

Chapter: 214

Session: 2018 Regular Session

Topic: Omnibus capital investment; environment and natural resources trust fund spending; miscellaneous other provisions

Analyst: Deborah A. Dyson
Janelle Taylor

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Overview

Article 1 appropriates state general obligation bond proceeds and general fund money for capital projects, authorizes the sale of state bonds, and sets the maximum amount to be transferred from the general fund for payment of debt service. Some amounts are modified by article 3.

Article 2 makes miscellaneous changes to statutes relating to capital investments and modifies previous capital project appropriations. The governor vetoed one item in this article that appropriated \$1 million for review of the MPCA's wastewater regulations.

Article 3 contains additional capital project appropriations and bond sale authorizations, and makes changes to article 1.

Article 4 appropriates money from the environment and natural resources trust fund.

Article 5 relates to the legislative budget office and among other things delays the implementation for a year.

Article 6 authorizes state appropriation bonds payable from the environment and natural resources trust fund and appropriates the proceeds for various capital projects.

See the spreadsheet prepared by Andrew Lee, House Fiscal Analyst, for amounts and sources of appropriations.

Article 1 - Omnibus Capital Investment Appropriations

This article contains the appropriation of state general obligation proceeds, and some general fund money for capital projects. It also authorizes the issuance of state bonds and sets the maximum amount of money that may be transferred from the general fund to pay debt service on all outstanding general obligation debt. Generally effective May 31, 2018.

Section

- 1 Capital improvement appropriations.** Provides that the money:
 - is appropriated from state general obligation bond proceeds unless otherwise stated;
 - must be spent on purposes allowed by the state constitution;
 - may be used for state agency staff costs that are directly attributable to the capital program or project, subject to Minnesota Management and Budget policy;
 - is available until the project is completed or abandoned subject to the statute governing cancellation of capital funding;
 - for asset preservation should not be used for work that can be done in a reasonable time using existing energy improvement financing programs; and
 - for a grant to a political subdivision is available after the commissioner of management and budget determines that an amount sufficient to complete the project as described in this act has been committed to the project.
- 2 University of Minnesota.** For asset preservation, renovation of Pillsbury Hall on the Minneapolis campus; renovation of teaching, research, and learning spaces on the Morris and Crookston campuses; and renovation of the historic Glensheen estate. The University is responsible for one-third of project costs except for asset preservation, which is funded entirely by the state, and Glensheen, which is for half the project costs. Allows unused money for a completed project to be used for asset preservation. Requires notice to MMB and the legislature.
- 3 Minnesota State Colleges and Universities.** For systemwide asset preservation, and for capital projects on the following campuses:
 - Anoka-Ramsey Community College in Coon Rapids
 - Bemidji State University
 - Century College
 - Fond du Lac Tribal and Community College, Maajiigi (Start to Grow)
 - Inver Hills Community College
 - Minnesota State University, Mankato
 - Minnesota State University, Moorhead
 - Normandale Community College
 - Riverland Community College in Albert Lea

- Rochester Community and Technical College

Except for asset preservation, Minnesota State is responsible for paying debt service on one-third the principal amount issued for the projects in this section.

Allows unused money for a completed project to be used for asset preservation on the same campus. Requires notice to MMB and the legislature.

- 4 Education.** For library construction grants; school safety grants; a maximum effort school loan to ISD 38, Red Lake, for the early learning childhood center and the elementary school; a grant to renovate the Cosmos elementary school for use by the regional educational program for autistic students, emotionally or behaviorally disturbed students, and other students with specific educational needs; and a grant to the Warroad school district for expansion of the Northwest Angle School.
- 5 Minnesota State Academies.** For asset preservation on both campuses.
- 6 Perpich Center For Arts Education.** For asset preservation.
- 7 Natural Resources.** In addition to the appropriation in this section, see article 6, section 4, subdivision 5.

Subd. 1. Total Appropriation. Provides that appropriations in the section are subject to the general natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless otherwise specified.

Subd. 2. Natural Resources Asset Preservation.

Subd. 3. Flood Hazard Mitigation.

Subd. 4. Acquisition and Betterment of Buildings. Includes the drill core library in Hibbing.

Subd. 5. State Park and Recreation Area Accessibility Improvements.

Subd. 6. Blufflands State Trail. For the Harmony to the Iowa border segment.

Subd. 7. Chester Woods State Trail. For the segment from Rochester to Chester Woods Park.

Subd. 8. Aitkin County - Northwoods ATV Trail. Mille Lacs-Malmo east loop.

