saxhaug	Vickerman
Bonoff	Kubly	Metzen	Scheid	Wiger
Chaudhary	Langseth	Moua	Sieben	
Clark	Larson	Pappas	Skoe	

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

Senator Rosen moved to amend S.F. No. 2869 as follows:

Page 116, delete section 8

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 32 and nays 33, as follows:

Those who voted in the affirmative were:

Clark	Gimse	Langseth	Pariseau	Stumpf
Day	Hann	Limmer	Robling	Vandever
Dille	Ingebrigtsen	Lynch	Rosen	Vickerman
Erickson Ropes	Johnson	Michel	Senjem	Wergin
Fischbach	Koch	Olseen	Sheran	
Frederickson	Koering	Olson, G.	Skogen	
Gerlach	Kubly	Olson, M.	Sparks	

Those who voted in the negative were:

Anderson	Cohen	Latz	Pogemiller	Sieben
Bakk	Dahle	Lourey	Prettner Solon	Skoe
Berglin	Dibble	Marty	Rest	Tomassoni
Betzold	Doll	Metzen	Rummel	Torres Ray
Bonoff	Foley	Moua	Saltzman	Wiger
Carlson	Higgins	Ortman	Saxhaug	
Chaudhary	Larson	Pappas	Scheid	

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

Senator Rosen moved to amend S.F. No. 2869 as follows:

Page 116, delete section 8

Page 195, after line 9, insert:

"Section 1. Minnesota Statutes 2006, section 116J.03, is amended by adding a subdivision to read:

Subd. 4. **Targeted rural opportunity community.** "Targeted rural opportunity community" means a city or township in a county that either lost population from 1980 to 2000 according to the decennial census or had an unemployment rate higher than the Minnesota state annual average in 2006 according to local area unemployment statistics published by the Department of Employment and Economic Development.

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

Sec. 2. Minnesota Statutes 2007 Supplement, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (1) state and federal agencies specifically authorized access to the data by state or federal law;
- (2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;
- (3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;
- (4) the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;
- (5) human rights agencies within Minnesota that have enforcement powers;
- (6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;
- (7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;
- (8) the Department of Labor and Industry and the Division of Insurance Fraud Prevention in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;
- (9) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program by providing data on recipients and former recipients of food stamps or food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;
- (10) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;
- (11) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal

investigation;

(12) the United States Citizenship and Immigration Services has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(13) the Department of Health for the purposes of epidemiologic investigations; ~~and~~

(14) the Department of Corrections for the purpose of postconfinement employment tracking of individuals who had been committed to the custody of the commissioner of corrections; and

(15) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

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

Sec. 3. Minnesota Statutes 2006, section 270B.15, is amended to read:

270B.15 DISCLOSURE TO LEGISLATIVE AUDITOR AND STATE AUDITOR.

(a) Returns and return information must be disclosed to the legislative auditor to the extent necessary for the legislative auditor to carry out sections 3.97 to 3.979.

(b) The commissioner must disclose return information, including the report required under section 289A.12, subdivision 15, to the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.

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

Sec. 4. Minnesota Statutes 2006, section 289A.12, is amended by adding a subdivision to read:

Subd. 15. Report of job opportunity zone benefits; penalty for failure to file report. (a) By October 15 of each year, every qualified business, as defined under section 469.310, subdivision 11, must file with the commissioner, on a form prescribed by the commissioner, a report listing the tax benefits under section 469.315 received by the business for the previous year.

(b) The commissioner shall send notice to each business that fails to timely submit the report required under paragraph (a). The notice shall demand that the business submit the report within 60 days. Where good cause exists, the commissioner may extend the period for submitting the report as long as a request for extension is filed by the business before the expiration of the 60-day period. The commissioner shall notify the commissioner of the Department of Employment and Economic Development and the appropriate job opportunity subzone administrator whenever notice is sent to

a business under this paragraph.

(c) A business that fails to submit the report as required under paragraph (b) is no longer a qualified business under section 469.310, subdivision 11, and is subject to the repayment provisions of section 469.319.

EFFECTIVE DATE. This section is effective beginning with reports required to be filed October 15, 2008.

Sec. 5. Minnesota Statutes 2006, section 469.310, subdivision 11, is amended to read:

Subd. 11. **Qualified business.** (a) A person carrying on a trade or business at a place of business located within a job opportunity building zone is a qualified business for the purposes of sections 469.310 to 469.320 according to the criteria in paragraphs (b) to ~~(f)~~ (g).

(b) A person is a qualified business only on those parcels of land for which the person has entered into a business subsidy agreement, as required under ~~section~~ sections 469.3102 and 469.313, with the appropriate local government unit in which the parcels are located.

~~(c) Prior to execution of the business subsidy agreement, the local government unit must consider the following factors:~~

- ~~(1) how wages compare to the regional industry average;~~
- ~~(2) the number of jobs that will be provided relative to overall employment in the community;~~
- ~~(3) the economic outlook for the industry the business will engage in;~~
- ~~(4) sales that will be generated from outside the state of Minnesota;~~
- ~~(5) how the business will build on existing regional strengths or diversify the regional economy;~~
- ~~(6) how the business will increase capital investment in the zone; and~~
- ~~(7) any other criteria the commissioner deems necessary.~~

~~(d)~~ (c) A person that relocates a trade or business from outside a job opportunity building zone into a zone is not a qualified business unless the business meets all of the requirements of ~~paragraphs~~ paragraph (b) and ~~(e)~~ and:

(1) increases full-time employment in the first full year of operation within the job opportunity building zone by a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; and

(2) enters a ~~binding written agreement with the commissioner~~ business subsidy agreement that:

(i) pledges the business will meet the requirements of clause (1);

(ii) provides for repayment of all tax benefits enumerated under section 469.315 to the business under the procedures in section 469.319, if the requirements of clause (1) are not met for the taxable year or for taxes payable during the year in which the requirements were not met; and

(iii) contains any other terms the commissioner determines appropriate.

~~(e)~~ (d) The commissioner may waive the requirements under paragraph ~~(d)~~ (c), clause (1), if the commissioner determines that the qualified business will substantially achieve the factors under this subdivision.

~~(f)~~ (e) A business is not a qualified business if, at its location or locations in the zone, the business is primarily engaged in making retail sales to purchasers who are physically present at the business's zone location.

~~(g)~~ (f) A qualifying business must pay each employee compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

~~(h)~~ (g) A public utility, as defined in section 336B.01, is not a qualified business.

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

Sec. 6. [469.3101] STATE REVIEW CRITERIA.

(a) The commissioner may only approve a business subsidy agreement after considering:

(1) whether the business has local or Minnesota competitors that will be significantly and adversely effected by the business subsidy agreement;

(2) whether the proposed job creation, job retention, and capital investment is commensurate with the estimated tax benefits provided to the business by participating in JOBZ; and

(3) whether other financial assistance is available.

(b) Additionally, the commissioner may only approve a business subsidy agreement after considering if without the estimated tax benefits, the business:

(1) would not have expanded or began operations within Minnesota;

(2) would not have relocated from outside the state to Minnesota; or

(3) would have moved to another state or expanded in another state rather than remaining or expanding in Minnesota.

(c) The local government unit and the qualified business must provide the commissioner with the information that the commissioner needs to review a business subsidy agreement under paragraphs (a) and (b). The information must be in the form and manner required by the commissioner.

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

Sec. 7. [469.3102] BUSINESS SUBSIDY AGREEMENTS; REPORTS.

Subdivision 1. **JOBZ business subsidy agreement.** A business subsidy agreement required under section 469.310, subdivision 11, paragraph (b), must comply with this section.

Subd. 2. **Business subsidy agreement requirements.** A business subsidy agreement is not effective until the commissioner has approved the agreement in writing. The commissioner may not approve an agreement that violates sections 116J.993 to 116J.995 or 469.310 to 469.3201. The commissioner may not approve an agreement unless:

(1) the qualified business is required to create or retain a minimum number of jobs;

(2) the agreement defines "jobs" for purposes of determining compliance with wage and job goals as all jobs and only those jobs that constitute "employment" for purposes of state unemployment insurance;

(3) the qualified business is required to report all jobs created or retained because of JOBZ as a separate business location for purposes of section 268.044; and

(4) the qualified business agrees to provide the appropriate data practices release so that the commissioner of revenue and the commissioner of employment and economic development can monitor compliance with the terms of the agreement.

Subd. 3. **Standard agreement.** The commissioner must develop and require the use of a standard business subsidy agreement that imposes definitive and enforceable obligations on the qualified business.

Subd. 4. **Business subsidy reports.** (a) A local government unit must annually report to the commissioner on the progress of the qualified business in meeting the goals listed in the business subsidy agreement. The report must be filed with the commissioner within 30 days of the end of the immediately preceding yearly period for which job creation, job retention, or investment obligations are imposed on a business and must be in a form prescribed by the commissioner. The commissioner must schedule department compliance reviews and reporting dates under business subsidy agreements so that reports are due throughout the year and compliance reviews are done on a continuous basis as reports are filed.

(b) The commissioner must hold a qualified business out of compliance or remove the business from the program if the qualified business fails to provide the information requested by the local government unit for the report under paragraph (a) within 30 days of written notice that the information is overdue. This report is in lieu of the reports required under section 116J.994, subdivisions 7 and 8.

Subd. 5. **Public notice and hearing.** A local government unit must provide public notice and hearing as required under section 116J.994, subdivision 5, before approving a business subsidy agreement. Public notice of a proposed business subsidy agreement must be published in a local newspaper of general circulation. The public hearing must be held in a location specified by the local government unit. Notwithstanding the requirements of section 116J.994, subdivision 5, the commissioner is not required to provide an additional public notice and hearing when entering into a business subsidy agreement with a local government unit and a qualified business.

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

Sec. 8. Minnesota Statutes 2006, section 469.312, subdivision 5, is amended to read:

Subd. 5. **Duration limit.** (a) The maximum duration of a zone is 12 years. The applicant may request a shorter duration. The commissioner may specify a shorter duration, regardless of the requested duration.

(b) The duration limit under this subdivision and the duration of the zone for purposes of allowance of tax incentives described in section 469.315 is extended by three calendar years for each parcel of property that meets the following requirements:

(1) the qualified business operates an ethanol plant, as defined in section 41A.09, on the site that includes the parcel; and

(2) the business subsidy agreement was executed after April 30, 2006.

(c) (1) Notwithstanding the 12-year zone limitation, all qualified businesses that sign a business subsidy agreement, as required under sections 469.310, subdivision 11, and 469.313, before December 31, 2015, are entitled to claim the tax benefits for which they qualify under section 469.315 for the year in which the business subsidy agreement is signed and ten additional years.

(2) Notwithstanding the 12-year zone limitation, all qualified businesses that sign a business subsidy agreement, as required under sections 469.310, subdivision 11, and 469.313, before December 31, 2015, and are located in a targeted rural opportunity community, as defined under section 116J.03, subdivision 4, are entitled to claim the tax benefits for which they qualify under section 469.315 for the year in which the business subsidy agreement is signed and 12 additional years.

(3) This paragraph does not apply to:

(i) any acreage designated as a job opportunity building zone for which any person has fully executed a business subsidy agreement before this paragraph became effective; or

(ii) any trade or business that relocated as defined in section 469.310, subdivision 12, and received benefits under section 469.315 prior to the relocation.

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

Sec. 9. Minnesota Statutes 2006, section 469.3201, is amended to read:

469.3201-JOBZ EXPENDITURE LIMITATIONS; AUDITS STATE AUDITOR; AUDITS OF JOB OPPORTUNITY BUILDING ZONES AND BUSINESS SUBSIDY AGREEMENTS.

The Tax Increment Financing, Investment and Finance Division of the Office of the State Auditor must annually audit the creation and operation of all job opportunity building zones and business subsidy agreements entered into under Minnesota Statutes, sections 469.310 to 469.320. To the extent necessary to perform this audit, the state auditor may request from the commissioner of revenue tax return information of taxpayers who are eligible to receive tax benefits authorized under section 469.315. To the extent necessary to perform this audit, the state auditor may request from the commissioner of employment and economic development wage detail report information required under section 268.044 of taxpayers eligible to receive tax benefits authorized under section 469.315.

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

Page 195, after line 16, insert:

"Sec. 11. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change the term "applicant" or similar terms to "local government unit" or similar terms wherever the term appears in Minnesota Statutes, sections 469.310 to 469.3201 and in any other sections referring to the JOBZ program. The revisor shall also make grammatical changes related to the changes in terms.

Sec. 12. **REPEALER.**

Minnesota Statutes 2006, section 469.310, subdivision 3, is repealed."

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 32 and nays 34, as follows:

Those who voted in the affirmative were:

Clark	Gimse	Kubly	Pariseau	Sparks
Day	Hann	Langseth	Prettner Solon	Stumpf
Dille	Ingebrigtsen	Lynch	Robling	Vickerman
Erickson Ropes	Johnson	Michel	Rosen	Wergin
Fischbach	Jungbauer	Olseen	Senjem	
Frederickson	Koch	Olson, G.	Sheran	
Gerlach	Koering	Olson, M.	Skogen	

Those who voted in the negative were:

Anderson	Cohen	Latz	Pappas	Sieben
Bakk	Dahle	Limmer	Pogemiller	Skoe
Berglin	Dibble	Lourey	Rest	Tomassoni
Betzold	Doll	Marty	Rummel	Torres Ray
Bonoff	Foley	Metzen	Saltzman	Vanderveer
Carlson	Higgins	Moua	Saxhaug	Wiger
Chaudhary	Larson	Ortman	Scheid	

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

Senator Rosen moved to amend S.F. No. 2869 as follows:

Page 65, after line 15, insert:

"Sec. 5. Minnesota Statutes 2006, section 290.0672, subdivision 2, is amended to read:

Subd. 2. **Credit.** A taxpayer is allowed a credit against the tax imposed by this chapter for long-term care insurance policy premiums paid during the tax year. The credit for each policy equals 25 percent of premiums paid to the extent not deducted in determining federal taxable income. A taxpayer may claim a credit for only one policy for each qualified beneficiary. A maximum of ~~\$100~~ \$1,000 applies to each qualified beneficiary. The maximum total credit allowed per year is ~~\$200~~ \$2,000 for married couples filing joint returns and ~~\$100~~ \$1,000 for all other filers. For a nonresident or part-year resident, the credit determined under this section must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2007."

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 29 and nays 34, as follows:

Those who voted in the affirmative were:

Day	Gerlach	Koch	Olson, M.	Sheran
Dille	Gimse	Koering	Ortman	Skogen
Doll	Hann	Limmer	Pariseau	Vandever
Erickson Ropes	Ingebrigtsen	Metzen	Robling	Vickerman
Fischbach	Johnson	Michel	Rosen	Wergin
Frederickson	Jungbauer	Olson, G.	Senjem	

Those who voted in the negative were:

Anderson	Cohen	Larson	Prettner Solon	Skoe
Bakk	Dahle	Latz	Rest	Sparks
Berglin	Dibble	Lourey	Rummel	Stumpf
Betzold	Foley	Moua	Saltzman	Tomassoni
Carlson	Higgins	Olseen	Saxhaug	Torres Ray
Chaudhary	Kubly	Pappas	Scheid	Wiger
Clark	Langseth	Pogemiller	Sieben	

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

Senator Senjem moved to amend S.F. No. 2869 as follows:

Page 17, after line 4, insert:

"Sec. 2. Minnesota Statutes 2007 Supplement, section 126C.21, subdivision 3, is amended to read:

Subd. 3. **County apportionment deduction.** Each year the amount of money apportioned to a district for that year pursuant to ~~sections~~ section 127A.34, subdivision 2, ~~and 272.029, subdivision 6,~~ must be deducted from the general education aid earned by that district for the same year or from aid earned from other state sources.

EFFECTIVE DATE. This section is effective the day following final enactment for revenue for fiscal year 2009."

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 30 and nays 33, as follows:

Those who voted in the affirmative were:

Bonoff	Frederickson	Jungbauer	Olson, M.	Rummel
Dahle	Gerlach	Koch	Ortman	Senjem
Day	Gimse	Koering	Pariseau	Skogen
Dille	Hann	Limmer	Rest	Sparks
Erickson Ropes	Ingebrigtsen	Michel	Robling	Vandever
Fischbach	Johnson	Olson, G.	Rosen	Wergin

Those who voted in the negative were:

Bakk	Chaudhary	Foley	Larson	Moua
Berglin	Clark	Higgins	Latz	Murphy
Betzold	Cohen	Kubly	Lourey	Olseen
Carlson	Doll	Langseth	Metzen	Pappas

Pogemiller
Prettner Solon
Saltzman

Saxhaug
Scheid
Sheran

Sieben
Skoe
Stumpf

Tomassoni
Torres Ray
Vickerman

Wiger

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

Senator Ortman moved to amend S.F. No. 2869 as follows:

Page 58, line 4, strike everything after "service"

Page 58, line 5, strike everything before the period

Page 58, line 7, after the semicolon, insert "or"

Page 58, line 8, strike everything after the semicolon

Page 58, strike lines 9 to 17

Page 58, line 18, strike "(13)" and insert "(12)"

Page 58, line 30, strike "(14)" and insert "(13)"

Page 59, line 3, strike "(15)" and insert "(14)"

Page 59, line 7, strike "(16)" and insert "(15)"

Page 59, line 8, delete "and"

Page 59, line 9, delete "(17)" and insert "(16)"

Page 59, line 12, strike the period and insert "; and"

Page 59, after line 12, insert:

"(17) to the extent included in federal taxable income, for taxable years beginning after December 31, 2008, a percentage of compensation received from a pension or other retirement pay from the government for service in the armed forces of the United States. For taxable years beginning after December 31, 2008, and before January 1, 2010, the percentage is 25 percent up to a maximum subtraction of \$7,500; for taxable years beginning after December 31, 2009, and before January 1, 2011, the percentage is 50 percent up to a maximum subtraction of \$15,000; for taxable years beginning after December 31, 2010, and before January 1, 2012, the percentage is 75 percent up to a maximum subtraction of \$22,500; and for taxable years beginning after December 31, 2011, the percentage is 100 percent up to a maximum subtraction of \$30,000."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 31, as follows:

Those who voted in the affirmative were:

Day
Dille
Doll
Erickson Ropes
Fischbach
Frederickson
Gerlach

Gimse
Hann
Ingebrigtsen
Johnson
Jungbauer
Koch
Koering

Kubly
Limmer
Michel
Olseen
Olson, G.
Olson, M.
Ortman

Pariseau
Robling
Rosen
Saltzman
Senjem
Sheran
Vandevier

Vickerman
Wergin
Wiger

Those who voted in the negative were:

Bakk	Dibble	Marty	Rummel	Stumpf
Berglin	Foley	Metzen	Saxhaug	Tomassoni
Betzold	Higgins	Moua	Scheid	Torres Ray
Chaudhary	Langseth	Murphy	Sieben	
Clark	Larson	Pappas	Skoe	
Cohen	Latz	Pogemiller	Skogen	
Dahle	Lourey	Rest	Sparks	

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

RECONSIDERATION

Having voted on the prevailing side, Senator Bakk moved that the vote whereby the Ortman amendment to S.F. No. 2869 was not adopted April 2, 2008, be now reconsidered.

