

# House Research Act Summary

**CHAPTER:** 240

**SESSION:** 1999 Regular Session

**TOPIC:** Omnibus Capital Investment Act

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## Overview

### Article 1

This article of chapter 240 makes bond proceeds fund and general fund appropriations for various capital projects and amends certain conditions relating to prior capital project appropriations. This article also allows certain capital projects to be undertaken with money from nonstate sources, and amends the authority of MnSCU and other state agencies with regard to capital projects.

### Article 2

The 1998 Bonding Act appropriated a total of \$999 million for various capital projects. Of the total, approximately \$500 million was to be paid from the general fund and approximately \$464 million was authorized in bonding. The 1998 Tax Act provided that if the November 1998 budget forecast showed a projected surplus sufficient to permit it, up to \$400 million of general fund appropriations were made to replace that amount of bond funding. By letter dated December 3, 1998, the Commissioner of Finance notified the appropriate legislative chairs that the November 1998 budget forecast had triggered the provisions of the 1998 Tax Act. The December 3rd letter identified specific appropriations totaling \$400 million that were being converted to cash.

This article of chapter 240 appropriates \$400 million in bond proceeds and authorizes the sale of bonds to fund those appropriations. The bond fund appropriations under this article would, for the most part, reinstate bond funding for projects funded by bonds in the 1998 Bonding Act, in essence reversing the effect of the 1998 Tax Act provisions. There are two exceptions to this project-for-project reversion to bond funding. First, in some instances where general fund money has already been spent, IRS tax-exemption rules prevent replacement with bond proceeds. Second, a MnSCU appropriation for facilities planning remains a cash appropriation. To reach the \$400 million in bond proceeds, certain additional projects which were originally funded from the general fund are converted to bond fund appropriations.

## Article 3

Appropriates general fund money to the Minnesota Minerals 21st Century Fund and requires IRRRB to match the appropriation.

### Article 1

- 1 Appropriations Summary.** Summarizes bond fund appropriations.
- 2 Minnesota State Colleges and Universities. [Vetoed]**
  - Subd. 1.** To the trustees of MNSCU.
  - Subd. 2.** For elimination of blight and construction of parking facilities at Moorhead State University.
  - Subd. 3.** To replace or renovate the boiler system at Winona State University.
  - Subd. 4.** For capital improvements to the HVAC system at Ridgewater Community and Technical College.
- 3 Children, Families, and Learning.** For grants to Southwest Metropolitan Integration Magnet School and the Interdistrict Arts and Science Middle School.
- 4 Natural Resources.**
  - Subd. 1.** To the commissioner of natural resources.
  - Subd. 2.** For the state share of certain flood hazard mitigation projects.
  - Subd. 3.** For a portion of the local share of certain flood hazard mitigation projects.
- 5 Office of Environmental Assistance.** Appropriation for a grant to retrofit and reconstruct a solid waste resource recovery facility in the city of Perham.
- 6 Public Facilities Authority.**
  - Subd. 1.** To the public facilities authority.
  - Subd. 2.** Provides state matching money for the drinking water revolving fund.
  - Subd. 3.** Provides funding for the wastewater infrastructure fund grant program..
- 7 Board of Soil and Water Resources. [Vetoed]**
  - Subd. 1.** To the board of soil and water resources.
  - Subd. 2.** For Lazarus Creek floodwater retention project grant.
  - Subd. 3.** For Grass Lake stormwater flood reduction and water quality improvement grant.
- 8 Administration.**
  - Subd. 1.** To the commissioner of administration for the purposes specified.
  - Subd. 2.** Appropriation for capital asset preservation and replacement account (CAPRA) which may not be used for renovation of the Luverne veterans home. \$190,000 of this appropriation is for repairs to certain roofs at the Hastings veterans home.
  - Subd. 3.** For a grant to Itasca County for design of infrastructure improvements in connection with the construction of a steel mill.
  - Subd. 4.** For design and architectural drawings for a World War II Veterans' Memorial.  
**[Vetoed]**
- 9 Transportation.**
  - Subd. 1.** To the commissioner of transportation for the purposes specified.
  - Subd. 2.** From the transportation fund for local bridge replacement and rehabilitation.. **[Vetoed]**
  - Subd. 3.** For a loan to the city of Brooklyn Park for a pedestrian bridge.

**Subd. 4.** For the transportation revolving loan fund. This appropriation may not be used for trunk highway, transit, or light rail projects.. **[Vetoed]**

**Subd. 5.** To match federal money for construction of light rail transit in the Hiawatha Avenue corridor. Conditioned on specified federal and local commitments.