Subd. 9. Glendalough State Park.

Subd. 10. Lake Vermilion – Soudan Underground Mine State Park.

Subd. 11. Mill Towns State Trail. Between Faribault and Waterford.

Subd. 12. Shooting Star State Trail.

Subd. 13. Babbitt Recreation Area. For a campground.

Subd. 14. Cohasset – Tioga Recreation Area.

Subd. 15. Grand Marais; Lake Superior Water Access.

Subd. 16. La Crescent; Wagon Wheel Trail.

Subd. 17. Olmsted County; Lake Zumbro. Sediment removal.

Subd. 18. St. Louis and Lake Counties Regional Railroad Authority. Mesabi Trail.

Subd. 19. Stillwater; St. Croix River Riverbank Restoration.

Subd. 20. Unspent Appropriations. Allows unused money for a project that is completed to be used for asset preservation. Requires notice to MMB.

8 Pollution Control Agency. For the Becker County solid waste capital assistance grant. In addition to this appropriation, see the appropriation in article 6, section 4, subdivision 6.

9 Board of Water and Soil Resources. In addition to this appropriation, see the appropriation in article 6, section 4, subdivision 7.

Subd. 2. Local Government Roads Wetland Replacement.

Subd. 3. Minnesota River Basin Area II.

10 Rural Finance Authority.

11 Minnesota Zoological Garden. For asset preservation.

12 Administration. In addition to the appropriations in this section, see article 3, sections 3 to 6.

Subd. 2. CAPRA.

Subd. 3. Capitol Complex – Physical Security Upgrades.

13 Amateur Sports Commission. For asset preservation at the National Sports Center in Blaine.

14 Military Affairs. For renovation of the Brainerd, Grand Rapids, St. Cloud, and Wadena readiness centers.

15 Public Safety. For the HERO center in Cottage Grove, the Safety and Mental health Alternative Response Training (SMART) center in Dakota County, and MERIT center in Marshall. Note: article 3, section 15, reduces the amount for MERIT.

16 Transportation.

Subd. 2. Local Road Improvement Grants. Includes a grant for Brockton Lane in Dayton, Argenta Trail in Dakota County, and highway 101 turnback segment in Carver County. Note: article 3, section 15 reduces the undesignated amount for local roads.

Subd. 3. Local Bridge Replacement and Rehabilitation.

Subd. 4. Rail Service Improvement. For the Minnesota Valley Regional Rail Authority and for the replacement of the Rice Creek railroad bridge.

Subd. 5. Port Development Assistance.

Subd. 6. Safe Routes to School.

Subd. 7. Brooklyn Park – Trunk Highway 169 and 101st Ave. Interchange.

Subd. 8. Chisago County – Highway 8 Reconstruction.

Subd. 9. Foley – Trunk Highway 23 Safety Improvements.

Subd. 10. Trunk Highway 29 Railroad Grade Separation in Pope County.

Subd. 11. Corridors of Commerce. Trunk highway funding.

Subd. 12. Hennepin CSAH 9/I-494 – Rockford Road.

Subd. 13. Mankato – Trunk Highway 169 Reconstruction. Related to the levee project.

Subd. 14. Wadena, U.S. Highway 10 Environmental Cleanup.

Subd. 15. Becker, Industrial Park Road Improvements.

Subd. 16. Wakefield, 200th Street Reconstruction.

Subd. 17. Rochester Bus Storage Facility.

Subd. 18. Goodview, Minnesota City, Railroad Crossing Quiet Zone.

Subd. 19. Hennepin County, Railroad Crossing Safety. Three projects.

Subd. 20. New Brighton, Rice Creek Railroad bridge.

Subd. 21. Moorhead, Rail Grade Crossing Separation at 21st St. South.

Subd. 22. Rosemount Railroad Quiet Zone.

Subd. 23. Stone Arch Bridge. To design and engineer the rehabilitation of the bridge. See also article 2, section 48.

17 Metropolitan Council. In addition to the appropriations in this section, see article 6, section 4, subdivision 9, for parks and trails.

Subd. 2. Inflow and Infiltration grants.

Subd. 3. Carver County. Lake Waconia regional park development.

Subd. 4. Loretto. Wastewater connection.

Subd. 5. New Hope. Outdoor Swimming Pool.

Subd. 6. St. Paul. Nature Sanctuary Visitor Center (Wakan Tipi).

Subd. 7. White Bear Lake trail.