The question was taken on the adoption of the motion.

Senator Pogemiller moved to close the roll. The motion prevailed.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Bonoff	Gerlach	Kubly	Ortman	Vandever
Clark	Gimse	Langseth	Pariseau	Vickerman
Day	Hann	Limmer	Pogemiller	Wergin
Dille	Ingebrigtsen	Metzen	Robling	Wiger
Fischbach	Jungbauer	Michel	Rosen	
Foley	Koch	Olseen	Saltzman	
Frederickson	Koering	Olson, G.	Senjem	

Those who voted in the negative were:

Anderson	Dahle	Lourey	Prettner Solon	Skogen
Bakk	Dibble	Lynch	Rest	Sparks
Berglin	Doll	Marty	Rummel	Stumpf
Betzold	Erickson Ropes	Moua	Saxhaug	Tomassoni
Carlson	Higgins	Murphy	Sheran	Torres Ray
Chaudhary	Larson	Olson, M.	Sieben	
Cohen	Latz	Pappas	Skoe	

The motion did not prevail.

Senator Ortman moved to amend S.F. No. 2869 as follows:

Page 58, line 4, strike everything after "service"

Page 58, line 5, strike everything before the period

Page 58, line 7, after the semicolon, insert "or"

Page 58, line 8, strike everything after the semicolon

Page 58, strike lines 9 to 17

Page 58, line 18, strike "(13)" and insert "(12)"

Page 58, line 30, strike "(14)" and insert "(13)"

Page 59, line 3, strike "(15)" and insert "(14)"

Page 59, line 7, strike "(16)" and insert "(15)"

Page 59, line 8, delete "and"

Page 59, line 9, delete "(17)" and insert "(16)"

Page 59, line 12, strike the period and insert "; and"

Page 59, after line 12, insert:

"(17) to the extent included in federal taxable income, for taxable years beginning after December 31, 2009, a percentage of compensation received from a pension or other retirement pay from the government for service in the armed forces of the United States. For taxable years beginning after December 31, 2009, and before January 1, 2011, the percentage is 25 percent up to a maximum subtraction of \$7,500; for taxable years beginning after December 31, 2010, and before January 1, 2012, the percentage is 50 percent up to a maximum subtraction of \$15,000; for taxable years beginning after December 31, 2011, and before January 1, 2013, the percentage is 75 percent up to a maximum subtraction of \$22,500; and for taxable years beginning after December 31, 2012, the percentage is 100 percent up to a maximum subtraction of \$30,000."

Page 59, line 14, before the period, insert "except changes to clauses (11) and (17) are effective for taxable years beginning after December 31, 2009"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 36, as follows:

Those who voted in the affirmative were:

Carlson	Frederickson	Koch	Olson, M.	Senjem
Day	Gerlach	Koering	Ortman	Sheran
Dille	Gimse	Kubly	Pariseau	Vandev eer
Doll	Hann	Limmer	Robling	Vickerman
Erickson Ropes	Ingebrigtsen	Michel	Rosen	Wergin
Fischbach	Jungbauer	Olson, G.	Saltzman	Wiger

Those who voted in the negative were:

Anderson	Dahle	Lynch	Prettner Solon	Sparks
Bakk	Dibble	Marty	Rest	Stumpf
Berglin	Foley	Metzen	Rummel	Tomassoni
Betzold	Higgins	Moua	Saxhaug	Torres Ray
Bonoff	Langseth	Murphy	Scheid	
Chaudhary	Larson	Olseen	Sieben	
Clark	Latz	Pappas	Skoe	
Cohen	Lourey	Pogemiller	Skogen	

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

The question was taken on the recommendation to pass S.F. No. 2869.

The roll was called, and there were yeas 40 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Carlson	Clark	Dahle
Bakk	Betzold	Chaudhary	Cohen	Dibble

Doll	Larson	Murphy	Rosen	Sparks
Erickson Ropes	Latz	Olseen	Saxhaug	Stumpf
Foley	Lourey	Olson, M.	Sheran	Tomassoni
Higgins	Lynch	Pappas	Sieben	Torres Ray
Kubly	Metzen	Pogemiller	Skoe	Vickerman
Langseth	Moua	Prettner Solon	Skogen	Wiger

Those who voted in the negative were:

Bonoff	Gimse	Koering	Pariseau	Senjem
Day	Hann	Limmer	Rest	Vandev eer
Dille	Ingebrigtsen	Marty	Robling	Wergin
Fischbach	Johnson	Michel	Rummel	
Frederickson	Jungbauer	Olson, G.	Saltzman	
Gerlach	Koch	Ortman	Scheid	

The motion prevailed. So S.F. No. 2869 was recommended to pass.

H.F. No. 3708, which the committee recommends to pass, subject to the following motions:

Senator Hann moved that the amendment made to H.F. No. 3708 by the Committee on Rules and Administration in the report adopted April 1, 2008, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Hann moved to amend H.F. No. 3708 as follows:

Page 25, after line 24, insert:

"Sec. 21. Minnesota Statutes 2006, section 149A.01, subdivision 4, is amended to read:

Subd. 4. **Nonlimiting.** (a) Nothing in this chapter shall be construed to limit the powers granted to the commissioner of health, commissioner of commerce, state attorney general, or a county attorney in any other statute, law, or rule, except as described in paragraph (b).

(b) A county, within its jurisdiction as a coroner or medical examiner, may establish transportation standards for transporting a dead human body from the death scene to the place where an autopsy is to be conducted, so long as the standards do not specifically require that the transporter be a licensed funeral director."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

On motion of Senator Pogemiller, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 380, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 380 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 2, 2008

CONFERENCE COMMITTEE REPORT ON H. F. NO. 380

A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale of state bonds; canceling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.32, by adding a subdivision; 16B.325; 16B.335, subdivision 2; 103D.335, subdivision 17; 116.155, subdivisions 2, 3; 116J.423, by adding a subdivision; 119A.45; 462A.21, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 16A.695, subdivision 3; 103G.222, subdivision 1; Laws 1997, chapter 21, section 1; Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 17; 23, subdivisions 8, 11, as amended, 16; Laws 2006, chapter 258, sections 7, subdivisions 7, 11, 22; 16, subdivision 5; 21, subdivisions 6, 14, 15; 23, subdivision 3; Laws 2006, chapter 282, article 11, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 116; 137; 462A.

March 31, 2008

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 380 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 380 be further amended as follows:

Delete everything after the enacting clause and insert:

"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, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

<u>University of Minnesota</u>	\$	<u>131,166,000</u>
<u>Minnesota State Colleges and Universities</u>		<u>280,935,000</u>
<u>Education</u>		<u>19,740,000</u>
<u>Minnesota State Academies</u>		<u>2,800,000</u>
<u>Perpich Center for Arts Education</u>		<u>355,000</u>
<u>Natural Resources</u>		<u>104,805,000</u>
<u>Pollution Control Agency</u>		<u>30,000,000</u>
<u>Board of Water and Soil Resources</u>		<u>30,475,000</u>
<u>Agriculture</u>		<u>20,000</u>
<u>Zoological Garden</u>		<u>2,500,000</u>
<u>Administration</u>		<u>15,725,000</u>
<u>Minnesota Amateur Sports Commission</u>		<u>7,725,000</u>
<u>Military Affairs</u>		<u>6,000,000</u>
<u>Public Safety</u>		<u>13,135,000</u>
<u>Transportation</u>		<u>65,700,000</u>
<u>Metropolitan Council</u>		<u>139,200,000</u>
<u>Human Services</u>		<u>9,505,000</u>
<u>Veterans Affairs</u>		<u>11,282,000</u>
<u>Corrections</u>		<u>32,000,000</u>
<u>Employment and Economic Development</u>		<u>143,125,000</u>
<u>Public Facilities Authority</u>		<u>49,800,000</u>
<u>Housing Finance Agency</u>		<u>1,000,000</u>
<u>Minnesota Historical Society</u>		<u>9,594,000</u>
<u>Bond Sale Expenses</u>		<u>998,000</u>
<u>Cancellations</u>		<u>(27,100,000)</u>
<u>Lewis and Clark</u>		<u>5,282,000</u>

<u>TOTAL</u>	<u>\$ 1,085,767,000</u>
<u>Bond Proceeds Fund (General Fund Debt Service)</u>	<u>934,098,000</u>
<u>Bond Proceeds Fund (User Financed Debt Service)</u>	<u>72,512,000</u>
<u>Maximum Effort School Loan Fund</u>	<u>16,000,000</u>
<u>State Transportation Fund</u>	<u>2,000,000</u>
<u>Remediation Fund</u>	<u>25,000,000</u>
<u>General Fund</u>	<u>15,057,000</u>
<u>Trunk Highway Fund</u>	<u>48,200,000</u>
<u>Bond Proceeds Cancellations</u>	<u>(27,100,000)</u>

APPROPRIATIONSSec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation** **\$ 131,166,000**

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)** 35,000,000

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

Subd. 3. **Twin Cities Campus**

(a) **Science Teaching and Student Services** 48,333,000

To design, construct, furnish, and equip a new science teaching and student services building on the Twin Cities campus near the Washington Avenue Bridge. This appropriation includes money to demolish the existing Science Classroom Building and to construct infrastructure required to serve the new building.

(b) **Bell Museum of Natural History** 24,000,000

To complete design and to construct, furnish, and equip a new Bell Museum of Natural History on the St. Paul campus.

Subd. 4. Duluth Campus**Civil Engineering Addition**10,000,000

To design, construct, furnish, and equip an addition to Voss-Kovach Hall on the University of Minnesota Duluth campus for the Department of Civil Engineering. The addition will include teaching laboratories, research laboratories, classrooms, and administrative offices.

Subd. 5. Morris Campus**Community Services Building Renovation**5,000,000

To design, construct, furnish, and equip a renovation of the Community Services Building on the University of Minnesota Morris campus to serve as the campus gateway center. This appropriation includes money to improve infrastructure required to serve the renovated building.

Subd. 6. Research and Outreach Centers3,500,000**(a) Northwest Research and Outreach Center, Crookston**

To design, construct, furnish, and equip a new maintenance and farm support facility.

(b) West Central Research and Outreach Center, Morris

To construct, furnish, and equip an addition to the administration building for research in renewable energy.

Subd. 7. Classroom Renewal2,000,000

To renovate classrooms, including classroom technology and accessibility, on the Crookston, Duluth, Morris, and Twin Cities campuses.

Subd. 8. Laboratory Renovation3,333,000

To renovate research laboratories on the Crookston, Duluth, Morris, and Twin Cities campuses.

Subd. 9. University Share

Except for Higher Education Asset Preservation and Replacement (HEAPR) under subdivision 2, 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. 10. Unspent Appropriations

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, 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 and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means and Finance Committees 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

\$ 280,935,000

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

55,000,000

For the purposes specified in Minnesota Statutes, section 135A.046, including safety and statutory compliance, building envelope integrity, mechanical systems, and space

restoration.

Subd. 3. Alexandria Technical College

Law Enforcement Center

10,500,000

To complete design of and construct, furnish, and equip a new Law Enforcement Center and renovate, furnish, and equip classroom and laboratory space.

Subd. 4. Anoka Ramsey Community College, Coon Rapids

Classrooms and Laboratories

3,800,000

To design, construct, furnish, and equip an academic addition for classrooms and offices, and to design Phase 2 renovation of the Fine Arts Classroom and Laboratory Building.

Subd. 5. Bemidji State University

Sattgast Science Building Addition and Renovation

8,900,000

To construct, furnish, and equip an addition to and renovation of Sattgast Hall for biology and chemistry labs, science classrooms, and associated spaces, and to demolish the Peters Aquatics Lab.

Subd. 6. Century College

Classroom and Student Support Space Renovation

7,900,000

To design, renovate, furnish, and equip Phase 2 of the science and library project to renovate existing spaces for classrooms, labs and offices.

Subd. 7. Dakota County Technical College

Transportation and Emerging Technologies Labs

200,000

To design the relocation and renovation of transportation and emerging technologies classrooms, laboratories, and related spaces.

Subd. 8. Hennepin Technical College

Science Addition and Library and Student Service Design2,400,000

To design, renovate, furnish, and equip existing space at the Eden Prairie campus for science labs and shared classrooms, and to design a renovation of existing space at the Brooklyn Park and Eden Prairie campuses for a library and student services.

Subd. 9. Inver Hills Community College**Classroom Addition and Renovation**13,200,000

To construct, furnish, and equip a classroom addition to and renovation of the Fine Arts Building, to include classrooms, teaching labs, and a renovated auditorium. This appropriation includes funding to demolish obsolete space in the building. College funds may be added to this appropriation up to a total project cost of \$13,450,000.

Subd. 10. Lake Superior Community and Technical College**Health and Science Center Addition**11,000,000

To complete design of and to construct, furnish, and equip an addition to the Health and Science Center and to renovate existing spaces.

Subd. 11. Mesabi Range Community and Technical College, Eveleth**Carpentry and Industrial Mechanical Technology and Shops**5,000,000

To construct, furnish and equip shop space for the industrial mechanical technology and carpentry programs. This appropriation includes funding for renovation of existing space for ADA compliance.

Subd. 12. Metropolitan State University**(a) Smart Classroom Center**4,980,000

To construct, furnish, and equip renovation of two floors of technology-enhanced classrooms and academic offices in the power plant building. This appropriation includes money to demolish the power plant annex to enable the new construction.

(b) Law Enforcement Training Center

13,900,000

To compete design of and to construct, furnish, and equip, in cooperation with Minneapolis Community and Technical College, a colocated Law Enforcement Training Center on the campus of Hennepin Technical College in Brooklyn Park.

Subd. 13. Minneapolis Community and Technical College

Workforce Program Space

400,000

To design renovation of instructional space, support space, and infrastructure for workforce programs.

Subd. 14. Minnesota State University, Mankato

Trafton Science Center Renovation

25,500,000

To construct, furnish, and equip a renovation of south and center sections of Trafton Science Center. This appropriation includes money to replace the roof and upgrade exterior masonry and an outdoor plaza.

Subd. 15. Minnesota State University, Moorhead

(a) Lommen Hall Renovation

13,100,000

To complete design of and to construct, furnish, and equip renovation of Lommen Hall and construct an addition to the basement.

(b) Livingston Lord Library

400,000

To design renovation of the Livingston Lord Library.

Subd. 16. Minnesota West Community and Technical College, Worthington

Fieldhouse Renovation

450,000

To design renovation of and an addition to the Fieldhouse.

Subd. 17. Moorhead Community and Technology College

Trades Addition and Library Design

2,500,000

To design, construct, furnish and equip an addition for the mechanical construction trades, and to design a classroom-library addition.

Subd. 18. Normandale Community College

Classroom Addition and Renovation

7,000,000

To complete design of and to construct, furnish, and equip an addition to and renovation of the Health and Wellness Building for classrooms, laboratories, and related offices, and to renovate, furnish, and equip the Athletics Building for classrooms and related space. This appropriation includes funding to install an elevator to make the building ADA accessible.

Subd. 19. North Hennepin Community College

(a) Center for Business and Technology

13,300,000

To construct, furnish, and equip an addition to the Center for Business and Technology and to renovate the center for classrooms and related space.

(b) Science, Technology, Engineering, and Math Facilities

900,000

To design for construction and renovation of facilities at both North Hennepin Community College and Anoka Ramsey Community College, Coon Rapids, to support Science

Technology Engineering and Math (STEM)
program initiatives.

**Subd. 20. Northland Community and Technical
College, East Grand Forks**

**Nursing, Health Care, and Learning Resources
Center**

7,800,000

To construct, furnish, and equip a nursing
addition and renovate spaces for allied health
laboratories, library, learning resource center,
student commons, bookstore, classrooms,
ancillary spaces, and boiler system expansion.

Subd. 21. Owatonna College and University Center

Property Acquisition

3,500,000

To acquire the Owatonna College and
University Center Building in Steele County,
including the purchase of adjacent vacant
land.

Subd. 22. Ridgewater College, Willmar

Technical Instruction Design and Construction

3,500,000

To design, construct, furnish, and equip
new instructional space, including "smart"
classrooms, and to renovate, furnish, and
equip existing instructional space. This
appropriation includes money to demolish
outdated structures.

**Subd. 23. Rochester Community and Technical
College**

Workforce Center Colocation

200,000

To design an addition to the Heintz Center for
colocation of a workforce center, a career and
technical education center, and for classroom
renovation. The college may use additional
resources to complete the design.

Subd. 24. South Central College, Faribault

Classroom Renovation and Addition400,000

To design demolition of obsolete space, a small addition, and renovation of remaining space for classrooms, a learning resource center, and laboratories.

Subd. 25. St. Cloud State University**(a) Brown Science Hall Renovation**14,800,000

To complete design of and to construct, furnish, and equip a renovation of Brown Hall for classrooms, science laboratories, and other instructional and ancillary spaces. This appropriation includes funding to reglaze the existing skyway from the building and to construct a new skyway to Centennial Hall.

(b) Science and Engineering Lab900,000

To design an integrated science and engineering laboratory and student and academic support building.

Subd. 26. St. Cloud Technical College**Allied Health Center Renovation**200,000

To design renovation of the Allied Health Center.

Subd. 27. St. Paul College**Transportation and Applied Technology Laboratories and Shops**13,500,000

To construct, furnish, and equip the renovation of classrooms, the transportation and applied technology and trades laboratories on the ground floor, and an expansion of the truck mechanics shop.

