

Subject Capital investment bonding bill

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Date April 28, 2024

## Overview

This bill, as amended by A24-0320, is part of a capital investment package for the 2024 legislative session. Article 1 contains appropriations from the bond proceeds fund, or other named fund, for a variety of capital projects. Article 2 contains a variety of policy provisions, some of which relate to specific appropriations in Article 1.

This summary only summarizes the provisions in Article 2.

Both articles are effective the day following final enactment, unless otherwise stated.

## Article 1: Appropriations

Please see the spreadsheet by Andrew Lee, House Fiscal, dated 4/28/2024 3:24PM.

## Article 2: Miscellaneous

Contains a variety of capital investment policy provisions, some of which are related to appropriations in Article 1.

Section	Description – Article 2: Miscellaneous
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| 1 | <p><b>[16A.6325] Accessibility account.</b></p> <p>Establishes an accessibility account in the state bond proceeds fund and the standards and procedures associated with the account. Also requires an annual report to the commissioner of management and budget and the legislature on the projects funded with money from the accessibility account.</p> |
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**Subd. 1. Establishment.** Establishes the accessibility account in the state bond proceeds fund.

**Section Description – Article 2: Miscellaneous**

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**Subd. 2. Standards.** Provides that an expenditure may only be made from the accessibility account when it is a capital expenditure on a state-owned capital asset, which does not include property controlled or managed by the University of Minnesota. The commissioner of administration must consult with the commissioner of management and budget as necessary to ensure an expenditure meets the capital project requirements of the Minnesota Constitution.

Clarifies that an expenditure may be made for any capital project phase of a state-owned accessibility improvement.

Provides that the removal of architectural barriers from a building or site and improvements to meet state and federal requirements for accessibility for people with disabilities are the kinds of projects most likely to be needed and appropriate for funding.

**Subd. 3. Procedures.** Requires the commissioner of administration to provide application instructions, to review applications, make initial allocations, determine funding priorities in consultation with the Minnesota Council on Disability, and allocate money in the account in priority order.

**Subd. 4. Report.** Requires the commissioner of administration to prepare an annual report to the commissioner of management and budget and the legislature with a list of projects that were funded with money from the accessibility account during the preceding calendar year, as well as a list of priority projects for which accessibility appropriations will be requested in that year's legislative session.

**2 [84.705] Community tree-planting grants.**

Requires the Department of Natural Resources (DNR) to establish a community tree-planting grant program to provide grants to cities, counties, townships, Tribal governments, and park and recreation boards in cities of the first class for purposes of: removing and planting shade trees; replacing trees lost to pests, disease, or storms; or establishing more diverse community forests. Requires trees planted under the program to be climate-adapted species to Minnesota. Requires priority to be given to projects removing and replacing ash trees posing a significant public safety concern and to projects located in areas meeting certain criteria. Prohibits the DNR from prioritizing projects based on other criteria.

**3 [115B.245] Statewide drinking water contamination mitigation program.**

**Subd. 1. Program established.** Requires the commissioner of the Pollution Control Agency to design and construct or make grants to eligible grantees to design and construct capital projects to provide safe drinking water due to contamination of drinking water by hazardous substances. The commissioner

**Section Description – Article 2: Miscellaneous**

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must prioritize projects located in a census block or blocks with a supplemental demographic index score of 70 percent or greater.

**Subd. 2. Definitions.** Defines the following terms for purposes of the section: “eligible grantee,” “private infrastructure projects,” “public infrastructure projects,” and “supplemental demographic index.”

**Subd. 3. Account.** Establishes a statewide drinking water contamination mitigation account in the bond proceeds fund. Clarifies that private infrastructure projects must be funded with other sources of state money. Requires any money recovered in a civil action for a project financed with bonds to be transferred to the commissioner of management and budget and applied toward principal and interest on outstanding bonds.

4 **[144.3835] Secondary sources of drinking water grant program.**

**Subd. 1. Definitions.** Defines the following terms for purposes of the section: “community water system,” and “supplemental demographic index.”

**Subd. 2. Establishment; purpose.** Requires the commissioner of health to develop a grant program for the purpose of providing communities with a secondary source of drinking water that ensures an uninterrupted supply of safe drinking water in case of a disruptive event.