18 Human Services.

Subd. 2. Asset preservation.

Subd. 3. St. Peter Regional Treatment Center. To renovate the dietary building.

Subd. 4. Anoka Metro Regional Treatment Center. Roof and HVAC replacement.

Subd. 5. Regional Behavioral Health Crisis facility grants. See article 2, section 11, for the new grant program.

Subd. 6. Minneapolis. The Family Partnership.

Subd. 7. Scott County. Regional Crisis Stabilization and Intensive Residential Treatment Services facility.

Subd. 8. White Earth opiate treatment facility.

Subd. 9. Hennepin County. Regional medical examiner's facility.

19 Veterans Affairs. Asset Preservation; construction of new veterans homes in Preston, Montevideo, and Bemidji. See also article 2, section 44.

20 Corrections.

Subd. 2. Asset Preservation. Note: article 3, section 15, reduces this amount.

Subd. 3. St. Cloud. Plumbing, ventilation, and other system and code upgrades.

Subd. 4. Moose Lake. Control center renovation and expansion.

Subd. 5. Unspent Appropriation. Allows unused money for a project that is completed to be used for asset preservation. Requires notice to MMB.

21 Employment and Economic Development.

Subd. 2. Greater Minnesota Business Development Public Infrastructure Grants (BDPI).

Subd. 3. Transportation Economic Development. Note: article 3, section 15, reduces this amount.

Subd. 4. Innovative Business Development Public Infrastructure Grants.

Subd. 5. Austin. Public TV.

Subd. 6. Brooklyn Park. Second Harvest.

Subd. 7. CentraCare Health System – Long Prairie. Wellness center.

Subd. 8. Duluth. Steam plant.

Subd. 9. Fergus Falls. Redevelopment of the former regional treatment center.

Subd. 10. Goodhue County. Historical society museum renovation.

Subd. 11. Hennepin County. Children's Theatre renovation.

Subd. 12. Hennepin County. Hennepin Center for the Arts, ArtSpace.

Subd. 13. Itasca County. Northern community radio infrastructure.

Subd. 14. Jackson. Memorial Park.

Subd. 15. Litchfield. Opera house.

Subd. 16. Minneapolis. Upper harbor terminal redevelopment.

Subd. 17. Minneapolis American Indian Center. Renovation and expansion.

Subd. 18. Pipestone County. Dental care facility.

Subd. 19. Perham. Redevelopment of the former high school.

Subd. 20. Polk County. North Country Food Bank.

Subd. 21. Ramsey County. Landmark Center restrooms renovation.

Subd. 22. Rosemount. Family resource center.

Subd. 23. Silver Bay. Black Beach campground.

Subd. 24. St. Paul. Conway Recreation Center.

Subd. 25. St. Paul. Humanities Center.

Subd. 26. St. Paul. Minnesota Museum of American Art.

Subd. 27. St. Paul. RiverCentre parking facility demolition.

Subd. 28. St. Paul. Southeast Asian Language job training facilities.

Subd. 29. Wabasha. National Eagle Center and Wabasha Rivertown Resurgence.

Subd. 30. Waite Park. Quarry redevelopment for amphitheater.

22 Public Facilities Authority.

Subd. 2. State Match for Federal Grants.

Subd. 3. Water Infrastructure Funding. For drinking water projects. In addition to this appropriation, see article 6, section 4, subdivision 8.

Subd. 4. Arden Hills. Water main.

Subd. 5. Albertville. Wastewater infrastructure.

Subd. 6. Aurora, Hoyt Lakes, Biwabik, and White Township. Drinking water system.

Subd. 7. Big Lake. Wastewater treatment facility.

Subd. 8. Cold Spring. Water infrastructure.

Subd. 9. Glencoe. Wastewater treatment facility.

Subd. 10. Keewatin, Nashwauk, Lone Pine Township, Greenway Township. Wastewater facility.

Subd. 11. Oronoco. Wastewater infrastructure.

Subd. 12. St. James. Storm sewer and utilities.

Subd. 13. Waldorf. Water and public infrastructure.

Subd. 14. Windom. Wastewater treatment facility.

Subd. 15. Winnebago. Drinking water.

23 Minnesota Housing Finance Agency. For public housing rehabilitation.

24 Minnesota Historical Society.

Subd. 2. Historic Sites Asset Preservation.

Subd. 3. Historic Fort Snelling.