Subd. 28. Southwest Minnesota State University**(a) Science and Hotel and Restaurant Laboratories**9,000,000

To complete design of and to construct,

furnish, and equip renovation of laboratories in the Science and Technology Building, laboratories and a classroom in the Science and Math Building, and hotel and restaurant industries teaching laboratories in the Individualized Learning Center.

(b) Science Laboratory Renovation

200,000

To design renovation of the science laboratories and an addition to the Plant Science Learning Center in the Science and Math Building.

Subd. 29. Winona State University

Memorial Hall

8,400,000

To construct, furnish, and equip an addition to Memorial Hall and renovation of vacated spaces at Gildemeister Hall. The board may use nonstate money for the remainder of the cost of the construction.

Subd. 30. Systemwide Initiatives

(a) Science Laboratory and Classroom Renovation

5,775,000

To design, renovate, furnish, and equip teaching laboratories and classrooms for science and applied technology. Campuses may use nonstate money to increase the size of the projects. This appropriation may be used only at the following campuses: Alexandria Technical College; Anoka Technical College; Anoka Ramsey Community College, Cambridge; Bemidji State University; Central Lakes College, Brainerd; Century College, White Bear Lake; Inver Hills Community College, Inver Grove Heights; Hennepin Technical College, Brooklyn Park and Eden Prairie; Northeast Higher Education District Vermilion Community College; and Ridgewater Community Technical College, Willmar.

(b) Classroom Renovation

3,625,000

To design, construct, furnish, and equip renovation of classroom and academic space. Campuses may use nonstate money to increase the size of the projects. This appropriation may be used only at the following campuses: Central Lakes College, Brainerd; Minnesota State Community Technical College, Moorhead and Wadena; Minnesota West Community Technical College, Pipestone; Northland Community Technical College, Thief River Falls; Pine Technical College, Pine City; and Rochester Community Technical College, Rochester.

(c) Property Acquisition

8,805,000

To acquire real property adjacent to the state college and university campuses or within the boundaries of the campus master plan.

This appropriation may be used only at Bemidji State University; Dakota County Technical College; Fond du Lac Tribal Community College; Minnesota State University Moorhead; and Vermilion Community College.

Subd. 31. Debt Service

(a) The board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement and the expansion of Memorial Hall at Winona State University, and except that, 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. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner 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 finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance 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 finance 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. 32. Anoka Technical College;
Anoka-Hennepin School District Partnership**

(a) By June 30, 2008, the Board of Trustees of the Minnesota State Colleges and Universities shall enter into a memorandum of understanding with the Anoka-Hennepin School District on new and expanded joint programs to be offered for the secondary technical education program currently based at the Anoka Technical College campus. The programs may be offered at the site now known as the "horticultural center" in Anoka County and under the control of Anoka Technical College.

(b) By July 31, 2008, the board shall transfer the real property known as the "horticultural center" to the Anoka-Hennepin School District by quit claim deed for \$1. Minnesota Statutes, section 136F.60, subdivision 5, does not apply to the real estate transaction under this subdivision.

Subd. 33. Unspent Appropriations

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the Board of Trustees 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 and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house 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 higher education asset preservation and replacement under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 23 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**

\$ 19,740,000

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

Subd. 2. **Independent School District No. 11, Anoka-Hennepin**

240,000

For a grant to Independent School District No. 11, Anoka-Hennepin, to acquire land adjacent to Riverview Elementary School and for improvements of a capital nature to develop and restore wetland and native prairie habitat on the land.

Subd. 3. **Independent School District No. 38, Red Lake**

16,000,000

From the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72, to design, construct, furnish, and

equip renovation of existing facilities and construction of new facilities.

The project paid for with this appropriation includes a portion of the renovation and construction identified as Phase 4 in the review and comment performed by the commissioner of education under the capital loan provisions of Minnesota Statutes, section 126C.69. This portion includes part of the renovation of, and an addition to, the high school and middle school to provide classrooms and related facilities for technology education, vocational education, physical education, and community education, and to provide for food services and administrative offices.

As part of this project, the heating plant and piping for the high school and middle school will be upgraded and the motor vehicle fuel and propane tanks may be relocated. Additional renovations to the high school and middle school will be completed to the extent that this appropriation permits.

Before any capital loan contract is approved under this authorization, the district must provide documentation acceptable to the commissioner on how the capital loan will be used.

Notwithstanding the 18-month deadline for contracting in Minnesota Statutes, section 126C.69, subdivision 1, the unexpended balance of the appropriation in Laws 2005, chapter 20, article 1, section 5, subdivision 2, as amended by Laws 2006, chapter 258, section 42, may be obligated by the district for purposes of the capital loan contract at any time before August 1, 2008.

Subd. 4. Independent School District No. 279, Osseo

2,000,000

For a grant to Independent School District No. 279, Osseo, to predesign, design, construct, furnish, and equip the Northwest Hennepin Family Center in Brooklyn Center. This appropriation is not available until the

commissioner has determined that at least an equal amount has been committed from nonstate sources.

No later than five years after the facility opens, the school district must report to the commissioner of education on how the facility has improved student achievement and reduced educational disparities.

Subd. 5. Library Accessibility and Improvement Grants

1,500,000

For library accessibility and improvement grants under Minnesota Statutes, section 134.45.

Sec. 5. MINNESOTA STATE ACADEMIES

Subdivision 1. Total Appropriation

\$ 2,800,000

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

Subd. 2. Asset Preservation

2,400,000

For asset preservation on both campuses of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Frechette Hall

100,000

For predesign for a new dorm to replace Frechette Hall.

Subd. 4. Mott Memorial Hall

100,000

To predesign the renovation of Mott Memorial Hall.

Subd. 5. Pollard Hall

200,000

To construct, furnish, and equip the renovation of Pollard Hall to house the Deaf and Hard of Hearing Children's Residential Treatment Center.

Sec. 6. PERPICH CENTER FOR ARTS EDUCATION

\$ 355,000

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

Sec. 7. NATURAL RESOURCES

Subdivision 1. Total Appropriation

\$ 104,805,000

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.

To the extent possible, prairie restorations funded in whole or in part with this appropriation must be made using best management practices for native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 2.

Subd. 2. Statewide Asset Preservation

1,000,000

For the renovation of state-owned facilities operated by the commissioner of natural resources, to be spent in accordance with Minnesota Statutes, section 16B.307. 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.

Subd. 3. Flood Hazard Mitigation Grants

33,900,000

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.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

(a) Ada

(b) Agassiz Valley

(c) Area II of the Minnesota River Basin

(d) Austin

(e) Bois de Sioux Watershed District, North Ottawa project

(f) Breckenridge

(g) Brandt-Angus

(h) Browns Valley

\$3,900,000 is from the general fund for the Browns Valley project.

(i) Crookston

(j) Canisteo Mine

\$3,500,000 is for a grant to the Western Mesabi Mine Planning Board to construct a conveyance system, and other betterments to accommodate water level and outflow control of the water level in the Canisteo mine pit in Itasca County. This appropriation does not require a local match. The commissioner of natural resources shall be responsible to maintain the betterments after completion of the project.

(k) Dawson

(l) Granite Falls

(m) Hay Creek-Norland

(n) Inver Grove Heights

(o) Malung

(p) Montevideo

(q) Moorhead

(r) Oakport Township

(s) Roseau

The Roseau project includes the state share of land acquisition, engineering and design, and bridge construction costs for the U.S. Army Corps of Engineers East Diversion Flood Control Project, which will protect the city of Roseau from recurring flooding.

(t) Southeast Minnesota

(u) Stillwater

(v) Sweded Grove Lake

(w) Wild Rice River Watershed District, Becker Dam project

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.

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, Granite Falls, Montevideo, Oakport Township, or Roseau exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

Subd. 4. Red River Digital Elevation Model

600,000

This appropriation is from the general fund to develop and implement a high-resolution digital elevation model for the Red River basin.

Subd. 5. Ground Water Monitoring and Observation Wells

500,000

To install new ground water level observation wells to monitor and assess ground water for water supply planning, including wells in the metropolitan and adjoining areas and several

new monitoring wells in the south central regions of the state to monitor the Mt. Simon aquifer. This appropriation may also be used to seal existing obsolete monitoring wells that are no longer functional.

Subd. 6. Dam Renovation and Removal

2,000,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

This appropriation includes money for the following projects:

- (a) Clayton Lake, Pine County
- (b) Cross Lake, Pine County
- (c) Hartley, Saint Louis County
- (d) King's Mill, Rice County
- (e) Lake Bronson, Kittson County
- (f) Luverne, Rock County
- (g) Windom, Cottonwood County

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list.

Subd. 7. Water Control Structures

500,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under Minnesota Statutes, section 97A.101; or structures on other waters under Minnesota Statutes, section 103G.505.

Subd. 8. Mississippi River Aquatic Invasive Species Barrier

500,000

To predesign and design an adequate barrier in the Mississippi River to prevent aquatic invasive species from migrating up river. This money may be used by the commissioner to match available federal money and money from other states. The commissioner must inform and work with affected federal and state agencies and local communities along the Mississippi River before constructing the river barrier.

Subd. 9. Stream Protection and Restoration

1,000,000

To design and construct stream protection and restoration projects that concentrate on downstream flooding protection. This appropriation may be used only for projects in flood areas on one or more of the following rivers: Rock River near Luverne, Snake River near Cross Lake, Lawndale Creek, and Des Moines River near Windom.

Subd. 10. Shoreline and Critical Aquatic Habitat Acquisition

1,000,000

To acquire land that is critical for fish and other aquatic life under Minnesota Statutes, section 86A.05, and to make public improvements and betterments of a capital nature to aquatic management areas established under Minnesota Statutes, section 86A.05, subdivision 14.

Subd. 11. Lake Zumbro Restoration

175,000

For a grant to Olmsted and Wabasha Counties to design and implement the restoration of Lake Zumbro. The design must include public access.

Subd. 12. Water Access Acquisition, Betterment, and Fishing Piers

650,000

For public water access acquisition, construction, and renovation projects of a

capital nature on lakes and rivers, including water access through the provision of fishing piers and shoreline access under Minnesota Statutes, section 86A.05, subdivision 9.

Subd. 13. Fish Hatchery Improvements

1,500,000

For improvements of a capital nature to create ponds and renovate fish culture facilities at hatcheries owned by the state and operated by the commissioner of natural resources under Minnesota Statutes, section 97A.045, subdivision 1, and to design, construct, or acquire drainable ponds and other facilities for moving walleye rearing out of natural wetlands.

Subd. 14. RIM - Wildlife Area Land Acquisition and Improvement

5,000,000

To acquire land in fee for wildlife management area purposes and for improvements of a capital nature to develop, protect, or improve habitat and facilities on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8.

Not less than five percent of this appropriation must be used for restoration of existing wildlife management areas. Not less than ten percent of this appropriation is for restoration on land acquired with this appropriation. Fifty percent of this appropriation is for acquisition of land in the seven-county metropolitan area.

To the extent possible, prairie restorations funded in whole or in part with this appropriation must use native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6.

The commissioner shall submit a plan to the legislature and the chairs of the house and senate committees with jurisdiction over the environment and natural resources on the management of native prairie lands and harvesting of native prairie vegetation for use for energy production in a manner that does not devalue the natural habitat, water quality

benefits, or carbon sequestration functions.

Subd. 15. RIM Critical Habitat Match

3,000,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943.

Subd. 16. Native Prairie Conservation and Protection

4,000,000

To acquire native prairie bank easements under Minnesota Statutes, section 84.96, to develop and restore certain tracts of prairie bank lands for which the easement is permanent, and to acquire native prairie for scientific and natural areas, and for the native prairie protection and improvements of a capital nature in scientific and natural areas in the prairie region under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5.

Prairie restorations funded in whole or in part with this appropriation must use native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6.

Subd. 17. Scientific and Natural Area Acquisition And Development

1,000,000

To acquire land for scientific and natural areas and for protection and improvements of a capital nature to scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5. Not less than five percent of this appropriation is for restoration.

This appropriation includes money for only the following projects:

(a) Avon Hills Forest SNA additions in Stearns County

(b) Big Woods of Cottonwood River in Lyon County

(c) Clinton Falls Dwarf Trout Lily site in Steele County

(d) Cooks Lake Forest in Otter Tail and Becker Counties

(e) Des Moines R forest-prairie complex in Jackson County

(f) Franconia Bluffs in Chisago County

(g) Hovland Woods SNA addition in Cook County

(h) Lester Lake Forest in Hubbard County

(i) Morton Outcrops in Renville County

(j) Nopeming Unconformity in Saint Louis County

(k) Pine Bend Bluffs SNA addition in Dakota County

(l) Wycoff Balsam Fir SNA addition in Fillmore County

Subd. 18. Forest Land and Forest Legacy Conservation Easements

3,000,000

To acquire conservation easements as described under Minnesota Statutes, chapter 84C, on private forest lands and within Forest Legacy Areas established under United States Code, title 16, section 2103c. The conservation easements must guarantee public access, including hunting and fishing.

Subd. 19. State Forest Land Reforestation

3,000,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including planting, seeding, site preparation, and purchasing native seeds and native seedlings.

Subd. 20. Forest Roads and Bridges

1,000,000

For reconstruction, resurfacing, replacement, and construction of state forest roads and bridges under Minnesota Statutes, section 89.002.

Subd. 21. Diseased Shade Tree Removal and Replacement500,000

For grants to cities, counties, townships, and park and recreation boards in cities of the first class for the identification, removal, disposal, and replacement of dead or dying shade trees located on public property that are lost to forest pests or disease. For purposes of this appropriation, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value. The commissioner shall consult with municipalities, park, and recreation boards in cities of the first class, nonprofit organizations, and other interested parties in developing eligibility criteria.

Subd. 22. State Park and Recreation Area Acquisition, Rehabilitation, and Development19,041,000

(a) For projects within state parks established under Minnesota Statutes, section 85.012, and state recreation areas established under Minnesota Statutes, section 85.013, contained in the Department of Natural Resources, Division of Parks and Recreation's ten-year project list for "New and Deferred Maintenance Bondable Projects" dated March 20, 2008. This appropriation includes money for new projects at Bear Head Lake, Beaver Creek Valley, Blue Mounds, Buffalo River, Cuyuna Country State Recreation Area, Flandrau, Fort Ridgely, Frontenac, Glendalough, Itasca, Lake Bemidji, Lake Carlos, Maplewood, Sibley, Soudan Mine, Split Rock Lighthouse, Temperance River, Tettegouche, and William O'Brien State Parks. The commissioner shall determine project priorities as appropriate, based on need.

(b) For infrastructure rehabilitation and the renovation and development of facilities within state parks established under Minnesota Statutes, section 85.012, contained in the Department of Natural

Resources, Division of Parks and Recreation's ten-year project list for "New and Deferred Maintenance Bondable Projects" dated March 20, 2008. This appropriation includes money for Interstate, Itasca, Jay Cooke, Lake Louise, Lake Shetek, Maplewood, Split Rock Lighthouse, St. Croix, and Tettegouche. The commissioner shall determine project priorities as appropriate, based on need.

\$2,400,000 is to acquire from willing sellers land within the boundaries of Greenleaf Lake State Recreation Area, established under Minnesota Statutes, section 85.013, subdivision 11b.

\$200,000 is to develop campgrounds at Red River State Recreation Area.

Subd. 23. Big Bog State Recreation Area

1,600,000

For improvements at the Big Bog State Recreation Area, including betterments to the contact station and forest restoration.

Subd. 24. Fort Snelling Upper Bluff Emergency Building Stabilization

500,000

For a grant to Hennepin County to conduct emergency building stabilization at Fort Snelling Upper Bluff. This appropriation is not available until the commissioner of finance has determined that Hennepin County has entered into appropriate agreements to use Sentence to Serve labor for the project that will train the Sentence to Serve laborers in the skills needed for the work.

Subd. 25. State Park Prairie Reconstruction and Forest Restoration Projects

545,000

\$290,000 is for prairie and savanna reconstruction projects at the following state parks: Big Stone, Blue Mounds, Camden, Crow Wing, Frontenac, Glacial Lakes, Maplewood, Split Rock Creek, Upper Sioux, and William O'Brien.

\$255,000 is for forest restoration projects

at the following state parks: Itasca, Lake Bemidji, Nerstrand, and St. Croix.

Prairie restorations, funded in whole or in part with funds from this appropriation, must include planting native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6.

Subd. 26. Regional and Local Park Grants

1,621,000

An appropriation in this subdivision is not available unless a covenant is placed, or has been placed, on the land to keep the land as a public park in perpetuity.

\$492,000 is for a grant to the Central Minnesota Regional Parks and Trails Coordination Board to acquire 23 acres of land adjacent to Warner Lake Park in Stearns County.

\$500,000 is for a grant to Chisago City to acquire land for the creation of Ojiketa Regional Park in Chisago County.

\$129,000 is for a grant to the city of Ortonville to construct improvements of a capital nature at the Minnesota River Regional Park in the city of Ortonville.

\$500,000 is for a grant to the city of Sartell to acquire 68 acres of land located along the Sauk River near the confluence of the Mississippi to serve as part of the Central Minnesota Regional Parks and Trails.

Subd. 27. State Trail Acquisition, Rehabilitation, and Development

15,320,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

\$970,000 is for the Chester Woods Trail from Rochester to Dover.

\$700,000 is for the Casey Jones Trail.

\$750,000 is for the Gateway Trail, to replace an at-grade crossing of the Gateway Trail

at Highway 120 with a grade-separated crossing.

\$1,600,000 is for the Gitchi-Gami Trail between Silver Bay and Tettegouche State Park.

\$1,500,000 is for the Great River Ridge Trail from Plainview to Elgin to Eyota.

\$1,500,000 is for the Heartland Trail.

\$500,000 is for the Mill Towns Trail from Lake Byllesby Park to Cannon Falls.

\$150,000 is for the Mill Towns Trail within the city of Faribault.

\$1,500,000 is for the Minnesota River Trail from Appleton to Milan.

\$2,000,000 is for the Paul Bunyan Trail from Walker to Guthrie.

\$250,000 is for the Root River Trail from Preston to Forestville State Park.