**Subd. 3. Grants authorized.** Requires the commissioner of health to award grants to community water systems that currently only have one well as a source of drinking water. The commissioner must notify a community water system in writing if it is ineligible for a grant under this section. Establishes prioritization criteria for the issuance of the grants.

**Subd. 4. Grant allocation.** Requires grantees to use the funds to secure a secondary source of drinking water.

5 **Grant authority.**

Authorizes nonprofit organizations, Indian Tribal governments, and certain private child care providers to be eligible for grants under the early childhood learning and child protection facilities grant program. Conforming changes are made to clarify which grantees are eligible for grants funded with general obligation bonds or general fund money. Reduces the local match from 50 percent to 25 percent.

6 **[446A.082] Emerging contaminants grants.**

**Subd. 1. Definition.** Defines “supplemental demographic index” for purposes of the section.

**Section Description – Article 2: Miscellaneous**

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**Subd. 2. Program established.** Requires the authority to award grants to a governmental unit for up to 80 percent of the cost of drinking water infrastructure projects to address a confirmed exceedance of a health advisory level for a drinking water emerging contaminant.

**Subd. 3. Eligibility.** States criteria for an eligible project for the program.

**Subd. 4. Application and reservation of funds.** Provides requirements for the form and manner of a grant application. Requires the commissioner of health to review and certify to the Public Facilities Authority projects that meet specific criteria. Specifies how grant funds are prioritized for projects.

**Subd. 5. Grant amount.** Provides that a grant is for up to 80 percent of the cost of a project up to \$12,000,000, minus the amount of certain federal funds.

**Subd. 6. Grant approval.** States procedures for awarding grants.

**Subd. 7. Grant disbursement.** Provides that grant funds are disbursed by the Public Facilities Authority as eligible project costs are incurred by the governmental unit and in accordance with a project financing agreement and laws and rules governing the disbursements.

**7 Greater Minnesota housing infrastructure grant program.**

This section amends the greater Minnesota housing infrastructure program to authorize counties to be eligible for grants. It also authorizes a manufactured home development qualifying for homestead treatment to be an eligible housing project. Maximum grant amounts are increased for previously authorized housing developments and a new maximum grant amount of \$60,000 per manufactured housing lot is provided. Manufactured housing developments are also exempt from the \$500,000 maximum grant limitation.

**8 [473.355] Community tree-planting grants.**

Requires the Metropolitan Council to establish a community tree-planting grant program to provide grants for purposes of: removing and planting shade trees; replacing trees lost to pests, disease, or storms; or establishing more diverse community forests. Requires trees planted under the program to be climate-adapted species to Minnesota. Requires priority to be given to projects removing and replacing ash trees posing a significant public safety concern and to projects located in areas meeting certain criteria. Prohibits the Metropolitan Council from prioritizing projects based on other criteria.

**Section Description – Article 2: Miscellaneous**

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**9 Inver Grove Heights; Heritage Village Park.**

Removes predesign and design as phases of a previous appropriation for a capital project in the city of Inver Grove Heights. Limits the types of capital projects the appropriation is eligible to be used for.

**10 Cloquet Forestry Center; land transfer.**

Authorizes the commissioner of administration to convey for no consideration all state-owned land within the boundaries of the Cloquet Forestry Center to the University of Minnesota. The conveyance must be in a form approved by the attorney general and the attorney general may also make changes to the land description to correct errors and ensure accuracy. The legal description of the land is provided.

**11 Allocations; Minnesota’s multipurpose community facility projects to support community revitalization, connectedness and equity by promoting education, work and health.**

Requires money allocated to the state from the federal capital projects fund for Minnesota’s Multipurpose Community Facility Projects to Support Community Revitalization, Connectedness and Equity by Promoting Education, Work and Health program to be granted by the commissioner of education only to political subdivisions of the state. Requires the commissioner of education to prioritize funding for underserved communities.

**12 Repealer.**

Repeals an obsolete statute for infrastructure development bonds. The bonds were issued one time and were fully paid off in 2016.

**13 Effective date.**

States that unless otherwise provided, the article is effective the day following final enactment.



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