25 Bond sale expenses.

26 Bond sale authorizations.

27 Cancellation; bond sale authorization reduction.

- 28 Bond sale schedule.** Amends the 2017 law setting the limit on the amount that may be transferred from the general fund to the state bond fund to pay debt service during the biennium and directs MMB to time selling the bonds so as to not exceed that amount.
- 29 Trunk highway bond appropriations; authorization take effect only once.**
- 30 Effective date.** May 31, 2018, unless otherwise specified in the article.

Article 2 - Miscellaneous

This article contains authorizations for the Minnesota Housing Finance Agency to issue housing infrastructure bonds, amendments to past capital investment appropriations, and program changes. The appropriation in section 45 was vetoed. Effective May 31, 2018.

Section

- 1 State Capitol Preservation Commission.** Continues the commission to oversee the preservation and maintenance of the restored Capitol. Adds to the commission membership the minority leaders of the House and Senate, or their designees. Modifies the duties to include approval of a program of arts exhibits in the public spaces of the restored Capitol. This section goes with sections 2 and 43.
- 2 Capitol Art Exhibit Advisory Committee.** Establishes a committee to advise and make recommendations to the State Capitol Preservation Commission and the commissioner of administration on the art exhibitions in the public spaces of the Capitol. This section goes with sections 1 and 43.
- 3 Reports (cancellation statute).** Requires the cancellation report to be made annually instead of biennially.
- 4 Funding (capital grants to political subdivisions).** Strikes an obsolete reference (subdivision 3 was repealed in 2009) and clarifies that recommendations or appropriations may be more than half the total cost of a local project.
- 5 Construction and major remodeling.** Adds freight rail projects to the list of capital projects exempt from the legislative review of project plans, specifications, and cost estimations of projects that have been given capital funding.
- 6 PFA excluded (% for art program).** Excludes PFA appropriations and projects from the percent for art program.
- 7 Required disclosures to NPDES permit applicants.** Requires the Pollution Control Agency to give NPDES permit applicants written information on all methods for the applicant to participate in the process, including how to challenge decisions.
- 8 Compliance schedules.** Requires the Pollution Control Agency to consider current debt service on the existing system in developing compliance schedules for new effluent limits in municipal NPDES permits.
- 9 Treatment works penalty orders.** Prohibits the Pollution Control Agency from issuing a penalty order to a publicly owned treatment work for effluent violations until at least 45 days have passed since the notice of the violation and the agency gives the public operator the information required in section 7 above.

- 10 Rail service improvement accounts; appropriation.** Establishes a bond proceeds account for the rail service improvement program.
- 11 Behavioral health crisis facilities grants.** Establishes the grant program funded in article 1, section 18.
- 12 Exemptions (building code).** Exempts the house of representatives and senate from code requirements for locks so they may install door locks within their chambers in the State Capitol that meet their needs.
- 13 Estimated funding needs.** Requires the Public Facilities Authority to report to the legislature on funding needs for Wastewater Infrastructure Funding (WIF) and Point Source Implementation Grants. (See also article 6, section 3.)
- 14 Establishment (Manufactured Home Parks, MHFA).** Strikes the list of entities eligible for grants and loans for manufactured home park redevelopment and allows the grants and loans to be made for the purposes specified without reference to who is eligible.
- 15 Manufactured home park infrastructure grants.** Clarification.
- 16 Definitions (Housing Infrastructure Bonds, MHFA).** Defines “senior housing.”
- 17 Authorization (Housing Infrastructure Bonds, MHFA).** Adds senior housing and manufactured home parks to the purposes for which housing infrastructure bond proceeds may be used. For manufactured home parks, the money may be used for grants or loans. Provides criteria for prioritizing comparable proposals for senior housing projects. Requires balancing loans made between projects in the metropolitan area and outside of it, to the extent practicable. In areas outside the metropolitan area, requires balancing loans made for projects in cities with a population of 20,000 or greater and areas with fewer people than that.
- 18 Additional authorization (Housing Infrastructure Bonds, MHFA).** Authorizes \$30,000,000 for permanent supportive housing for people with behavioral health needs.
- 19 Additional authorization (Housing Infrastructure Bonds, MHFA).** Authorizes \$50,000,000.
- 20 Additional appropriation (debt service - Housing Infrastructure Bonds, MHFA).** Appropriates from the general fund in fiscal years 2020 to 2041, the amount needed to pay debt service on the bonds issued by the MHFA.
- 21 Cancellation (debt service - Housing Infrastructure Bonds, MHFA).** Cancels amounts appropriated for debt service that are not needed.
- 22 Within 60 days; report (Metropolitan Council, land use).** Permits an administrative hearing on a challenge under the Metropolitan Land Planning Act to consider the need for or reasonableness of a metropolitan system plan. Effective May 31, 2018 for system statements prepared by the council on or after that date.
- 23 Veterans cemeteries.** Amends the 2009 appropriation for veterans cemeteries. Allows for seeking federal funding for the capital improvements. Extends availability of the money to December 31, 2022. Provides that federal reimbursement for predesign and design of veterans cemeteries may be used for asset preservation at veterans homes after design is completed for the cemeteries in Redwood, St. Louis, and Fillmore Counties, instead of after all legislatively authorized veterans cemeteries are completed.