\$100,000 is for the Root River Trail, the eastern extension.

\$250,000 is for the Root River Trail, the eastern extension Wagon Wheel.

\$550,000 is to connect the Stagecoach Trail with the Douglas Trail in Olmsted County.

\$3,000,000 is to rehabilitate state trails.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project in this subdivision. The chairs of the house and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Subd. 28. **Regional Trails**

156,000

For matching grants under Minnesota

Statutes, section 85.019, subdivision 4b.

For a grant to the city of Cambridge to design and construct the Cambridge-Isanti Bike/Walk Trail connecting the city of Cambridge, the city of Isanti, and Isanti Township in Isanti County. The trail will be designed to provide safe biking and walking connections between the cities and township, and is envisioned to become part of the state's larger trail systems. Along with health and recreational benefits, the trail will help protect and provide an opportunity for environmental education and enjoyment of the wetlands in the area.

It is anticipated that the total capital cost of the project will be \$1,080,000, with the federal and local governments contributing \$924,000. Through a joint powers agreement, Cambridge, Isanti, and Isanti Township will share in the maintenance and upkeep of the Cambridge-Isanti Bike/Walk Trail.

Subd. 29. **Trail Connections**

697,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4c.

\$225,000 is for a grant to Clara City to design and construct a walking path in Clara City.

\$100,000 is for a grant to the city of Mora for construction of pedestrian and bicycle trails, bridge restoration and renovation, and other improvements of a capital nature for the Spring Lake Trail, located in the city of Mora.

\$372,000 is for a grant to the city of Rockville to design and construct the Rocori Trail from Richmond through Cold Spring to Rockville, connecting with the Glacial Lakes Trail, the Beaver Island Trail, and the Lake Wobegon Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another trail connection

project in this subdivision. The chairs of the house and senate committees with jurisdiction over the environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Subd. 30. Drill Core Library and Field Office Renovation

500,000

To design, construct, furnish, and equip an addition to the minerals drill core library facility in Hibbing.

Subd. 31. Wildlife Rehabilitation Center

500,000

This appropriation is from the general fund for a grant to the Wildlife Rehabilitation Center of Minnesota to retire loans incurred by the center for construction of its facility in the city of Roseville, and to complete educational technology infrastructure at the center.

Subd. 32. Bell Museum Landscaping

500,000

To design and construct an environmental landscape at the new Bell Museum of Natural History.

Subd. 33. Unspent Appropriations.

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, other than an appropriation for flood hazard mitigation, 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 for asset preservation.

Sec. 8. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation

\$ 30,000,000

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

Subd. 2. Albert Lea Landfill2,500,000

For a grant to the city of Albert Lea to construct remedial systems at the Albert Lea landfill. This includes relocating and incorporating waste from the former Albert Lea dump owned by the city of Albert Lea under Minnesota Statutes, section 115B.403, which action may be taken by the Pollution Control Agency notwithstanding the provisions of Minnesota Statutes, section 115B.403, paragraphs (a) and (b).

The appropriation in this subdivision is added to the amounts for the city of Albert Lea landfill funding in Laws 2006, chapter 258, section 8, subdivision 2.

Subd. 3. Closed Landfill Cleanup Revenue Bonds25,000,000

From the bond proceeds account in the remediation fund under new Minnesota Statutes, section 116.156.

This appropriation is for action at qualified closed landfill facilities in Albert Lea, Mille Lacs County, Washington County, the Western Lake Superior Sanitary District, and other locations as determined by the commissioner of the Pollution Control Agency.

If the dig and fill option is chosen for remediation of the Washington County landfill, the landfill must have a triple liner.

By January 15, 2009, the commissioner of the Pollution Control Agency shall report to the house and senate Finance Committees and divisions with jurisdiction over the environment on whether the remediation fund needs additional revenue in order to provide timely cleanup of closed landfills in the state without depleting the remediation fund. If the fund needs additional revenue, the commissioner shall include in the report recommendations for revenue sources and amounts that will meet that need.

Subd. 4. Beneficial Reuse of Wastewater Grant Program

2,500,000

For grants under new Minnesota Statutes, section 116.195, to political subdivisions for up to 50 percent of the costs to predesign, design, and implement capital projects that demonstrate the beneficial use of wastewater.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. Total Appropriation

\$ 30,475,000

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

To the extent possible, prairie restorations, funded in whole or in part with funds from this appropriation, must be made using best management practices for native prairie restoration as defined under Minnesota Statutes, section 84.02, subdivision 2.

Funds previously appropriated and waivers previously authorized to the Board of Water and Soil Resources for DR-1717 flood relief and recovery in Minnesota Laws 2007, First Special Session chapter 2, are available and applicable until June 30, 2010.

Subd. 2. RIM Conservation Reserve

25,000,000

To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands, restore and enhance rivers and streams, riparian lands, and associated uplands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damages, and other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands. Of this appropriation, up to

ten percent may be used to implement the program.

The board shall give priority to the area designated for relief and recovery from the flooding that occurred on or after August 18, 2007, in the area of Southeast Minnesota designated under Presidential Declaration of Major Disaster, DR-1717.

At least \$2,000,000 of this amount is available for use by the Cedar River and Turtle Creek Watershed Districts in Freeborn, Mower, and Steele Counties to restore wetlands and reduce flooding in the Austin area.

Up to \$8,000,000 of this amount is available for use in Becker, Clay, Kittson, Mahnomon, Marshall, Norman, Pennington, Polk, Red Lake, Roseau, and Wilkin Counties to restore wetlands and reduce flooding in the Red River Valley area.

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, including overseeding and harvesting, of native prairie vegetation for use for energy production in a manner that does not devalue the natural habitat, water quality benefits, or carbon sequestration functions of the area enrolled in the easement. This shall occur after seed production and minimize impacts on wildlife. Of this appropriation, up to five percent may be used for restoration, including overseeding.

The board must submit to the legislative committees with jurisdiction over environment finance and capital investment an interim report on this program by October 1, 2008, and a final report by February 1, 2009.

Subd. 3. Wetland Replacement Due to Public Road Projects

4,200,000

To acquire land for wetland restoration or

preservation to replace wetlands drained or filled as a result of the repair or reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands.

\$720,000 is to implement the program. The purchase price paid for acquisition of land, fee, or perpetual easement must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits. Acquisition of or the conveyance of land may be in the name of the political subdivision.

Subd. 4. Clean Water Legacy

1,275,000

\$1,275,000 is for improving water quality. The board may expend this amount for the following purposes:

(1) \$800,000 for a grant to Kandiyohi County to acquire conservation easements, design and construct water control structures and pumping infrastructure, and plant native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6, in order to restore the Grass Lake prairie wetland basins adjacent to the city of Willmar in Kandiyohi County. This amount must be matched one-to-one by funding from other sources;

(2) \$475,000 for a grant to the city of Gaylord to improve water quality in the Lake Titlow watershed. The funds may be used to

predesign and design holding ponds upstream from Lake Titlow. The design must include the best location for the ponds, an estimate of the cost of land acquisition or easements, construction costs of the holding ponds, and the estimated expense of maintaining the structures and who will be responsible for the expense. The funds may also be used to construct and reconstruct storm water sewer drains and related facilities to divert water that currently drains into Lake Titlow into holding ponds south of the city. The cost of reconstructing city streets as part of this diversion, and as outlined in the city of Gaylord's street improvement plan, is the responsibility of the city. This diversion will keep phosphorus and other chemicals from entering the lake, and will improve the water quality of Lake Titlow. The city must also coordinate with state and county conservation officials to ensure correct conservation practices and improvements in the watershed. The information gained from this project must be made available for public use.

Sec. 10. **AGRICULTURE**

\$

20,000

To the commissioner of administration to replace the roof of the potato inspection unit building located at 312 Fourth Avenue Northeast in East Grand Forks.

Sec. 11. **MINNESOTA ZOOLOGICAL GARDEN**

\$

2,500,000

To the Minnesota Zoological Garden for capital asset preservation improvements and betterments, to be spent in accordance with Minnesota Statutes, section 16B.307.

\$1,526,000 is to design and construct improvements to its water management system. The project must be designed to address inflow and infiltration problems associated with the Minnesota Zoo's water discharge flow to the city of Eagan.

Sec. 12. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **\$ 15,725,000**

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

Subd. 2. **Property Acquisition** 2,325,000

To acquire property at 639 Jackson Street in St. Paul adjacent to the Harold E. Stassen Building, to demolish existing structures on the property, and to develop temporary parking on the site and adjacent areas.

Subd. 3. **State Capitol Building Restoration** 13,400,000

For renovation of the State Capitol Building including, but not limited to: site work to stabilize the plaza; replacement and stabilization of the building's exterior envelope; replacement of air handling units at risk of failure; and projects to improve interior emergency lighting, dome lighting, and catwalks.

Sec. 13. **AMATEUR SPORTS COMMISSION**

Subdivision 1. **Total Appropriation** **\$ 7,725,000**

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

Subd. 2. **National Sports Center - Blaine** 1,400,000

For asset preservation at the National Sports Center in Blaine, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **National Volleyball Center - Rochester** 3,000,000

For a grant to the city of Rochester to design, construct, furnish, and equip the Phase 2 expansion of the National Volleyball Center in Rochester, designated by the Minnesota Amateur Sports Commission as a regional amateur sports center, subject to Minnesota Statutes, section 16A.695.

Subd. 4. Metro North Regional Sports Center - Arden Hills

125,000

To predesign the renovation of Building 189 located within the Rice Creek Corridor in Ramsey County, formerly the Twin Cities Army Ammunition Plant, to serve as a regional, multiuse recreational amateur sports facility, to be known as the Metro North Regional Sports Facility.

Subd. 5. Northwestern Minnesota Regional Sports Center - Moorhead

3,000,000

For a grant to the city of Moorhead to design, construct, furnish, and equip the Northwestern Minnesota Regional Sports Center.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources. The match may include in-kind contributions, and may include contributions made since January 1, 2007.

Subd. 6. St. Paul Regional Amateur Sports Facility

100,000

To predesign the St. Paul Regional Amateur Sports Facility. The St. Paul facility may include, but is not limited to, facilities for the sports of soccer, lacrosse, football, and baseball.

Subd. 7. Southwest Regional Amateur Sports Center - Marshall

100,000

For a grant to the city of Marshall to predesign the Southwest Regional Amateur Sports Center at Marshall.

Sec. 14. MILITARY AFFAIRS

Subdivision 1. Total Appropriation

\$ 6,000,000

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

Subd. 2. Asset Preservation**3,500,000**

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.

This appropriation may be used to replace the roof at the Bemidji National Guard Training and Community Center and to replace the roof at the St. Cloud National Guard Training and Community Center.

Subd. 3. Facility Life Safety Improvements**1,000,000**

For life safety improvements and to correct code deficiencies at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 4. Facility ADA Compliance**1,500,000**

For Americans with Disabilities Act (ADA) alterations to existing National Guard Training and Community Centers in locations throughout the state, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 5. Unspent Appropriations.

The unspent portion of an appropriation for a project under this section that has been completed may be used for any other purpose permitted under Minnesota Statutes, section 16B.307.

Sec. 15. PUBLIC SAFETY**Subdivision 1. Total Appropriation****\$ 13,135,000**

To the commissioner of public safety, or other named agency, for the purposes specified in this section.

Subd. 2. Anoka County Forensic Crime Laboratory**3,000,000**

Notwithstanding any law to the contrary, this appropriation is for a grant to Anoka County

to design, construct, furnish, and equip a regional forensic crime laboratory for the use of Anoka, Sherburne, and Wright Counties, to be located in Anoka County.

This appropriation is not available until the commissioner has determined that at least \$7,500,000 has been committed or will be committed from nonstate sources to the forensic crime laboratory or a public safety facility that will contain the forensic crime laboratory, or both.

Subd. 3. Camp Ripley Training and Exercising Center

5,000,000

To the commissioner of administration to predesign, design, construct, furnish, and equip Phase 1 of a tier-3 homeland security and emergency management training and exercise center at Camp Ripley, which includes a classroom facility and several facilities for field response training. Any unspent portion of this appropriation may be used to begin predesign for Phase 2 of this project.

Nonmilitary public safety personnel from Minnesota must be given access to the facility.

Subd. 4. Gonvick Public Safety Training Center

55,000

Notwithstanding any law to the contrary, for a grant to the city of Gonvick to predesign a regional emergency training administration center in Gonvick.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 5. Marshall - Minnesota Emergency Response and Industry Training Center

300,000

For a grant to the city of Marshall to predesign Phase 2 of the Minnesota Emergency Response and Industry Training (MERIT)

Center, including a wind energy training area, an ethanol fuels training area, and other training facilities.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources. The match may include in-kind contributions.

Subd. 6. Nassau Public Safety Facility

125,000

From the general fund for a grant to the city of Nassau to predesign, design, construct, furnish, and equip a new public safety facility for fire and other equipment.

Subd. 7. Scott County Public Safety Training Center

1,000,000

Notwithstanding any law to the contrary, for a grant to Scott County to design, construct, furnish, and equip a regional public safety training center in Scott County.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 8. Southeastern Minnesota Regional Public Safety Training Center

3,655,000

Notwithstanding any law to the contrary, for a grant to Olmsted County to design, construct, furnish, and equip the Southeastern Minnesota Regional Public Safety Training Center in Olmsted County. The facility must include, but is not limited to, a live burn training simulator, a driving range, and a weapons training facility.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 9. Crime Labs Strategic Plan

The commissioner of public safety must develop a long-term strategic plan for maintenance and staffing of existing state and regional crime labs and creation, maintenance, and staffing of new regional and local crime labs. The strategic plan must include, but is not limited to, the following:

(1) an assessment and explanation of the state's crime lab needs, including the need for additional regional or local crime labs;

(2) specific recommendations for additional regional or local crime labs, including recommendations for locations for new labs, and a ranking of the specific regions, counties, or cities that need a crime lab in order of urgency;

(3) a long-range plan for the training of state crime lab employees, including the possibility of sharing employee training costs with users of the state lab or entities that operate regional or local labs;

(4) a long-range funding plan for the state crime lab and state owned regional labs;

(5) an assessment of the state crime lab's response times and specific recommendations for improving the lab's response time; and

(6) specific, clearly stated steps for implementing the strategic plan.

The commissioner must submit the strategic plan, as a recommendation, to the house of representatives and senate committees with responsibility for public safety finance by February 1, 2009.

Sec. 16. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**

\$ 65,700,000

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

Subd. 2. **Local Bridge Replacement and Rehabilitation**

2,000,000

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

For a grant to Ramsey County for the preliminary planning, design, and engineering of the Rice Street bridge where it crosses marked Trunk Highway 36 in Ramsey County to provide a better connection for the campuses of St. Jude Medical on both sides of the highway.

Subd. 3. Urban Partnership Agreement

(a) Technology, Telecommuting, and Outreach

4,300,000

Appropriations by Fund

<u>General</u>	<u>3,500,000</u>
<u>Trunk Highway</u>	<u>800,000</u>

For expenses related to technology improvements, telecommuting, and outreach efforts for the Urban Partnership Agreement.

This appropriation is not available until the United States Department of Transportation authorizes funding under the Urban Partnership Agreement.

This appropriation is onetime and is available until June 30, 2011.

(b) Federal Grant Appropriation

47,400,000

From the trunk highway fund for the purposes specified in the federal grant implementing the Urban Partnership Agreement. This appropriation is in addition to the appropriations in Laws 2007, chapter 143, article 1, section 3, subdivision 3; and Laws 2008, chapter 152, article 2, section 3, subdivision 4. This appropriation is available until June 30, 2011.

Subd. 4. Greater Minnesota Transit

1,000,000

For capital assistance for greater Minnesota transit systems to be used for transit capital facilities under Minnesota Statutes, section 174.24, subdivision 3c. Money from this appropriation may be used to pay up to 80 percent of the nonfederal share of these facilities.

Subd. 5. Minnesota Valley Railroad Track Rehabilitation

3,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate a portion of railroad track from Norwood-Young America to Hanley Falls. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

Subd. 6. Northshore Express

1,500,000

For a grant to the St. Louis and Lake County Regional Rail Authority for railroad acquisition and track restoration, environmental impact studies, advanced corridor planning, preliminary design and preliminary engineering, station design, analysis of railroad capacity, and easement costs for intercity and passenger rail service between the city of Duluth and the cities of Minneapolis and St. Paul. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 16, subdivision 5, paragraph (b), as added by this act.

Subd. 7. St. Paul to Chicago High-Speed Rail Line

4,000,000

For the state's share of environmental analysis of a high-speed rail line connecting Chicago, LaCrescent, Winona, Red Wing, and the Union Depot Concourse Multimodal Transit Hub, located in downtown St. Paul in the area south of Kellogg Boulevard and east of Jackson Street.

No part of this appropriation may be spent to acquire or better capital improvements that

are located outside the state of Minnesota, that may be used from time to time outside the state of Minnesota, or that are part of a rail corridor that is not designated by the Midwest Interstate Passenger Rail Compact.

The commissioner shall work with the Wisconsin Department of Transportation to coordinate application for federal capital assistance for the high-speed rail project.

The commissioner shall develop a comprehensive rail plan, as part of the state transportation plan, including the high-speed rail project. The commissioner shall provide to the chairs of the legislative committees with jurisdiction over transportation policy and finance a copy of the draft state transportation plan for review and comment before the plan is adopted.

Subd. 8. Southeast Express

500,000

For predesign, preliminary engineering, and alternatives analysis for a transit corridor between Rochester and St. Paul.

Subd. 9. Port Development Assistance

2,000,000

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

Sec. 17. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation

\$ 139,200,000

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

Subd. 2. Urban Partnership Agreement

16,672,000

(a) \$8,360,000 is to acquire land, design, and construct new or expanded park-and-rides or transit stations in the Interstate 35W and Trunk Highway 77/Cedar Avenue corridors.

(b) \$8,312,000 is for bus lane construction

and related street and sidewalk improvements and bus shelters in downtown Minneapolis. Up to \$6,433,000 of this appropriation is for a grant to the city of Minneapolis for bus lane construction and related street and sidewalk improvements in downtown Minneapolis.

(c) The appropriations in this subdivision are not available until the United States Department of Transportation authorizes funding under the Urban Partnership Agreement.