- 10 Corrections.** To design renovation of storm and sanitary sewer lines at correctional facility at Faribault.
- 11 Bond Sale Expenses.** For expenses of selling bonds authorized in bill.
- 12 Bond Sale Schedule.** Provides schedule for payment of debt service on state bonds.
- 13 Bond sale authorization.** Authorizes sale of state bonds to provide the money appropriated in the bill from the bond proceeds fund and from the transportation fund.
- 14 Bond reauthorizations.** Reauthorizes certain bonds which would otherwise cancel by operation of law. **[Reauthorizations for labor history center vetoed.]**
- 15 Transfer of balances allowed.** Amends statute to allow transfer of unencumbered balances of agency operating funds to cover bids on projects in excess of estimates. Current law allows such transfers only from other projects within the same section of an appropriation act. Also changes requirement that reports of transfers be made appropriate legislative chairs to requirement that approval be obtained from the commissioner of finance and the legislative chairs.
- 16 Capital project authority.** Allows the commissioner of administration to undertake certain repairs or minor capital projects if the work does not materially increase the cost of agency programs and either: (a) the project is for code compliance or asset preservation, or (b) the project does not materially increase the square footage of a facility.
- 17 Storage and retention of documents.** Allows MnSCU board to store certain original documents at the respective technical colleges.
- 18 Easements.** Allows MnSCU board to grant permanent or temporary easements across board-controlled land.
- 19 Pine Technical College.** Amends 1998 appropriation to allow construction of an addition.
- 20 Metropolitan trail grants.** Amends 1998 appropriation for metro regional trail grants to permit Anoka county to change the allocation of the county's \$1.4 million appropriation between two specified projects.
- 21 Beaver Island Trail.** Amends 1998 appropriation to specify manner of availability of grant for Beaver Island trail in Stearns county.
- 22 Dahl House.** Reduces 1998 appropriation for Dahl house relocation and eliminates reference to permitted use of art budget. Provides that appropriation is for a grant to the city of St. Paul.
- 23 Bond sale authorization.** Amends 1998 bond sale authorization to reflect reduction in bond funding of 1998 projects.
- 24 Bond sale expense canceled.** Cancels 1998 appropriation for bond sale expenses relating to amounts changed from bond funding to general fund appropriations.
- 25 Veterans homes improvements.** Allows veterans homes board to make certain capital improvements using donated money.
- 26 Legislative Audit Commission request.** Requests legislative audit commission to investigate the mold problem at the Luverne veterans home.
- 27 Effective date.** Effective the day following final enactment.

## **Article 2**

- 1 Statement of intent.** Provides that the purpose of the act is to restore to the general fund certain money allocated to capital projects pursuant to the mechanism provided in the 1998 Tax Act.

- 2 Appropriations summary.** Summarizes a total of \$400 million in appropriations from the bond proceeds and transportation funds.
- 3 University of Minnesota.** Total appropriation of \$112.39 million includes:  
At the Minneapolis campus: For utility infrastructure, Folwell Hall, and Walter Digital Technology Center;  
At the St. Paul campus: For Gortner and Snyder Halls, greenhouse renovation, and Peters Hall;  
For women's athletic fields system-wide;  
For facility improvements at the Crookston campus;  
At the Duluth campus: For the library and academic space renovation;  
For facility improvements at the Morris campus; and  
For the agricultural experiment stations.
- 4 Minnesota state colleges and universities.** Total appropriation of \$15.96 million includes  
Mankato State University student athletic facility and Rochester regional recreation and sports center.
- 5 Residential academies at Faribault.** Total appropriation of \$7.913 million.
- 6 Department of natural resources.** Total appropriation of \$24.45 million for office consolidation, state park and recreational area building development, metro regional park acquisition and betterment and trail acquisition and development.
- 7 Public facilities authority.** Total appropriation of \$16.8 million including \$1.5 million for matching money for federal grants and \$15.3 million for WIF
- 8 CAAP board.** For capitol building structural stabilization.
- 9 Department of transportation.** Total appropriation of \$21 million for local bridges, transitways, and port development
- 10 Veterans homes board.** For Minneapolis and Hastings veterans homes.
- 11 Indian affairs council.** Total appropriation of \$1.7 million
- 12 Department of trade and economic development.** Total appropriation of \$126,447,000 includes the Minneapolis convention center, the Duluth Entertainment and Convention Center, the Mayo Civic Center, the St. Cloud Community Events Center, the Fergus Falls Convention Center, the Hutchinson Community Civic Center, the Humboldt Avenue Greenway Project, Prairieland Expo, the Montevideo downtown revitalization project, the Paramount Arts District Regional Arts Center, the Veterans Memorial Performing Arts Amphitheater, the Brooklyn Center Earle Brown Heritage Center, and the Minnesota African -American Performing Arts Center.
- 13 Minnesota historical society.** Total appropriation of \$6.5 million includes the Northwest Fur Post Interpretive Center, the St. Anthony Falls Heritage Education Center, and the Humphrey Museum and Learning Center.
- 14 Bond sale expenses.** Appropriates \$400,000 to the commissioner of finance for bond sale expenses.
- 15 Purpose.** Provides that the purpose and intended use of the appropriations in this article is the same as the purpose and intended use for identical projects authorized in Laws 1998, chapter 404 (The 1998 Bonding Act). Provides that this act does not change or limit purpose or use of those appropriations or related requirements.
- 16 Bond sale authorizations.**  
**Subd. 1.** Authorizes issuance of up to \$372.4 million in bonds to provide the money

appropriated from the bond proceeds fund.

**Subd. 2.** Authorizes issuance of up to \$28 million in bonds to provide the money appropriated from the transportation fund.

**17 Cancellation to general fund.** Requires cancellation of general fund appropriations for the projects and in the amounts identified in the bill.

**18 Debt service responsibilities.** Provides the debt service obligations of MNSCU and the University of Minnesota under the 1998 bonding bill are unchanged.

**19 Effective date.** Effective the day following final enactment

### **Article 3**

**1 Minnesota Minerals 21st Century Fund.** Appropriates \$20 million from the general fund to the Minnesota Minerals 21st Century Fund, if created, and requires the IRRRB to match the appropriation. . [Vetoed]