- 24 **New Residence Hall (Minnesota State Academy).** Allows money remaining from the 2014 appropriation for a project on the Minnesota State Academy for the Deaf campus to be used for asset preservation.
- 25 **Grant County trail grant.** Modifies the description to exclude acquisition or improvements and add design. Extends the availability to June 30, 2021.
- 26 **Minneapolis – Brian Coyle Community Center.** Extends availability of the 2014 appropriation to December 31, 2020.
- 27 **City of Rice Lake – Water Main Replacement.** Changes the name of the grantee to reflect incorporation of the town in 2015 and extends availability to December 31, 2020. Article 3, section 10 appropriates additional money for the project.
- 28 **Corrections.** Allows money remaining from the 2014 appropriation for the St. Cloud state prison to be used for the project authorized in 2017 (as amended in this article), and extends its availability to December 31, 2020.
- 29 **Local road improvement fund grants.** Allows the 2015 appropriation for the Willmar Wye project to be used for predesign, design, right-of-way acquisition, and engineering as well as for construction and reconstruction of the roads.
- 30 **Multimodal systems.** Modifies the project description in the 2017 transportation finance act provision for the civil air patrol.
- 31 **State roads.** Amends the 2017 debt service amount for trunk highway bonds to take into account the new authorization in this act.
- 32 **State Trail, Recreation Area, and Park Acquisition and Development.** Corrects the 2017 appropriation amount for the subdivision.
- 33 **Local road improvement fund grants.** Clarifies the intended use of money appropriated in 2017 for the Columbus interchange project to include design, land acquisition, engineering, and construction for the improvements and realignment.
- 34 **Grand Rapids - Pedestrian Bridge.** Corrects the 2017 appropriation; it is for construction as well as design.
- 35 **Eden Prairie – Rail Grade Crossings.** Allows the 2017 appropriation to include rail crossing safety devices for a pathway.
- 36 **White Bear Lake Multiuse Trails.** Modifies and corrects the 2107 project description and allocation of money.
- 37 **Minneapolis – the Family Partnership.** Strikes the match requirement in the 2017 appropriation for predesign and design. Allows any money remaining from this appropriation to be used for the next phase of the project.
- 38 **Minnesota Correctional Facility – St. Cloud.** Clarifies the 2017 appropriation.
- 39 **Eagle’s Healing Nest.** Allows the 2017 appropriation to go to the Anoka project as well as the Sauk Centre project.
- 40 **St. Paul – Minnesota Museum of American Art.** Allows the 2017 appropriation to be used for acquisition.
- 41 **Dennison – Sewage Treatment System Improvements.** Clarifies the 2017 appropriation.

- 42** **Historic Fort Snelling.** Allows money remaining from the 2017 appropriation to be used for the next phase of the project, funded in article 1.
- 43** **Capitol Art Exhibit Advisory Committee; first appointments and first meeting.** Provides for the initial appointments and meeting. This section goes with sections 1 and 2.
- 44** **Veterans Homes Construction.** Provides the perimeters of the construction funded in article 1.
- 45** ***Appropriation; analyzing costs and ratepayer impacts of water quality regulations.** Appropriates \$500,000 from the general fund in each of fiscal years 2020 and 2021 for the commissioner of administration for a grant to any higher education institution to review water quality regulations and national pollutant discharge elimination system (NPDES) permits. **Vetoed.***
- 46** **Nowthen; comprehensive plan.** Requires the Metropolitan Council to modify the city of Nowthen's land use designation upon request by the city. Effective upon local approval by the city.
- 47** **Rice Creek Railroad bridge.** Places requirements on Minnesota Commercial Railway Company grant of money to replace the bridge.
- 48** **Stone Arch Bridge integrity protection.** Prohibits any construction that may disturb the foundations or piers of the bridge and adversely affect the structural integrity of the bridge. Expires when the bridge is repaired.
- 49** **Effective date.** Effective May 31, 2018, unless otherwise specified in the article.