Subd. 3. Bottineau Boulevard Transit Way

500,000

For a grant to the Hennepin County Regional Rail Authority for preliminary engineering for the Bottineau Transit Way corridor from the Hiawatha light rail and Northstar transit hub in downtown Minneapolis to the vicinity of the Target development in northern Brooklyn Park or the Arbor Lakes retail area in Maple Grove.

Subd. 4. Cedar Avenue Bus Rapid Transit

4,000,000

To acquire land, or an interest in land, and to design the Cedar Avenue Bus Rapid Transit in Dakota County. This appropriation may not be spent for capital improvements within a trunk highway right-of-way. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 3.

Subd. 5. Central Corridor Transit Way

70,000,000

(a) For one or more of the following activities for the Central Corridor light rail transit line that will connect downtown Minneapolis with downtown St. Paul: preliminary engineering, final design, property acquisition, including improvements and betterments of a capital nature, relocation of utilities owned by public entities, and construction. No more than \$20,000,000 of the appropriation may be used for preliminary engineering.

(b) Hennepin and Ramsey Counties need not

spend their matching money for this project at a rate faster than dollar for dollar with the money from this appropriation.

(c) District heating and district cooling nonprofit corporations organized under Minnesota Statutes, chapter 317A, that are exempt organizations under section 501(c)(3) of the United States Internal Revenue Code that are public right-of-way users under Minnesota Rules, chapter 7819, are eligible to receive grants and federal money for costs of relocating facilities from public rights-of-way to prevent interference with public light rail projects, unless eligibility would impact the project's Federal Transit Authority required cost effectiveness index.

Subd. 6. I-94 Corridor Transit Way

750,000

For a grant to Washington County to work with the Metropolitan Council for predesign and preliminary engineering of transportation and transit improvements, including busways or rail transit, in the marked Interstate Highway 94 Corridor, from the Minnesota-Wisconsin border extending westward through Washington County to downtown St. Paul and downtown Minneapolis.

Subd. 7. I-494 Corridor Transit Way

500,000

For predesign and preliminary engineering of light rail transit in the I-494 corridor, on or near marked Interstate Highway 494, from Minneapolis-St. Paul International Airport to a transit station on the proposed Southwest Corridor Transit Way.

Subd. 8. Red Rock Corridor Transit Way

500,000

To design, construct, and furnish park-and-ride lots for the Red Rock Corridor Transit Way between Hastings and Minneapolis via St. Paul, and any extension between Hastings and Red Wing.

Subd. 9. Robert Street Corridor Transit Way500,000

For environmental studies and engineering of bus rapid transit or light rail transit for the Robert Street Corridor Transit Way along a corridor on or parallel to U.S. Highway 52 and Robert Street from within the city of St. Paul to Dakota County Road 42 in Rosemount. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 6.

Subd. 10. Rush Line Corridor Transit Way500,000

For a grant to the Ramsey County Regional Railroad Authority to acquire land for, design, and construct park-and-ride or park-and-pool lots located along the Rush Line Corridor along I-35E/I-35W and Highway 61 from the Union Depot in downtown St. Paul to Hinckley.

Subd. 11. Southwest Corridor Transit Way500,000

For a grant to the Hennepin County Regional Rail Authority to prepare a draft environmental impact statement (DEIS) and for preliminary engineering for the Southwest Corridor Transit Way, from the Hiawatha light rail transit line in downtown Minneapolis to the vicinity of the Southwest Station transit hub in Eden Prairie.

Subd. 12. Unspent Transit Way Appropriations

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a transit way project listed in subdivisions 3 to 11, the Metropolitan Council may transfer the unencumbered balance in the project account to any other transit way project in those subdivisions, or to design and construct public infrastructure for the Fridley station of the Northstar commuter rail. The Metropolitan Council shall obtain approval from the commissioner of finance and the chair of the senate Finance Committee and

the chair of the house of representatives Ways and Means Committee before the transfer is made.

Subd. 13. Union Depot

2,000,000

For a grant to the Ramsey County Regional Railroad Authority to acquire land and structures, to renovate structures, and for design, engineering, and environmental work to revitalize Union Depot for use as a multimodal transit center in St. Paul. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 7.

Subd. 14. Metropolitan Regional Parks Capital Improvements

(a) Metropolitan Council Priorities

10,500,000

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. Priority must be given to park rehabilitation and land acquisition projects. This appropriation must not be used to purchase easements.

(b) Old Cedar Avenue Bridge

2,000,000

For a grant to the city of Bloomington for removal and replacement of the old Cedar Avenue bridge for bicycle commuters and recreational users. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

(c) Como Zoo

11,000,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip Phase 2 renovation of the polar bear and gorilla exhibits at the Como Zoo.

(d) Coon Rapids 85th Avenue Bicycle Trail500,000

For a grant to the city of Coon Rapids to predesign, design, and construct a bicycle and pedestrian trail connecting the city of Fridley bicycle and pedestrian trail along 85th Avenue to the Mississippi Regional Trail Corridor in the city of Coon Rapids.

(e) Dakota County North Urban Regional Trail1,400,000

For a grant to the city of South St. Paul to design and construct a span arch bridge under 19th Avenue in South St. Paul for connection with the Dakota County North Urban Regional Trail.

(f) Grand Rounds Bridge600,000

For a grant to the city of Minneapolis to acquire land for and to predesign, design, and construct a bridge for the Grand Rounds Scenic Byway on St. Anthony Parkway over the Northtown Rail Yard.

(g) Grand Rounds National Scenic Byways2,000,000

For a grant to the Minneapolis Park and Recreation Board. \$1,000,000 is to purchase, install, and replace lighting fixtures along the routes of the Grand Rounds. Any outdoor lighting fixtures installed, replaced, maintained, or operated with this appropriation must be a full cutoff luminaire, as defined in Minnesota Statutes, section 16B.328, subdivision 1, if the rated output of the outdoor lighting fixture is greater than 1,800 lumens, and be the minimum illuminance adequate for the intended purpose with consideration given to nationally recognized standards. Full consideration must be given to energy conservation and savings, reduction of glare, minimization of light pollution, and preservation of the natural night environment.

This appropriation is not available until the commissioner of finance determines that at

least an equal amount has been committed to the project from nonstate sources.

\$1,000,000 is to design a roadway to complete the Grand Rounds National Scenic Byway in the city of Minneapolis between Stinson Boulevard in northeast Minneapolis and southeast Minneapolis at East River Road, and to repair and reconstruct portions of the existing 55-mile Grand Rounds National Scenic Byway.

(h) Heritage Village Park

100,000

For a grant to the city of Inver Grove Heights to predesign the Heritage Village Park along the Mississippi River in the city.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

(i) Inver Grove Heights - Swing Bridge

100,000

For a grant to the city of Inver Grove Heights to renovate Mississippi River Bridge 5600, the Swing Bridge, between Inver Grove Heights and St. Paul Park.

(j) Lower Afton Road Trail

450,000

For a grant to Ramsey County to design and construct a paved bicycle and pedestrian trail on the north side of Lower Afton Road between McKnight Road and Point Douglas Road.

(k) Minnehaha Creek

2,900,000

For a grant to the Minneapolis Park and Recreation Board to be used in conjunction with the Minnehaha Creek Watershed District's plan to renovate Works Projects Administration projects in the glen area of Minnehaha Creek, to restore and stabilize the shoreline and cavernous banks of Minnehaha Creek as it flows past Minnehaha Falls, to restore fish and other natural habitat, and

to provide storm water retention and creek bank management at or below the Minnesota Veterans Home.

This appropriation is not available until the commissioner of finance determines that at least \$1,600,000 has been committed to the project from nonstate sources.

(l) National Great River Park

2,000,000

For a grant to the city of St. Paul to acquire blighted properties, clean up, remediate, and improve properties, predesign and design facilities, and develop a master plan for the National Great River Park along the Mississippi River in St. Paul.

(m) Upper Landing Shoreline Protection

3,800,000

For a grant to the city of St. Paul to acquire land for and to predesign, design, construct, furnish, and equip river park development and redevelopment infrastructure in National Great River Park along the Mississippi River in St. Paul.

The appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

(n) Rice Creek North Regional Trail

2,183,000

For a grant to Anoka County as the local share to match federal money, to design and develop the Rice Creek North Regional Trail, extending from Rice Creek Chain of Lakes Park Reserve in Lino Lakes to the Ramsey County trail system in Shoreview.

(o) Springbrook Nature Center

2,500,000

For a grant to the city of Fridley to predesign, design, construct, and equip the redevelopment and expansion of the Springbrook Nature Center. No nonstate match is required.

(p) Tamarack Nature Center

745,000

For a grant to Ramsey County to design and construct a nature play area, woodland play stream, children's garden, and outdoor multiuse pavilion with restrooms, as well as associated parking lot expansion and access improvements for the Tamarack Nature Center located within the Bald Eagle-Otter Lakes Regional Park.

Sec. 18. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation**

\$ 9,505,000

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

Subd. 2. **Asset Preservation**

3,000,000

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

Subd. 3. **Systemwide Campus Redevelopment, Reuse, or Demolition**

3,400,000

To demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses. These projects must facilitate the redevelopment or reuse of these campuses consistent with redevelopment plan concepts developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision.

Up to \$400,000 is for preparation and site development, including demolition of buildings and infrastructure, to implement

the redevelopment and reuse of the Ah Gwah Ching Regional Treatment Center. If the campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision.

Subd. 4. Early Childhood Learning and Child Protection Facilities

2,000,000

To the commissioner of human services for grants to construct and rehabilitate facilities for programs under Minnesota Statutes, section 119A.45.

Subd. 5. West Central Multicounty Secured Treatment Facility

150,000

To the commissioner of human services for a grant to Pope County to predesign a multicounty regional secured treatment facility in west central Minnesota. The commissioner shall prepare a report to the legislature assessing the need for and the viability of the facility and the benefits derived from a coordinated multicounty, regional approach to local chemical dependency needs in west central Minnesota. The report is due to the legislature by February 1, 2009.

Subd. 6. Hennepin County Medical Center

820,000

For a grant to Hennepin County to predesign and design an outpatient clinic and health education facility at Hennepin County Medical Center that includes teaching clinics and an education center.

Subd. 7. Remembering with Dignity

135,000

For grave markers or memorial monuments for unmarked graves of deceased residents of state hospitals or regional treatment centers.

Sec. 19. VETERANS AFFAIRS

Subdivision 1. **Total Appropriation** **\$ 11,282,000**

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

Subd. 2. **Asset Preservation** 4,000,000

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

Subd. 3. **Fergus Falls Veterans Home** 2,700,000

To construct, furnish, and equip a 21-bed special care unit to treat individuals with Alzheimer's disease or dementia.

Subd. 4. **Minneapolis Veterans Home Campus**

Building 17 HVAC Replacement 3,955,000

To replace the sections of the campus-wide heating, ventilation, and air conditioning system that serve Building 17.

Subd. 5. **Silver Bay Campus Master Plan Renovation** 227,000

For the state share of the cost to design, construct, furnish, and equip an addition to and renovation of the nursing care facility. This appropriation is added to the appropriation to the Veterans Homes Board in Laws 2006, chapter 258, section 19, subdivision 7, for this project.

Subd. 6. **Veterans Memorial, Eden Prairie** 100,000

For a grant to the city of Eden Prairie to design and construct improvements of a capital nature for a veterans memorial in Purgatory Creek Recreation Area in the city of Eden Prairie.

Subd. 7. **All Wars Memorial, Minneapolis** 100,000

For a grant to the Minneapolis Park and Recreation Board to construct an All Wars

Memorial at Sheridan Memorial Park on the Mississippi River.

Subd. 8. All Veterans Memorial, Richfield

100,000

For a grant to the city of Richfield to design and construct the All Veterans Memorial, to be built in the city-owned Veterans Memorial Park. The All Veterans Memorial will acknowledge the six branches of military service at the first American flag raising of the battle of Iwo Jima, and will feature a bronze bust of Charles "Chuck" W. Lindberg, who helped raise the first flag on February 23, 1945, and was the last flag raiser of both Iwo Jima flag raisings to pass away. It is anticipated that the total cost of the project is \$711,500, with the city and nonprofit organizations contributing \$611,500.

This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed from nonstate sources.

Subd. 9. Veterans Memorial, Virginia

100,000

For a grant to the city of Virginia to acquire a bronze statue to complete an Iron Range Veterans Memorial in City Center Park. Any expenditures by the city for development and construction of the veterans memorial and City Center Park are considered the city's match for this project.

Sec. 20. CORRECTIONS

Subdivision 1. Total Appropriation

\$ 32,000,000

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

Subd. 2. Asset Preservation

10,000,000

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

Subd. 3. Minnesota Correctional Facility - Faribault**Expansion Phase 3**16,000,000

To design, construct, furnish, and equip a building to serve as a secure intake, receiving, warehouse, and security watch center at the Minnesota Correctional Facility - Faribault, including, but not limited to, a secure vehicle sally port for processing offenders and a receiving and distribution area to process and search incoming supplies. This appropriation includes funding to demolish two existing buildings on the site of this new building and remodel existing buildings and infrastructure as required to accommodate the new facility operations.

Subd. 4. Minnesota Correctional Facility - Red Wing**Vocational Education Building**6,000,000

To construct, furnish, and equip a new vocational education building with a combined classroom and shop complex.

Sec. 21. EMPLOYMENT AND ECONOMIC DEVELOPMENT**Subdivision 1. Total Appropriation****\$ 143,125,000**

To the commissioner of employment and economic development or other named agency for the purposes specified in this section.

Subd. 2. Greater Minnesota Business Development Infrastructure Grant Program7,500,000

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

Notwithstanding Minnesota Statutes, section 116J.431, \$500,000 is for a grant to the city of Floodwood for acquisition of land and site preparation and to construct or install public infrastructure to support development

of a business park. This appropriation is not available until the commissioner of finance has determined that at least an equal amount is committed to the project from nonstate sources.

For the first 120 days after the effective date of this section, up to \$1,750,000 of this appropriation is reserved for grants and loans to Minnesota school districts, municipalities, and counties to build infrastructure improvements that use Minnesota biomass energy products to conserve energy and reduce reliance on electricity, oil, and natural gas.

Subd. 3. Bioscience Business Development Public Infrastructure Grant Program

9,000,000

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

\$3,500,000 is for public infrastructure, including land acquisition, to support a private research park within a designated bioscience subzone that is adjacent to and complementary to research facilities of a college or university.

\$1,000,000 is for a grant to the city of Worthington for public infrastructure to support an agricultural-based bioscience training and testing center for incubator firms developing new agricultural processes and products.

Subd. 4. Redevelopment Account

8,500,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571.

\$1,890,000 is for a grant to Cass County to redevelop the Ah-Gwah-Ching site in Walker. If this project does not proceed prior to January 1, 2009, these funds shall be available for other grants under Minnesota Statutes, section 116J.571.

The commissioner may require that grant money not committed by contract for

approved project activities within 120 days after the grant agreement was signed be returned and credited to the redevelopment account.

\$750,000 is for a grant to St. Louis County to design, construct, and install public infrastructure from the city of Chisholm to the regional competition and exhibit center. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 5. Bemidji Regional Event Center

20,000,000

For a grant to the city of Bemidji to acquire land, predesign, design, construct, furnish, and equip a regional event center.

The appropriation is added to the appropriation in Laws 2006, chapter 258, section 21, subdivision 11.

This appropriation is not available until the commissioner of finance determines that at least \$25,000,000 is has been committed to the project from nonstate sources.

Subd. 6. Crookston

10,000,000

For a grant to the city of Crookston to design, construct, furnish, and equip an ice arena complex to replace an existing facility that is being relocated to accommodate a planned flood control project.

This appropriation is not available until the commissioner has determined that the city of Crookston has committed at least \$1,720,825 to the project.

Subd. 7. Duluth - DECC Arena

38,000,000

For a grant to the Duluth Entertainment and Convention Center Authority to design, construct, furnish, and equip capital improvements and renovations to the Duluth Entertainment and Convention Center. The

capital improvements and renovations must include an arena of at least 200,000 square feet with an ice sheet of at least 200 feet by 85 feet; trade show and concert space; seating capacity of at least 6,500 with suites, club seats, and concessions; updated locker and training facilities; and accessible and expanded media space.

Subd. 8. Hibbing - Memorial Building

250,000

For a grant to the city of Hibbing to design, renovate, furnish, and equip the Memorial Building.

Subd. 9. Itasca County - Steel Plant Infrastructure

28,000,000

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County and economic development projects in the surrounding area. Grant money may be used by Itasca County to acquire right-of-way and mitigate loss of wetlands and runoff of storm water, to predesign, design, construct, and equip roads and rail lines, and in cooperation with Nashwauk Municipal Utility, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems.

Subd. 10. Mankato - Theater and Hockey Center

975,000

For a grant to the city of Mankato to predesign and design a performing arts theater and Southern Minnesota Women's Hockey Exposition Center attached to the Mankato Civic Center for use by Minnesota State University, Mankato.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 11. Minneapolis - Orchestra Hall

3,000,000

For a grant to the city of Minneapolis to

predesign the renovation of Orchestra Hall and Peavey Plaza at its current downtown Minneapolis location, subject to Minnesota Statutes, section 16A.695.

Subd. 12. Rochester - Mayo Civic Center Complex

3,500,000

For a grant to the city of Rochester to design the renovation and expansion of the Mayo Civic Center Complex.

Subd. 13. Roseville - Guidant John Rose Minnesota Oval

600,000

For a grant to the city of Roseville to predesign, design, construct, or install, furnish, and equip multiple improvements to the Guidant John Rose Minnesota Oval including a geothermal heating and cooling system for the facility.

Subd. 14. St. Cloud Civic Center Expansion

2,000,000

For a grant to the city of St. Cloud to acquire land for and for pre-engineering, engineering, and design for an expansion of the St. Cloud Civic Center. The expansion includes approximately 66,000 square feet of new space and a 300-stall parking ramp. This appropriation is not available until the commissioner of finance determines that at least \$2,000,000 is committed to the project from nonstate sources.

Subd. 15. St. Cloud State University - National Hockey Center

6,500,000

To the Board of Trustees of the Minnesota State Colleges and Universities to predesign, design, construct, furnish, and equip the renovation of the National Hockey Center.

Subd. 16. St. Paul

(a) Asian Pacific Cultural Center

5,000,000

For a grant to the Housing and Redevelopment Authority of the city of St. Paul, to construct, furnish, and equip an

Asian Pacific Cultural Center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

(b) Gillette Children's Specialty Healthcare

300,000

From the general fund for a grant to Ramsey County to predesign and design renovations for surgical suites and the pediatric intensive care unit at Gillette Children's Specialty Healthcare, which until 1989 was a state institution housed in a state building that served the medical needs of children with disabilities.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Sec. 22. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$ 49,800,000

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

Subd. 2. State Match For Federal Grants

30,000,000

(a) 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.

(b) \$6,000,000 of this appropriation shall provide matching funds for the drinking water revolving fund to match the 2009 and 2010 federal grants, with the balance to be made available to the clean water revolving fund.

(c) This appropriation must be used for qualified capital projects.

Subd. 3. Wastewater Infrastructure Funding Program

15,300,000

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

To the greatest practical extent, the authority must use the appropriation for projects on the 2008 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or receive a funding commitment from USDA Rural Economic and Community Development by June 30, 2009, or for projects on the 2009 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or have received a funding commitment from USDA Rural Economic and Community Development by June 30, 2010.

Of this appropriation, \$300,000 is to implement the wastewater infrastructure funding program.

(b) Up to \$2,000,000 may be used for corrective action on wastewater treatment systems listed in Laws 2005, chapter 20, article 1, section 23, subdivision 3, paragraph (b). Grants under this paragraph are not subject to the 2008 or 2009 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

(c) Notwithstanding the limitations and conditions on loans under Minnesota Statutes, section 446A.072, subdivisions 5a, paragraph (b); 9; and 12, from any amounts appropriated for the wastewater infrastructure funding program, the Minnesota Public Facilities Authority shall provide loans not to exceed \$6,000,000 to the city of Litchfield to design and construct wastewater treatment facility improvements to meet more stringent effluent

limits required by the Pollution Control Agency, and not to exceed \$7,000,000 to the city of Willmar to design, construct, furnish, and equip a new wastewater treatment facility. Loans under this paragraph are in addition to any other grants and loans for which the cities of Litchfield and Willmar qualify for from the Public Facilities Authority.

Subd. 4. Upper Sioux Community Water System

750,000

This appropriation is from the general fund for a grant to the Upper Sioux Community to improve the current water system to ensure continuity of service to the entire population of the community and to meet the demands of the planned community expansion over the next 20 years.

This appropriation is not available until the Public Facilities Authority has determined that at least \$375,000 has been committed from nonstate sources.

Subd. 5. Total Maximum Daily Load (TMDL) Grants

2,000,000

For total maximum daily load grants under Minnesota Statutes, section 446A.073.

Subd. 6. Small Community Wastewater Grants

1,500,000

For transfer to the small community wastewater treatment account for loans and grants under Minnesota Statutes, section 446A.075.

Subd. 7. Streamlined Infrastructure Financing

100,000

From the general fund for staff and consultant costs to develop a credit enhanced pooled bond program for municipal infrastructure projects.

Subd. 8. Bayport Storm Sewer

150,000

For a grant to the city of Bayport for the Middle St. Croix River Watershed

Management Organization to complete the sewer system extending from Minnesota Department of Natural Resources pond 82-310P (the prison pond) in Bayport through the Stillwater prison grounds to the St. Croix River. This appropriation is in addition to the appropriations in Laws 2000, chapter 492, article 1, section 21, subdivision 8, to the commissioner of corrections and in Laws 2005, chapter 20, article 1, section 23, subdivision 3, to the Public Facilities Authority, for the same project.

Sec. 23. MINNESOTA HOUSING FINANCE AGENCY

\$ 1,000,000

To the Minnesota Housing Finance Agency for transfer to the housing development fund for the purposes specified in this section.

This appropriation is for loans or grants: (1) for publicly owned emergency shelter; (2) for publicly owned temporary or transitional housing under Minnesota Statutes, section 462A.202, subdivision 2; and (3) for publicly owned permanent rental housing under Minnesota Statutes, section 462A.202, subdivision 3a, for persons who have been without a permanent residence either for at least 12 months or on at least four occasions in the last three years, or who were at significant risk of lacking a permanent residence for at least 12 months or on at least four occasions in the last three years. Loans or grants under Minnesota Statutes, section 462A.202, subdivision 3a, must be for housing that provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Sec. 24. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation

\$ 9,594,000

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

Subd. 2. Historic Sites Asset Preservation4,000,000

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. Historic Fort Snelling Museum and Visitor Center3,000,000

For projects of a capital nature at historic Fort Snelling to preserve historic structures and to enhance visitor services.

Subd. 4. County and Local Preservation Grants2,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in new Minnesota Statutes, section 138.0525. This appropriation includes money for grants to the city of Hokah to renovate the Hokah City Hall building; and the Houston County Historical Society to renovate existing space and to predesign, design, and construct an addition to the Houston County Historical Society building located in the city of Caledonia.

\$400,000 is for a grant to the city of Chatfield to predesign, design, construct, furnish, and equip a community center that will, among other uses, house the Chatfield Brass Band Music Lending Library.

\$100,000 is for a grant to the city of Wells to renovate the historic Wells Train Depot. No match is required for this grant.

Subd. 5. Oliver H. Kelley Farm Historic Site300,000

For predesign and design for the renovation of the Oliver H. Kelley Farm Historic Site. Any unexpended funds may be used for the construction of visitor amenities including rest room and picnic facilities.

Subd. 6. Heritage Trails294,000

To complete development of the educational interpretive trail system at the Fort Ridgely historic site.

Sec. 25. BOND SALE EXPENSES

\$

998,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 26. BOND SALE SCHEDULE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2009, no more than \$871,424,000 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 finance 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. 27. BOND SALE AUTHORIZATION.

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$1,006,610,000 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. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$16,000,000 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. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Subd. 3. **Transportation fund bond proceeds account.** To provide the money appropriated in this article from the state transportation fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$2,000,000 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. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 28. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

(a) \$17,262,000 of the appropriation in Laws 2002, chapter 393, section 19, subdivision 2, to the Metropolitan Council for the Northwest busway, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, is reduced by \$17,262,000.

(b) \$2,571,000 of the appropriation in Laws 2003, First Special Session chapter 20, article 1, section 2, subdivision 2, paragraph (c), for the teaching and technology center, is canceled. The bond sale authorization in Laws 2003, First Special Session chapter 20, article 1, section 16, is reduced by \$2,571,000.

(c) The bond sale authorization in Laws 2003, First Special Session chapter 20, article 1, section 16, is reduced by \$1,500,000.

(d) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by \$2,000,000.

(e) The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by \$3,767,000.

Sec. 29. Minnesota Statutes 2006, section 16B.32, is amended by adding a subdivision to read:

Subd. 1a. **Onsite energy generation from renewable sources.** A state agency that prepares a predesign for a new building must consider meeting at least two percent of the energy needs of the building from renewable sources located on the building site. For purposes of this subdivision, "renewable sources" are limited to wind and the sun. The predesign must include an explicit cost and price analysis of complying with the two-percent requirement compared with the present and future costs of energy supplied by a public utility from a location away from the building site and the present and future costs of controlling carbon emissions. If the analysis concludes that the building should not meet at least two-percent of its energy needs from renewable sources located on the building site, the analysis must provide explicit reasons why not. The building may not receive further state appropriations for design or construction unless at least two percent of its energy needs are designed to be met from renewable sources, unless the commissioner finds that the reasons given by the agency for not meeting the two-percent requirement were supported by evidence in the record.

Sec. 30. Minnesota Statutes 2006, section 16B.325, is amended to read:

16B.325 SUSTAINABLE BUILDING GUIDELINES.

Subdivision 1. **Development of sustainable building guidelines.** The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003, and for all major renovations of state buildings by February 1, 2009. The primary objectives of these guidelines are to ensure that all new state buildings, and major renovations of state buildings, initially exceed ~~existing~~ the state energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent.

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and major renovations, and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings and major renovations. The guidelines shall define "major renovations" for purposes of this section.

The definition may not allow "major renovations" to encompass less than 10,000 square feet or to encompass less than the complete replacement of the mechanical, ventilation, or cooling system of the building or a section of the building. The design guidelines must establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements; specify ways to reduce material costs; and must consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.

Subd. 3. **Development of guidelines; applicability.** In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this section are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004, and for all major renovations receiving funding from the bond proceeds fund after January 1, 2009.

Sec. 31. Minnesota Statutes 2006, section 16B.335, subdivision 2, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made must not proceed until the recipient undertaking the project has notified the chair of the senate Finance Committee, the chair of the house Capital Investment Committee, and the chair of the house Ways and Means Committee that the work is ready to begin. Notice is not required for capital projects needed to comply with the Americans with Disabilities Act, for asset preservation projects to which section 16A.307 applies, or for projects funded by an agency's operating budget or by a capital asset preservation and replacement account under section 16A.632, or a higher education ~~capital~~ asset preservation and renewal replacement account under section 135A.046.

Sec. 32. Minnesota Statutes 2006, section 103D.335, subdivision 17, is amended to read:

Subd. 17. **Borrowing funds.** The managers may borrow funds from an agency of the federal government, a state agency, a county where the watershed district is located in whole or in part, or a financial institution authorized under chapter 47 to do business in this state. A county board may lend the amount requested by a watershed district. A watershed district may not have more than a total of ~~\$200,000~~ \$600,000 in loans from counties and financial institutions under this subdivision outstanding at any time.

Sec. 33. Minnesota Statutes 2007 Supplement, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

(b) Replacement must be guided by the following principles in descending order of priority:

- (1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;
- (2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;
- (3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;
- (4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;
- (5) compensating for the impact by restoring a wetland; and
- (6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) If a wetland is drained under section 103G.2241, subdivision 2, paragraphs (b) and (e), the local government unit may require a deed restriction that prohibits nonagricultural use for at least ten years unless the drained wetland is replaced as provided under this section. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected and ponds that are created primarily to fulfill stormwater management, and water quality treatment requirements may not be used to satisfy replacement requirements under this chapter unless the design includes pretreatment of runoff and the pond is functioning as a wetland.

(f) Except as provided in paragraph (g), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in a greater than 80 percent area, only wetlands that have been restored from

previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

(j) The Technical Evaluation Panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) For projects involving draining or filling of wetlands associated with a new public transportation project, and for projects expanded solely for additional traffic capacity, public transportation authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph. For the purposes of this paragraph, "transportation project" does not include an airport project.

(m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on-site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel shall review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for state public transportation projects, for which the state Department of Transportation is responsible, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

(n) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

(o) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the documentation. Within 30 days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

(p) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph (o) or provide a reason why the petition is denied.

Sec. 34. Minnesota Statutes 2006, section 115A.908, subdivision 2, is amended to read:

Subd. 2. **Deposit of revenue.** ~~(a) From July 1, 2003, through June 30, 2007, revenue collected shall be credited to the general fund.~~

(b) After June 30, 2007, From the revenue collected under this section, the amount necessary to make debt service payments on revenue bonds issued under section 116.156 is annually appropriated to the commissioner of finance. Any remaining revenue collected shall be credited to the environmental fund.

Sec. 35. Minnesota Statutes 2006, section 116.155, subdivision 3, is amended to read:

Subd. 3. **Revenues.** The following revenues shall be deposited in the general portion of the remediation fund:

(1) response costs and natural resource damages related to releases of hazardous substances, or pollutants or contaminants, recovered under sections 115B.17, subdivisions 6 and 7, 115B.443, 115B.444, or any other law;

(2) money paid to the agency or the Agriculture Department by voluntary parties who have

received technical or other assistance under sections 115B.17, subdivision 14, 115B.175 to 115B.179, and 115C.03, subdivision 9;

(3) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants; ~~and~~

(4) money received from revenue bonds sold under section 116.156 and placed in a special bond proceeds account; and

(5) interest accrued on the fund.

Sec. 36. [116.156] CLOSED LANDFILL CLEANUP REVENUE BONDS.

Subdivision 1. **Bonding authority.** (a) The commissioner of finance, if requested by the commissioner of the Pollution Control Agency, shall sell and issue state revenue bonds for the following purposes:

(1) to take actions related to hazardous substances, pollutants, or contaminants at and from qualified landfill facilities as provided in section 115B.42, subdivision 2;

(2) to pay the costs of issuance, debt service, and bond insurance or other credit enhancements and to fund reserves; and

(3) to refund bonds issued under this section.

(b) The amount of bonds that may be issued for the purposes of paragraph (a), clause (1), may not exceed \$25,000,000. The amount of bonds that may be issued for the purposes of paragraph (a), clauses (2) and (3), is not limited.

Subd. 2. **Procedure.** The commissioner of finance may sell and issue the bonds on the terms and conditions the commissioner of finance determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner of finance may enter any agreements or pledges the commissioner of finance determines necessary or useful to sell the bonds that are not inconsistent with this section. Sections 16A.672 to 16A.675 apply to the bonds. The proceeds of the bonds issued under this section must be credited to a special bond proceeds account in the remediation fund and are appropriated to the commissioner of the Pollution Control Agency for the purposes specified in subdivision 1.

Subd. 3. **Revenue sources.** The debt service on the bonds is payable only from the following sources:

(1) the motor vehicle transfer fee under section 115A.908; and

(2) other revenues pledged to the payment of the bonds.

Subd. 4. **Refunding bonds.** The commissioner of finance may issue bonds to refund outstanding bonds issued under subdivision 1, including the payment of any redemption premiums on the bonds and any interest accrued or to accrue to the first redemption date after delivery of the refunding bonds. The proceeds of the refunding bonds may, in the discretion of the commissioner of finance, be applied to the purchases or payment at maturity of the bonds to be refunded, or the redemption of the outstanding bonds on the first redemption date after delivery of the refunding bonds and may, until so used, be placed in escrow to be applied to the purchase, retirement, or redemption.

Refunding bonds issued under this subdivision must be issued and secured in the manner provided by the commissioner of finance.

Subd. 5. **Not a general or moral obligation.** Bonds issued under this section are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds may not be paid, directly in whole or in part from a tax of statewide application on any class of property, income, transaction, or privilege. Payment of the bonds is limited to the revenues explicitly authorized to be pledged under this section. The state neither makes nor has a moral obligation to pay the bonds if the pledged revenues and other legal security for them is insufficient.

Subd. 6. **Trustee.** The commissioner of finance may contract with and appoint a trustee for bondholders. The trustee has the powers and authority vested in it by the commissioner of finance under the bond and trust indentures.

Subd. 7. **Pledges.** Any pledge made by the commissioner of finance is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner of finance is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner of finance, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Subd. 8. **Bonds; purchase and cancellation.** The commissioner of finance, subject to agreements with bondholders that may then exist, may, out of any money available for the purpose, purchase bonds of the commissioner of finance at a price not exceeding (1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Subd. 9. **State pledge against impairment of contracts.** The state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner of finance to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner of finance may include this pledge and agreement of the state in any agreement with the holders of bonds issued under this section.

Sec. 37. **[116.195] BENEFICIAL USE OF WASTEWATER; CAPITAL GRANTS FOR DEMONSTRATION PROJECTS.**

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

(b) "Agency" means the Pollution Control Agency.

(c) "Beneficial use of wastewater" means use of the effluent from a wastewater treatment plant that replaces use of groundwater.

(d) "Capital project" means the acquisition or betterment of public land, buildings, and other

public improvements of a capital nature for the treatment of wastewater intended for beneficial use. Capital project includes projects to retrofit, expand, or construct new treatment facilities.

Subd. 2. **Grants for capital project design.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to predesign and design capital projects that demonstrate the beneficial use of wastewater. The maximum amount for a grant under this subdivision is \$500,000. The grant agreement must provide that the predesign and design work being funded is public information and available to anyone without charge. The agency must make the predesign and design work available on its Web site.

Subd. 3. **Grants for capital project implementation.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to acquire, construct, install, furnish, and equip capital projects that demonstrate the beneficial use of wastewater. The political subdivision must submit design plans and specifications to the agency as part of the application.

The agency must consult with the Public Facilities Authority and the commissioner of natural resources in reviewing and ranking applications for grants under this section.

The application must identify the uses of the treated wastewater and greater weight will be given to applications that include a binding commitment to participate by the user or users.

The agency must give preference to projects that will reduce use of the greatest volume of groundwater from aquifers with the slowest rate of recharge.

Subd. 4. **Application form; procedures.** The agency shall develop an application form and procedures.

Subd. 5. **Reports.** The agency shall report by February 1 of each year to the chairs of the house and senate committees with jurisdiction over environment policy and finance and capital investment on the grants made and projects funded under this section. For each demonstration project funded, the report must include information on the scale of water constraints for the area, the volume of treated wastewater supply, the quality of treated wastewater supplied and treatment implications for the industrial user, impacts to stream flow and downstream users, and any considerations related to water appropriation and discharge permits.

Sec. 38. Minnesota Statutes 2006, section 116J.423, is amended by adding a subdivision to read:

Subd. 2a. **Grants authorized.** Notwithstanding subdivision 2, the commissioner may use money in the fund to make grants to a municipality or county, or to a county regional rail authority as appropriate, for public infrastructure needed to support an eligible project under this section. Grant money may be used by the municipality, county, or regional rail authority to acquire right-of-way and mitigate loss of wetlands and runoff of storm water; to predesign, design, construct, and equip roads and rail lines; and, in cooperation with municipal utilities, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. Grants made under this subdivision are available until expended.

Sec. 39. Minnesota Statutes 2006, section 119A.45, is amended to read:

119A.45 EARLY CHILDHOOD LEARNING AND CHILD PROTECTION FACILITIES.

Subdivision 1. **Grant authority.** The commissioner may make grants to state agencies and

political subdivisions to construct or rehabilitate facilities for early childhood programs, with priority to centers in counties or municipalities with the highest percentage of children living in poverty. The commissioner may also make grants to state agencies and political subdivisions to construct or rehabilitate facilities for crisis nurseries, or parenting time centers. The following requirements apply:

(a) The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner must prescribe the terms and conditions of the leases.