Article 3 – Supplemental appropriations; conforming changes

Article 3 contains additional capital project appropriations and bond sale authorizations, and makes changes to article 1. Except as otherwise provided, the article is effective May 31, 2018.

Section

- 1** **Allocation procedure (low-income housing credits).** Directs the Minnesota Housing Finance Agency (MHFA) to give residential rental housing projects financed with an allocation of tax-exempt bonds the highest strategic priority for an allocation of low income housing tax credits. Prohibits the MHFA's allocation plan from using a per-unit cost limitation, cost reasonableness, or other similar restriction for allocation. This section relates to section 2 and the Fort Snelling Upper Post project.
- 2** **Fort Snelling National Landmark Redevelopment.** Requires the commissioner of management and budget to allocate to the Fort Snelling Upper Post residential rental project a portion of the MHFA's tax-exempt bond allocation and a portion of the small issue pool, and requires the MHFA to approve low-income housing tax credits for the project if the bonds are issued. If the project is not proceeding by 2019 and 2020, the bond allocation may be used by the MHFA for a qualified residential rental project. Provides that to the extent the Fort Snelling Upper Post project qualifies for historic structure rehabilitation tax credits, it is to get 100 percent of the credit allowed and taken in full in the taxable year in which the expenditures are placed in service rather than ratably.

Effective May 31, 2018 and expires December 31, 2020.

- 3 to 6 Capitol complex memorials and monuments repair.** Extends the availability of money remaining from the Capitol restoration project and directs its use to repair of Capitol complex memorials and monuments.
- 7 Highway-rail grade separation.** For a grade separation in the city of Ramsey.
- 8 Anoka County – marked U.S. highway 10.** For a highway interchange and overpass.
- 9 Duluth; Lake Superior Zoo.** For the large brown bear exhibit and large cat exhibit.
- 10 Water main replacement, Rice Lake.**
- 11 Ely trailhead development; hospital access improvements.**
- 12 Cancellations.** Cancels the remaining unobligated amount of the 2014 appropriation for the Arrowhead Economic Opportunity Agency and Range Mental Health Center.
- 13 Reforestation and stand improvement.**
- 14 Application.** Provides that the appropriations in the article are subject to article 1, section 1. Also states that the Duluth Zoo amount is taken from the amount for the local road improvement fund – this, however, appears to be included in error.
- 15 Reductions.** Reduces appropriations in article 1 for the MERIT Center in Marshall (under Public Safety), Transportation Economic Development (under DEED), Corrections asset preservation, and the local road improvement program (under MnDOT).
- 16 Effective date.** Effective May 31, 2018.

Article 4 – Environment and Natural Resources Trust Fund Appropriations

This article contains appropriations from the environment and natural resources trust fund, modifies prior appropriations and the trust fund's enabling statute, and makes miscellaneous other changes, all effective July 1, 2018, except section 8, which is effective upon completion of local approval by the Alexandria Lake Area Sanitary District.

Section

- 1 Appropriations.** Technical.
- 2 Minnesota resources.**

Subd. 1. Total Appropriation. Provides a total appropriation of \$89,000 in fiscal year 2018 and \$42,799,000 in fiscal year 2019 from the environment and natural resources trust fund.

Subd. 2. Definition. Technical.

Subd. 3. Foundational natural Resource Data And Information. Provides a total appropriation for natural resource data and information projects of \$4,533,000 in fiscal year 2019.

Subd. 4. Water Resources. Provides a total appropriation for water resources projects of \$89,000 in fiscal year 2018 and \$5,786,000 in fiscal year 2019.

Subd. 5. Technical Assistance, Outreach, and Environmental Education.

Provides a total appropriation for technical assistance, outreach, and environmental education projects of \$4,968,000 in fiscal year 2019.

Subd. 6. Aquatic and Terrestrial Invasive Species. Provides a total appropriation for invasive species projects of \$5,760,000 in fiscal year 2019.

Subd. 7. Air Quality and Renewable Energy. Provides a total appropriation for air quality and renewable energy projects of \$1,200,000 in fiscal year 2019.

Subd. 8. Methods to Protect or Restore Land, Water, and Habitat. Provides a total appropriation for projects for protection, restoration, and enhancement methods of \$2,539,000 in fiscal year 2019.

Subd. 9. Land Acquisition, Habitat, and Recreation. Provides a total appropriation for land acquisition projects of \$17,439,000 in fiscal year 2019.