(b) A grant for an individual facility must not exceed \$200,000 \$300,000 for each program that is housed in the facility, up to a maximum of \$500,000 \$750,000 for a facility that houses three programs or more. Programs include Head Start, early childhood and family education programs School Readiness, Early Childhood Family Education, licensed child care, and other early childhood intervention programs.

(c) State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply program wide and not to individual grants.

Subd. 2. Grant priority. (a) The commissioner must give priority to:

(1) projects in counties or municipalities with the highest percentage of children living in poverty;

(2) grants that involve collaboration among sponsors of programs under this section; and

(3) where feasible, grants for programs that utilize Youthbuild under sections 116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000 of the labor portion of the construction, whichever is less, if:

(i) the work is appropriate for Youthbuild, as mutually agreed upon by the grantee and the local Youthbuild program, considering safety and skills needed;

(ii) it is demonstrated by Youthbuild that using Youthbuild will not increase the overall cost of the project; and

(iii) eligible programs consult with appropriate labor organizations to deliver education and training.

(b) The commissioner may give priority to:

(1) projects that collaborate with child care providers, including all-day and school-age child care programs, special needs care, sick child care, nontraditional hour care, and programs that include services to refugee and immigrant families. The commissioner may give priority to; and

(2) grants for programs that will increase their child care workers' wages as a result of the grant. If there is work that is appropriate for youthbuild, as mutually agreed upon by the grantee and the local youthbuild program, considering safety and skills needed, and if it is demonstrated by youthbuild that using youthbuild will not increase the overall cost of the project, then priority must be given to grants for programs that utilize youthbuild under sections 116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000, whichever is less, of the labor portion of the construction. Eligible programs must consult with appropriate labor organizations to deliver

~~education and training. State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply programwide and not to individual grants.~~

Sec. 40. Minnesota Statutes 2006, section 136F.10, is amended to read:

136F.10 DESIGNATION.

The following are designated as the Minnesota State Colleges and Universities: the community colleges located at Austin, Bloomington, Brainerd, Brooklyn Park, Cloquet, Coon Rapids, Ely, Fergus Falls, Grand Rapids, Hibbing, International Falls, Inver Grove Heights, Minneapolis, Rochester, Thief River Falls, Virginia, White Bear Lake, Willmar, and Worthington; the community college centers located at Cambridge and, Duluth, and Owatonna; the state universities located at Bemidji, Mankato, Marshall, Moorhead, St. Cloud, Winona, and the Twin Cities metropolitan area; and the technical colleges located at Alexandria, Albert Lea, Anoka, Austin, Bemidji, Brainerd, Brooklyn Park, Canby, Detroit Lakes, Duluth, East Grand Forks, Eden Prairie, Eveleth, Faribault, Granite Falls, Hibbing, Hutchinson, Jackson, Minneapolis, Mahtomedi, Moorhead, North Mankato, Pine City, Pipestone, Red Wing, Rochester, Rosemount, St. Cloud, St. Paul, Staples, Thief River Falls, Wadena, Willmar, and Winona.

Sec. 41. Minnesota Statutes 2006, section 136F.60, subdivision 5, is amended to read:

Subd. 5. **Disposition of surplus property.** (a) The board may declare state lands or improvements under its control that are no longer needed by the Minnesota State Colleges and Universities system to be surplus and may offer them for public sale in a manner consistent with the procedures set forth in sections 16B.282 to 16B.286 for disposition of state lands by the commissioner of administration. The parcels must not be exchanged or transferred for no or nominal consideration.

(b) Proceeds from the sale or disposition of land or improvements under this subdivision, after paying all expenses incurred in selling or disposing of the land and then paying any amounts due under section 16A.695, are appropriated to the board for use for capital projects at the institution that was responsible for management of the land or improvements.

Sec. 42. Minnesota Statutes 2006, section 136F.64, subdivision 1, is amended to read:

Subdivision 1. **General authority; construction; improvements.** (a) Specific legislative authority is not required for repairs or minor capital projects financed with operating appropriation or institutional receipts that:

- (1) are undertaken for asset preservation or code compliance purposes; or
- (2) do not materially increase the net square footage of the institution; and
- (3) do not materially increase the costs of instructional programs.

For any project under this section with a cost in excess of ~~\$50,000~~ \$1,500,000, unless the Board of Trustees determines that an emergency exists, the board must notify the chair of the Finance Committee of the senate, and the chairs of the Ways and Means Committee and the Capital Investment Committee of the house in writing before incurring any contractual obligations.

(b) The board shall supervise and control the preparation of plans and specifications for the construction, alteration, repair, or enlargement of state college and university buildings, structures,

and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Sec. 43. Minnesota Statutes 2006, section 136F.98, subdivision 1, is amended to read:

Subdivision 1. **Issuance of bonds.** The Board of Trustees of the Minnesota State Colleges and Universities or a successor may issue revenue bonds under sections 136F.90 to 136F.97 whose aggregate principal amount at any time may not exceed ~~\$150,000,000~~ \$200,000,000, and payable from the revenue appropriated to the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures or portions thereof to be used for dormitory, residence hall, student union, food service, parking purposes, or for any other similar revenue-producing building or buildings of such type and character as the board finds desirable for the good and benefit of the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house Ways and Means Committee and the senate Finance Committee about the facilities to be financed by the bonds.

Sec. 44. [137.61] PURPOSE.

Sections 137.61 to 137.65 provide for a biomedical science research funding program to further the investment in biomedical science research facilities in Minnesota to benefit the state's economy, advance the biomedical technology industry, benefit human health, and facilitate research collaboration between the University of Minnesota and other private and public institutions in this state.

Sec. 45. [137.62] DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to sections 137.61 to 137.65.

Subd. 2. **Biomedical science research facility.** "Biomedical science research facility" means a facility located on the campus of the University of Minnesota to be used as a research facility and laboratory for biomedical science and biomedical technology. A hospital licensed under sections 144.50 to 144.56 is not a biomedical science research facility.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of finance.

Subd. 4. **Project costs.** "Project costs" means the sum of all obligations incurred, paid, or to be paid that are reasonably required for the design, construction, and completion of the project, including, but not limited to:

(1) site acquisition;

(2) soil and environmental testing, surveys, estimates, plans and specifications, supervision of construction, and other engineering and architectural services;

(3) payments under construction contracts and payments for performance bonds; and

(4) purchase and installation of furniture, fixtures, and equipment.

Subd. 5. **Project.** "Project" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of a structure, facility, infrastructure, or equipment necessary for a biomedical science research facility approved by the Board of Regents.

Sec. 46. **[137.63] BIOMEDICAL SCIENCE RESEARCH FACILITIES FUNDING PROGRAM.**

Subdivision 1. **Program established.** A biomedical science research facilities funding program is established to provide appropriations to the Board of Regents of the University of Minnesota for up to 75 percent of the project costs for each of four projects approved by the Board of Regents under section 137.64.

Subd. 2. **Project requirements.** The Board of Regents of the University of Minnesota, either acting on its own or in collaboration with another private or public entity, must pay at least 25 percent of the project costs for each of four projects. The board must not use tuition revenue to pay for the university's share of the costs for the projects approved under section 137.64.

Sec. 47. **[137.64] CONDITIONS FOR PAYMENTS TO UNIVERSITY.**

Subdivision 1. **Certifications.** Before the commissioner may make any payments authorized in this section to the Board of Regents for a biomedical science research facility project, the commissioner must certify that the board has, by board resolution, approved the maximum project cost for the project and complied with the requirements of section 137.63, subdivision 2. For each project approved by the board, the board must certify to the commissioner the amount of the annual payments of principal and interest required to service each series of bonds issued by the University of Minnesota for the project, and the actual amount of the state's annual payment to the University of Minnesota under subdivision 2. The annual payment must not exceed the amount required to pay debt service on the bonds issued to finance 75 percent of the project costs.

Subd. 2. **Payments.** On July 15 of each year after the certification under subdivision 1, but no earlier than July 15, 2009, and for so long thereafter as any bonds issued by the board for the construction of a project are outstanding, the state must transfer to the board annual payments as certified under subdivision 1, up to the maximum amounts in the appropriation schedule under subdivision 3. Payments under this section are to reimburse the Board of Regents for the state's share of the project costs for the biomedical science research facility projects, provided that the principal amount of bonds issued by the University of Minnesota to pay the state's share of the costs must not exceed \$219,000,000.

Subd. 3. **Appropriations.** Annual appropriations are made from the general fund to the commissioner of finance for transfer to the Board of Regents, as follows:

- (1) up to \$850,000 is appropriated in fiscal year 2010;
- (2) up to \$3,650,000 is appropriated in fiscal year 2011;
- (3) up to \$7,825,000 is appropriated in fiscal year 2012;
- (4) up to \$12,100,000 is appropriated in fiscal year 2013;
- (5) up to \$14,825,000 is appropriated in fiscal year 2014; and
- (6) up to \$15,550,000 is appropriated in fiscal year 2015 and each year thereafter, up to 25 years

following the certification of the last project by the commissioner.

Subd. 4. **Report to legislature.** The Board of Regents must report to the committees of the legislature with responsibility for capital investment by January 15 of each even-numbered year on the biomedical science research facility projects authorized under this section. The report must at a minimum include for each project, the total cost, the number of researchers, research grants, and the amount of debt issued by the Board.

Subd. 5. **Reinvestment.** The Board of Regents must, to the extent permitted under federal law and University of Minnesota policies, place a priority on reducing the state's share of project costs by dedicating a share of the proceeds from any commercialization or licensing revenues attributable to research conducted in the biomedical science facilities to reducing the appropriations needed under subdivision 3.

Subd. 6. **Services to individuals and firms.** Consistent with its mission and governing policies and the requirements for tax exempt bonds, the university shall make available laboratory and other services on a fee-for-service basis to individuals and firms in the bioscience industry in Minnesota. The university will not assert patent rights when providing services that do not involve its innovative intellectual contributions.

Sec. 48. **[137.65] NO FULL FAITH AND CREDIT.**

Any bonds or other obligations issued by the board under sections 137.61 to 137.65, are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged for their payment, or of any payments that the state agrees to make under sections 137.61 to 137.65.

Sec. 49. **[138.0525] COUNTY AND LOCAL HISTORIC PRESERVATION CAPITAL GRANTS.**

Subdivision 1. **Historic preservation capital grant program established.** The Minnesota Historical Society may make grants to political subdivisions to pay up to 50 percent of the eligible project capital costs to restore an historic structure owned by the political subdivision, as incurred according to the project grant agreement and state law governing the project.

Subd. 2. **Match requirement.** The political subdivision receiving a grant must provide for the remainder of the costs of the project.

Subd. 3. **Criteria.** The Minnesota Historical Society may set criteria for program priorities and standards of review.

Sec. 50. Minnesota Statutes 2006, section 462A.21, is amended by adding a subdivision to read:

Subd. 32. **Nonprofit housing bonds account.** The agency may establish a nonprofit housing bond account as a separate account within the housing development fund. Proceeds of nonprofit housing bonds and payments made by the state under section 462A.36 may be credited to the account. The agency may transfer the proceeds of nonprofit housing bonds to another account within the housing development fund that it determines appropriate to accomplish the purposes for which the bonds are authorized under section 462A.36.

Sec. 51. **[462A.36] NONPROFIT HOUSING BONDS; AUTHORIZATION; STANDING APPROPRIATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section the following terms have the meanings given them in this subdivision.

(b) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on nonprofit housing bonds and the fees, charges, and expenses related to the bonds.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(c) "Nonprofit housing bonds" means bonds issued by the agency under chapter 462A that are "qualified 501(c)(3) bonds" (within the meaning of Section 145(a) of the Internal Revenue Code) or are not "private activity bonds" (within the meaning of Section 141(a) of the Internal Revenue Code), for the purpose of financing or refinancing affordable housing authorized under chapter 462A.

(d) "Permanent supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Subd. 2. **Authorization.** (a) The agency may issue up to \$30 million of nonprofit housing bonds in one or more series to which the payments made under this section may be pledged. The nonprofit housing bonds authorized in this subdivision may be issued for the purpose of making loans, on terms and conditions the agency deems appropriate, to finance the costs of the construction, acquisition, preservation, and rehabilitation of permanent supportive housing for individuals and families who: (1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or (2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

(b) An insubstantial portion of the bond proceeds may be used for permanent supportive housing for individuals and families experiencing homelessness who do not meet the criteria of paragraph (a).

Subd. 3. **No full faith and credit.** The nonprofit housing bonds are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged to the payment of the nonprofit housing bonds or to any payment that the state agrees to make under this section. The bonds must contain a conspicuous statement to that effect.

Subd. 4. **Appropriation; payment to the agency or trustee.** (a) The agency must certify annually to the commissioner of finance the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2009 and through 2031, if any nonprofit housing bonds issued under subdivision 2 remain outstanding, the commissioner of finance must transfer to the nonprofit housing bond account established under section 462A.21, subdivision 32, the amount certified under paragraph (a), not to exceed \$2,400,000 annually. The amounts necessary to make the transfers is appropriated from the general fund to the commissioner of finance.

(c) The agency may pledge to the payment of the nonprofit housing bonds the payments to be made by the state under this section.

Sec. 52. Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3, is amended to read:

Subd. 3. **Wastewater Infrastructure Funding Program**

15,000,000

13,500,000

To the public facilities authority for grants to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority should use the grants for projects on the 2002 project priority list in priority order to qualified applicants that submit plans and specifications to the pollution control agency or receive a funding commitment from USDA rural development before December 1, 2003.

~~\$1,500,000 is for grants to the Larsmont portion of the Knife River Larsmont sanitary district. This appropriation must be used to reduce the amount of the municipality's loan from the water pollution revolving fund that exceeds five percent of the market value of the properties in the project service area. This appropriation is in addition to grants from other appropriations.~~

Sec. 53. Laws 2005, chapter 20, article 1, section 7, subdivision 21, is amended to read:

Subd. 21. **State Park and Recreation Area Acquisition**

2,500,000

For acquisition of land under Minnesota Statutes, section 86A.05, subdivisions 2 and 3, from willing sellers of private lands within state park and recreation area boundaries established by law.

\$500,000 is to purchase land within the boundaries of Greenleaf Lake state park recreation area in Meeker county.

Sec. 54. Laws 2005, chapter 20, article 1, section 17, is amended to read:

Section 1. **PUBLIC SAFETY**

642,000

To the commissioner of public safety for a grant to the Economic Development Authority in and for the city of Blue Earth to acquire land for and to predesign, design,

construct, furnish, and equip a fire and police station. This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed to the project from nonstate sources.

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

Sec. 55. Laws 2005, chapter 20, article 1, section 23, subdivision 3, is amended to read:

Subd. 3. Wastewater Infrastructure Funding Program

29,900,000

(a) To the Public Facilities Authority for the purposes specified in this subdivision. \$29,300,000 of this appropriation is for grants and loans to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority must use the appropriation for projects on the 2005 project priority list in priority order to qualified applicants that submit plans and specifications to the Pollution Control Agency or receive a funding commitment from USDA Rural Economic and Community Development before December 1, 2006.

\$600,000 of this appropriation is to implement the wastewater infrastructure program.

(b) The grants listed in this paragraph are not subject to the 2005 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

\$1,500,000 is for a grant to the city of Aurora to reconstruct its wastewater treatment plant, damaged in an explosion May 5, 2004.

\$1,700,000 is for a grant to the Central Iron Range Sanitary Sewer District Authority to predesign and design the necessary facilities to collect, treat, and dispose of sewage in the district, including a pump-storage facility and

a wind-energy facility.

Up to \$5,000,000 may be used as grants to the cities of Dunnell, Dumont, Henriette, Lewisville, McGrath, and Ostrander to undertake corrective action on systems built since 2001 with federal money from USDA Rural Economic and Community Development. A grant must not exceed the amount of federal money used in the construction of systems that incorporated sand filter treatment, fixed activated sludge treatment, or mechanical package plant treatment technologies.

\$4,950,000 is for a grant to the city of Duluth for design and construction of sanitary sewer overflow storage facilities at selected locations in the city of Duluth. This appropriation is available when matched by \$1 of money secured or provided by the city of Duluth for each \$1 of state money.

\$1,700,000 is for a grant to the city of Eagle Bend to predesign, design, construct, furnish, and equip a wastewater collection and treatment system.

\$1,500,000 is for a grant to the city of Two Harbors to retire loans, whether interfund or otherwise, incurred to acquire land for, design, construct, furnish, and equip a 2,500,000 gallon equalization basin and a chlorine-contact tank of at least 100,000 gallon capacity, adjacent to the city's wastewater treatment plant. The equalization basin is required under the city's National Pollution Discharge Elimination System permit. This appropriation is not available until the commissioner of finance determines that \$325,000 has been committed to the project from nonstate sources.

\$1,550,000 for a grant to the city of Bayport for the Middle St. Croix River Watershed Management Organization to complete the sewer system extending from Minnesota Department of Natural Resources pond 82-310P (the prison pond) in Bayport through

the Stillwater prison grounds to the St. Croix River. Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until December 31, 2011.

\$2,000,000 is to the commissioner of employment and economic development for a grant to the city of New Brighton to relocate a sanitary sewer interceptor in the Northwest Quadrant to allow for redevelopment of that area.

Sec. 56. Laws 2005, chapter 20, article 1, section 23, subdivision 8, is amended to read:

Subd. 8. Lewis and Clark Rural Water System, Inc.

2,000,000

This appropriation is from the general fund to the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln Pipestone rural water system, and Rock County rural water system Lewis and Clark Joint Powers Board to acquire land, predesign, design, construct, furnish, and equip one or more water transmission and storage facilities to accommodate the connection with of the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

The grants Payment to the Lewis and Clark Rural Water System, Inc., must be awarded to projects approved by the Lewis and Clark Joint Powers Board.

This appropriation is available only to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. for each \$1 of state money to be used to reimburse costs incurred on eligible projects.

This appropriation is the first phase of the state share for the Lewis and Clark Rural Water System, Inc. project as defined in the federal Lewis and Clark Rural Water System Act of 2000.

Sec. 57. Laws 2005, chapter 20, article 1, section 23, subdivision 11, as amended by Laws 2006, chapter 171, section 1, is amended to read:

Subd. 11. **Redevelopment Account**

15,000,000

For purposes of the redevelopment account created in Minnesota Statutes, section 116J.571.

\$5,000,000 cumulatively is for grants to the counties of Ramsey and Anoka for public improvements to the portions of County Road J located within each county, including predesign and design, the acquisition of interests in land, and the repayment of loans the proceeds of which were used for the public improvements. The grants to the individual counties shall be in amounts proportionate to the individual counties' costs associated with the public improvements. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

\$1,000,000 is for a grant to the city of Willmar to pay part of the cost of acquiring land for the new city airport and to construct or acquire, furnish, and equip hangars and a precision lighting system at the airport, to renovate facilities to house RCO communications equipment and to relocate RCO communications equipment from the old airport to the new airport and for a perimeter security fencing and monitoring system. This appropriation may be used to design and construct ramp and taxiway expansions. Notwithstanding Minnesota Statutes, section 116J.575, no match is required for this project.

\$600,000 is for a grant to the city of Rushford to acquire real property for, and to design, construct, and renovate, furnish, and equip a facility for the Institute of Nanotechnology.

Sec. 58. Laws 2005, chapter 20, article 1, section 23, subdivision 16, is amended to read:

Subd. 16. **Minneapolis**

(a) Minnesota Planetarium

22,000,000

For a grant to ~~the city of Minneapolis~~ Hennepin County to complete design and to

construct, furnish, and equip a new Minnesota planetarium and space discovery center in conjunction with the Minneapolis downtown library.

(b) Heritage Park

Any unspent balance remaining on December 31, 2004, in the appropriation made by Laws 2000, chapter 492, article 1, section 22, subdivision 10, for a grant to the city of Minneapolis, may be used by the city for improvements to the Heritage Park project.

(c) Minnesota Shubert Center

1,000,000

For a grant to the city of Minneapolis to predesign and design and provide for related capital costs for an associated atrium to create the Minnesota Shubert Center.

Sec. 59. Laws 2006, chapter 258, section 7, subdivision 3, as amended by Laws 2007, chapter 122, section 4, is amended to read:

Subd. 3. Flood Hazard Mitigation Grants

25,000,000

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.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

- (a) Austin
- (b) Albert Lea
- (c) Browns Valley
- (d) Crookston
- (e) Canisteo Mine
- (f) Delano
- (g) East Grand Forks

- (h) Golden Valley
- (i) Grand Marais Creek
- (j) Granite Falls
- (k) Inver Grove Heights
- (l) Manston Slough
- (m) Oakport Township
- (n) Riverton Township
- (o) Roseau
- (p) Shell Rock Watershed District
- ~~(p)~~ (q) St. Vincent
- ~~(q)~~ (r) Wild Rice River Watershed District

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.

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, East Grand Forks, Granite Falls, Montevideo, Oakport Township, Roseau, St. Vincent, or Warren exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project. The local share for the St. Vincent dike may not exceed \$30,000.

Sec. 60. Laws 2006, chapter 258, section 7, subdivision 7, is amended to read:

Subd. 7. Lake Superior safe harbors

3,000,000

To design and construct capital improvements to public accesses and small craft harbors on Lake Superior in accordance with Minnesota Statutes, sections 86A.20 to 86A.24, and in cooperation with the United States Army Corps of Engineers.

This appropriation may be used to develop the harbor of refuge and marina at Two Harbors and is added to the appropriations in Laws 1998, chapter 404, section 7, subdivision 24; and Laws 2000, chapter 492, article 1, section 7, subdivision 21, as amended by Laws 2005, chapter 20, article 1, section 42. Notwithstanding those laws, the commissioner may proceed with the Two Harbors project by providing up to \$1,500,000 to complete the design specifications and environmental work currently underway. The commissioner may spend the remaining money for the project upon securing an agreement with the U.S. Army Corps of Engineers that commits federal expenditures of at least \$4,000,000 to the project.

Sec. 61. Laws 2006, chapter 258, section 7, subdivision 11, is amended to read:

Subd. 11. Water control structures

1,000,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under Minnesota Statutes, section 97A.101.

Sec. 62. Laws 2006, chapter 258, section 7, subdivision 22, is amended to read:

Subd. 22. Regional trails

1,133,000

648,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4b.

\$648,000 is for the Agassiz Recreational ATV Trail. Snowmobile trail grant money received under Minnesota Statutes, section 84.83, subdivision 3, and all-terrain vehicle trail grant money received under Minnesota Statutes, section 84.927, subdivision 2, may be counted as part of the county's required 50 percent nonstate match.

~~\$485,000 is for a grant to the Central~~

~~Minnesota Regional Parks and Trails Coordination Board to design, engineer, and construct 6.3 miles of trail and two parking areas along the Mississippi River in Sherburne County, to be known as Xcel Energy Great River Woodland Trail.~~

Sec. 63. Laws 2006, chapter 258, section 16, subdivision 5, is amended to read:

Subd. 5. Northeast Minnesota rail initiative	1,300,000
<u>(a) Heritage and Arts Center</u>	<u>400,000</u>

For a grant to St. Louis County to renovate the St. Louis County Heritage and Arts Center (the Duluth Depot).

<u>(b) Passenger Rail Service</u>	<u>900,000</u>
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~~and to match federal money for~~ For a grant to the St. Louis and Lake County Regional Rail Authority for Phase 1 of preliminary engineering, environmental studies, and construction of the rail line, railway stations, park-and-ride lots, and other railroad appurtenances necessary to facilitate the return of intercity and commuter/passenger rail service within Duluth and the Duluth/Twin Cities rail corridor.

Sec. 64. Laws 2006, chapter 258, section 17, subdivision 8, is amended to read:

Subd. 8. Metropolitan Regional Parks Capital Improvements	35,362,000
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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. Priority must be given to park rehabilitation and land acquisition projects.

\$300,000 is for a grant to the city of Bloomington to renovate the old Cedar Avenue bridge to serve as a hiking and bicycling trail connection.

\$6,000,000 is for a grant to the county of Dakota to acquire land for a regional park and wildlife area adjacent to the ~~Empire Wetlands~~ Vermillion Highlands Research, Recreation, and Wildlife Management Area and ~~Regional Park~~ in Dakota County.

\$1,800,000 is for a grant to the city of Minneapolis to complete land acquisition for and construction of the Cedar Lake Trail.

\$3,500,000 is for a grant to the Minneapolis Park and Recreation Board to design, construct, furnish, and equip a new cultural and community center in the East Phillips neighborhood in Minneapolis.

\$250,000 is for a grant to the Minneapolis Park and Recreation Board to predesign completion of the Grand Rounds National Scenic Byway by providing a link between northeast Minneapolis on Stinson Avenue and Southeast Minneapolis at East River Road.

\$2,500,000 is for a grant to the Minneapolis Park and Recreation Board to mitigate flooding at Lake of the Isles in the city of Minneapolis. The grant must be used for shoreline stabilization and restoration, dredging, wetland replacement, and other infrastructure improvements necessary to deal with the 1997 flood damage and to prevent future flooding.

\$321,000 is for a grant to Ramsey County to construct a bicycle and pedestrian trail on the north side of Lower Afton Road between Century Avenue and McKnight Road in the city of Maplewood. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

\$9,000,000 is for a grant to the city of St. Paul to predesign, design, construct, furnish, equip, and redevelop infrastructure at the Como Zoo.

\$2,500,000 is for a grant to the city of St. Paul to acquire land for and to predesign,

design, construct, furnish, and equip river park development and redevelopment infrastructure in National Great River Park along the Mississippi River in St. Paul.

\$2,000,000 is for a grant to the city of South St. Paul for the closure, capping, and remediation of approximately 80 acres of the Port Crosby construction and demolition debris landfill in South St. Paul, as the fifth phase of converting the land into parkland, and to restore approximately 80 acres of riverfront land along the Mississippi River.

\$191,000 is for a grant to the city of White Bear Lake to construct the Lake Avenue Regional Trail connecting Highway 96 Regional Trail with Ramsey Beach.

EFFECTIVE DATE. This section is effective retroactively from June 2, 2006.

Sec. 65. Laws 2006, chapter 258, section 21, subdivision 6, is amended to read:

Subd. 6. Redevelopment Account

9,000,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571.

\$800,000 is for a grant to the city of Worthington to remediate contaminated soil and redevelop the site of the former Campbell Soup factory. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

\$250,000 is for a grant to the city of Winona to predesign facilities for a multipurpose events center and arena to be used for the Shakespeare Festival as part of the riverfront redevelopment plan, Beethoven Festival, and Winona State University events. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

Sec. 66. Laws 2006, chapter 258, section 21, subdivision 14, is amended to read:

Subd. 14. Itasca County - infrastructure

12,000,000

For a grant to Itasca County for public infrastructure needed to support a steel plant

~~in Itasca County or an innovative energy project in Itasca County under Minnesota Statutes, section 216B.1694, that uses clean energy technology as defined in Minnesota Statutes, section 216B.1693, or both~~ and economic development projects in the surrounding area. Grant money may be used by Itasca County to acquire right-of-way and mitigate loss of wetlands and runoff of storm water, to predesign, design, construct, and equip roads and rail lines, and, in cooperation with ~~municipal public utilities~~ Nashwauk Municipal Utility, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems.

Up to \$4,000,000 of this appropriation may be spent before the full financing for either project has been closed.

Sec. 67. Laws 2006, chapter 258, section 21, subdivision 15, is amended to read:

Subd. 15. Lewis and Clark Rural Water System, Inc.

3,282,000

This appropriation is from the general fund to the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln Pipestone rural water system, and Rock County rural water system Lewis and Clark Joint Powers Board to acquire land, predesign, design, construct, furnish, and equip ~~one or more~~ water transmission and storage facilities ~~to accommodate the connection with~~ of the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

~~The grants~~ Payment to the Lewis and Clark Rural Water System, Inc. must be awarded ~~to projects~~ approved by the Lewis and Clark Joint Powers Board.

This appropriation is available to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. ~~to reimburse~~

~~the system for costs incurred on eligible projects.~~

Sec. 68. Laws 2006, chapter 258, section 23, subdivision 3, is amended to read:

Subd. 3. Historic Fort Snelling Museum and Visitor Center

1,100,000

~~To design the restoration and renovation of the 1904 Cavalry Barracks Building for the historic Fort Snelling Museum and Visitor Center and other site improvements to revitalize historic Fort Snelling.~~

Sec. 69. Laws 2006, chapter 282, article 11, section 2, subdivision 6, is amended to read:

Subd. 6. Itasca County infrastructure

11,500,000

For transfer to the Minnesota minerals 21st century fund for a grant to Itasca County to design, construct, and equip roads, rail lines, and in cooperation with Nashwauk Municipal Utility to predesign, design, construct, and equip electric infrastructure, natural gas pipelines, water supply systems, or wastewater collection and treatment systems for a steel plant in Itasca County. Of this amount, up to \$500,000 may be used for other mineral related projects in the taconite relief area. This is a onetime appropriation.

Sec. 70. Laws 2007, chapter 148, article 1, section 3, subdivision 4, is amended to read:

Subd. 4. Legislative Coordinating Commission

16,188,000

16,121,000

Appropriations by Fund

General	16,010,000	15,943,000
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Health Care Access	178,000	178,000
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The base general fund budget for the Legislative Coordinating Commission shall be \$15,893,000 in fiscal year 2010 and \$15,893,000 in fiscal year 2011.

(a) \$5,624,000 the first year and \$5,469,000 the second year are for the Office of the Revisor of Statutes.

(b) \$1,257,000 the first year and \$1,254,000

the second year are for the Legislative Reference Library.

(c) \$5,719,000 the first year and \$5,720,000 the second year are for the Office of the Legislative Auditor.

(d) \$250,000 ~~the first year~~ is to the Legislative Coordinating Commission for a facilitated planning process relating to the Capitol building and the Capitol complex. The process must be conducted in cooperation with the Capitol Area Architectural and Planning Board and the commissioner of administration, and must include consideration of issues relating to renovation and possible expansion of the Capitol building, phasing strategies relating to renovation of the Capitol, and related Capitol complex planning issues. The process must include consideration of as many options as feasible relating to renovation of the Capitol and related Capitol complex buildings. ~~The process must be completed by September 30, 2007. Beginning October 1, 2007, the Legislative Coordinating Commission may transfer any unexpended balance from this appropriation to the commissioner of administration for additional planning and design for the renovation of the Capitol complex. This appropriation is available until June 30, 2009.~~

(e) All legislative offices should, whenever possible, implement information technology systems that are compatible and work seamlessly across the legislature. Wherever possible, single systems should be implemented to avoid unnecessary duplication and inefficiency. The directors of information technology for the senate, house of representatives, and the Legislative Coordinating Commission must submit a written report describing their efforts to collaborate on implementing shared information technology systems. The report must be submitted to the chairs of the house of representatives and senate committees

with jurisdiction over rules and to the Legislative Coordinating Commission on January 15, 2008, and January 15, 2009.

Sec. 71. NASHWAUK GAS UTILITY.

In addition to the authority granted in, and notwithstanding any limitation in, Laws 1997, chapter 21, section 1, the city of Nashwauk may establish a municipal gas utility under Minnesota Statutes, section 412.321, without the election required under Minnesota Statutes, section 412.321, subdivision 2, for the purpose of constructing, owning, and operating distribution and transmission gas pipelines, and providing gas to retail and wholesale customers within or without the municipal boundaries of Nashwauk, and exercising any other power or authority available to municipal gas utilities under law.

EFFECTIVE DATE. This section is effective the day after compliance by the city of Nashwauk with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 72. STAKEHOLDER CONSULTATION; REPORT.

(a) The Minnesota Housing Finance Agency shall meet with the stakeholders described in paragraph (b) for the following purposes:

(1) to consider the use of 501(c)(3) bonds as a means to prevent residential mortgage foreclosures and to address the effects of widespread residential mortgage foreclosures;

(2) to consider means to make community activity set aside (CASA) mortgages more accessible to neighborhood land trusts; and

(3) to consider alternative tax classifications for neighborhood land trust properties to make taxation of such properties more equitable and to provide an incentive for greater utilization of neighborhood land trusts.

(b) The stakeholders referenced in paragraph (a) must include individuals with experience in community land trusts, providers of mortgage foreclosure prevention services, bankers, individuals who have experienced mortgage foreclosure, legal aid attorneys, and a representative of the property tax division of the Department of Revenue.

(c) The Minnesota Housing Finance Agency shall report the results and recommendations of the meetings under paragraph (a) to the legislative committees with jurisdiction over housing policy and finance by January 1, 2009.

Sec. 73. REPORT ON EAST PHILLIPS CULTURAL AND COMMUNITY CENTER.

The Metropolitan Council shall report by January 1, 2009, to the legislative committees with jurisdiction over capital investment on the terms of the grant agreement and progress on design and construction of the East Phillips Cultural and Community Center by the Minneapolis Park and Recreation Board with the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

Sec. 74. PUBLIC FACILITIES AUTHORITY.

To the greatest practical extent, projects on the Public Facilities Authority's 2008 intended use plan, the listings for which were based on the Pollution Control Agency's 2006 project priority

list, shall be carried over to the 2009 intended use plan for potential funding from the clean water revolving fund.

Sec. 75. CALCULATION OF DEBT SERVICE.

In calculating the debt service limits under the Department of Finance's guidelines, the commissioner of finance must assume that the bonding amount in future odd-numbered years will be at the same amount assumed in the budget forecast and assume a bonding amount in future even-numbered years will be an amount that will allow general fund debt service payments to meet the guidelines.

Sec. 76. EFFECTIVE DATE.

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

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale of state bonds; canceling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.32, by adding a subdivision; 16B.325; 16B.335, subdivision 2; 103D.335, subdivision 17; 115A.908, subdivision 2; 116.155, subdivision 3; 116J.423, by adding a subdivision; 119A.45; 136F.10; 136F.60, subdivision 5; 136F.64, subdivision 1; 136F.98, subdivision 1; 462A.21, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 103G.222, subdivision 1; Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 17; 23, subdivisions 3, 8, 11, as amended, 16; Laws 2006, chapter 258, sections 7, subdivisions 3, as amended, 7, 11, 22; 16, subdivision 5; 17, subdivision 8; 21, subdivisions 6, 14, 15; 23, subdivision 3; Laws 2006, chapter 282, article 11, section 2, subdivision 6; Laws 2007, chapter 148, article 1, section 3, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 116; 137; 138; 462A."

We request the adoption of this report and repassage of the bill.

House Conferees: (Signed) Alice Hausman, Jean Wagenius, Loren Solberg, Bev Scalze, Kathy Tingelstad

Senate Conferees: (Signed) Keith Langseth, Sandra L. Pappas, David J. Tomassoni, Linda Scheid, Paul E. Koering

Senator Langseth moved that the foregoing recommendations and Conference Committee Report on H.F. No. 380 be now adopted, and that the bill be repassed as amended by the Conference Committee.

CALL OF THE SENATE

Senator Langseth imposed a call of the Senate for the balance of the proceedings on H.F. No. 380. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Langseth motion. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 380 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 57 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Larson	Pariseau	Sieben
Bakk	Doll	Latz	Pogemiller	Skoe
Berglin	Erickson Ropes	Lourey	Prettner Solon	Skogen
Betzold	Foley	Lynch	Rest	Sparks
Bonoff	Frederickson	Marty	Robling	Stumpf
Carlson	Gimse	Metzen	Rosen	Tomassoni
Chaudhary	Higgins	Moua	Rummel	Torres Ray
Clark	Ingebrigtsen	Murphy	Saltzman	Vickerman
Cohen	Jungbauer	Olseen	Saxhaug	Wiger
Dahle	Koering	Olson, G.	Scheid	
Day	Kubly	Olson, M.	Senjem	
Dibble	Langseth	Pappas	Sheran	

Those who voted in the negative were:

Fischbach	Hann	Koch	Michel	Vandever
Gerlach	Johnson	Limmer	Ortman	Wergin

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MEMBERS EXCUSED

Senator Murphy was excused from the Session of today from 12:00 noon to 4:00 p.m. Senator Erickson Ropes was excused from the Session of today from 1:50 to 2:35 p.m. Senator Rummel was excused from the Session of today from 2:45 to 3:00 p.m. Senator Jungbauer was excused from the Session of today from 3:00 to 3:35 p.m. Senator Sieben was excused from the Session of today from 3:40 to 4:00 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 10:00 a.m., Thursday, April 3, 2008. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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