Subd. 10. Emerging Issues Account. Provides \$439,000 for an emerging issues account.

Subd. 11. Wastewater Treatment Recommendations. Requires the LCCMR to consider recommending up to \$10,000,000 for wastewater infrastructure to match bond appropriations exceeding \$10,000,000 and recommending up to five percent of the corpus of the trust fund be used for loans to the Public Facilities Authority (PFA) for loans to cities and towns with populations under 5,000.

Subd. 12. Contract Agreement Reimbursement. Provides a total appropriation of \$135,000 for contract administration expenses of the Department of Natural Resources (DNR).

Subds. 13 to 20. Provides project requirements that apply to all recipients. The LCCMR recommends similar requirements each year, which include: specifying the availability of appropriations; data requirements; specific project requirements, including requiring ecological restoration and management plans; and requiring easements to be permanent and have a long-term monitoring and enforcement plan. Also allows previous appropriations set to expire to be extended.

Subd. 21. Fiscal Year 2020 Recommendations. Requires the LCCMR to consider recommending funding to clean up a closed landfill in Burnsville and extends the proposal submission deadline established by the LCCMR for fiscal year 2020 funding until July 15, 2018, for these purposes.

- 3 Exceptions.** Modifies the prohibition on using trust fund money for municipal water pollution control so the prohibition only applies in municipalities with a population of 5,000 or more.
- 4 Loans authorized.** Modifies how interest is calculated on the below market rate loans to local governments for water system improvements.
- 5 Land acquisition for habitat and recreation.** Amends the 2015 appropriation related to native prairie stewardship and prairie bank easement acquisition to increase the amount that must be deposited in a conservation easement stewardship account from \$135,000 to \$195,000.

- 6 Land acquisition for habitat and recreation.** Amends the 2016 appropriation related to the Otter Tail River recreational trail acquisition to eliminate the specific acreage and to make the nonstate match 40 percent of the total instead of the specific amount (which was \$400,000).
- 7 Methods to protect or restore land, water, and habitat.** Amends the 2017 appropriation to set aside up to \$2,184,000 of the amount for the conservation reserve enhancement program (CREP) for a monitoring and enforcement fund.
- 8 Lake Winona management; using offset, adaptive planning.** Allows the Alexandria Lake Area Sanitary District to take on lake management activities to address total maximum daily load and avoid having to make capital improvements to its wastewater treatment plant. Effective upon local approval by the district.

Article 5 – Legislative Budget Office (LBO)

This article makes changes to the 2017 law establishing the Legislative Budget Office and delays its implementation to September 2019.

Section

- 1 Establishment; duties.** Removes a reference to the Legislative Coordinating Commission, to reflect the changes in this article that shift oversight of the Legislative Budget Office (LBO) to a new commission. Effective July 1, 2018.
- 2 Director; staff.** Provides that the director of the LBO is appointed by the newly created oversight commission, rather than the Legislative Coordinating Commission, and that the oversight commission is responsible for establishing the director's duties. This section also clarifies certain details of the LBO director's position to more closely reflect that of the nonpartisan Legislative Auditor, including that the LBO director serves in the unclassified service. Effective July 1, 2018.
- 3 Uniform standards and procedures.** Recodifies existing language requiring the LBO to establish certain standards and procedures related to the preparation of fiscal notes.
- New requirements include that the standards and procedures may not take effect until they are approved by the LBO oversight commission, and that they must be published in the State Register.
- Effective when the LBO takes on fiscal note duties in September 2019, but provides that the required standards and procedures may be adopted before that date.
- 4 Access to data; treatment.** Establishes standards related to the LBO's handling of data related to a fiscal note.
- The director of the LBO is permitted to request a state department or agency to promptly supply data used to prepare a fiscal note.
- Data that is not public may only be used by the LBO to review the preparation of a fiscal note, and may not be used or disseminated for any other purpose, including to other legislative branch offices or entities. A violation of this paragraph is subject to penalties

similar to those that apply to other government employees under the Minnesota Government Data Practices Act.

Effective when the LBO takes on fiscal note duties in September 2019.

5 Fiscal note delivery and posting. Establishes standards for delivery of a fiscal note, and requires posting of fiscal notes online within 24 hours of completion. An exception is provided for unofficial fiscal notes, which are not public. Effective September 1, 2019.

6 Oversight commission. Establishes an LBO Oversight Commission to review the work of the office and make recommendations regarding the office's ability to fulfill its duties.

The oversight commission consists of eight legislators, equally divided by both party and legislative body. Several staff members with expertise in fiscal note issues are nonvoting members of the commission, including the lead nonpartisan fiscal analysts in the House and Senate, the Legislative Auditor, and the commissioner of management and budget. The director of the office serves as executive secretary.

Standards related to appointments, expense reimbursement, and election of a commission chair are provided.

Effective July 1, 2018.

7 Preparation; duties. Updates language related to the preparation of fiscal notes. Instead of the LBO preparing the notes, this section provides that executive and judicial branch agencies and departments must prepare them. This modification aligns the LBO process more closely with current law and practice.

This section also contains several conforming changes to eliminate language that is reorganized and recodified earlier in the article.

Effective when the LBO takes on fiscal note duties in September 2019.

8 Public Official. Provides that the director of the LBO is a public official for purposes of the state's campaign finance and public disclosure laws. This change aligns with language earlier in the article establishing the basic parameters of the director's nonpartisan legislative staff position. Among other items, a public official designation requires the director to file an annual statement of economic interests. Effective July 1, 2018.

9 Fiscal note data must be shared with Legislative Budget Office. Requires government entities to provide data requested by the LBO director, regardless of the data's classification. Standards governing the LBO's handling of not public data are provided earlier in the article.

The requested data must be supplied to the LBO according to the standards and procedures adopted by the LBO oversight commission, including standards and procedures governing timeliness. Government entities may not charge a cost for providing data requested under this section.

Effective when the LBO takes on fiscal note duties in September 2019.

10 to 13 Effective date. Amends an effective date provided in the 2017 legislation establishing the LBO, to permit the office to be established and begin certain operations prior to the official transfer of fiscal note and local impact note obligations. The updated effective date in section 13 includes deadlines to facilitate the transfer of MMB's electronic fiscal note tracking system to the LBO. Effective July 1, 2018.

- 14 Legislative Budget Office Oversight Commission; first appointments; first chair; first meeting.** Establishes standards for initial activities of the LBO Oversight Commission, including designation of the first chair and a deadline for its first meeting. Effective July 1, 2018.
- 15 Legislative Budget Office director orientation and training.** Requires the commissioner of management and budget to provide opportunities for the director of the LBO and designated staff to receive training on use of the fiscal note system, and to learn from the Department of Management and Budget work on fiscal notes during the 2019 legislative session. Effective July 1, 2018.
- 16 Repealers.** Repeals obsolete language related to the preparation of fiscal notes, to reflect the changes in this article, effective September 1, 2019, and repeals the Legislative Budget Office Transition Planning Task Force, effective May 31, 2018. The work of the task force is replaced by the oversight commission established in this article.

Article 6 – Environment and Natural Resources Trust Fund Appropriation Bonds and Appropriations

Section

- 1 Environment and Natural Resources Trust Fund Appropriation Bonds.** Defines terms and conditions for issuing state appropriation bonds payable from the environment and natural resources trust fund. Bonds issued may be for a term of no more than 20 years.
- 2 Expenditures.** Adds payment of principal and interest on the special appropriation trust fund bonds to the list of statutory purposes for which money in the trust fund may be spent.
- 3 Estimated funding needs.** Requires the Public Facilities Authority to report to the legislature on funding needs for Wastewater Infrastructure Funding (WIF) and Point Source Implementation Grants. (See also article 2, section 13.)
- 4 Special appropriation trust fund bonds; authorization; appropriations.** Authorizes up to \$98,000,000 in special appropriation trust fund bonds and appropriates the proceeds for projects in subdivisions 5 to 9. Authorizes payment of debt service on the bonds from the trust fund, beginning in fiscal year 2019.
- Subd. 5. Natural Resources.** For asset preservation of state-owned facilities and recreational assets within the outdoor recreation system; to dredge Lake Orono in Elk River; storm water management for Seidl’s Lake in South St. Paul.
- Subd. 6. Pollution Control Agency.** To complete clean-up of the WDE closed landfill site in Andover; to dredge Lake Redwood.
- Subd. 7. Board of Water and Soil Resources.** For Reinvest in Minnesota (RIM) reserve program.
- Subd. 8. Public Facilities Authority.** For state match for the clean water revolving fund for wastewater treatment; water infrastructure funding program for wastewater infrastructure; point source implementation grants.

Subd. 9. Metropolitan Council. For the regional parks and open space system capital improvements.

This article is effective July 1, 2018.