Act Summary

MN HOUSE RESEARCH

Chapter 15

2025 First Special Session

Subject	Capital Investment Bonding Bill
Bill	HF18/SF21
Analyst	Chelsea Griffin
Date	June 25, 2025

Overview

This summary explains the policy and modifications articles of the capital investment bonding bill, which is part of a capital investment package that includes two bills: one that funds capital projects with state general obligation bonds (Laws 2025, First Special Session chapter 15), and one that funds projects with state general fund money (Laws 2025, First Special Session chapter 14).

Article 1: Appropriations

For information on Article 1: Appropriations, see the spreadsheet by Andrew Lee, House Fiscal Analyst, and Hannah Grunewald Noeldner, Senate Fiscal Analyst, dated 6/9/2025 11:07 AM at https://www.house.mn.gov/Fiscal/Home/TrackingSheets.

Article 2: Policy

This article includes provisions that relate to capital project reporting, programs, and authority.

Section	Description – Article 2: Policy
1	**Report on expenditure of bond proceeds.** Moves the due date for the commissioner of management and budget to submit the annual report on bond proceed expenditures to the legislature from January 1 to January 15.
2	**[115B.245] Statewide drinking water contamination mitigation program.** Creates a new statewide drinking water contamination program to be administered by the Minnesota Pollution Control Agency to provide grants to political subdivisions for capital projects that mitigate hazardous substances in drinking water sources.

Section	Description – Article 2: Policy
3	**Rules.** Requires the Minnesota Pollution Control Agency to assign additional points to projects that address emerging contaminants when compiling the clean water project priority list.
4	**Other uses of revolving fund.** Makes changes to the provision in the clean water revolving fund statute that specifies other uses of the fund. Technical amendments are made to consolidate and remove obsolete language for certain principal forgiveness or grant uses. Language is added authorizing the fund to be used for 50 percent of project costs up to $3,000,000 for emerging contaminant projects.
5	**Type and amount of assistance.** Increases the maximum grant amount for water infrastructure funding grants from $5,000,000 to $10,000,000.
6	**Program established.** Increases the maximum grant amount for point source implementation grants from $7,000,000 to $12,000,000.
7	**Other uses of fund.** Makes changes to the provision in the drinking water revolving loan fund statute that specifies other uses of the fund. Technical amendments are made to consolidate and remove obsolete language for certain principal forgiveness or grant uses. Language is added authorizing the fund to be used for 50 percent of project costs up to $3,000,000 for projects needed to comply with a maximum contaminant level as defined by federal law.
8	**[446A.082] Emerging contaminants grants.** Creates a new emerging contaminants grant program to be administered by the Public Facilities Authority to provide grants for certain drinking water projects that address the presence of drinking water emerging contaminants that exceed health advisory levels. Grants may cover up to 50 percent of the project cost up to $5,000,000.
9	**[462A.2036] Cooperative manufactured housing infrastructure grant program.** Creates a new cooperative manufactured housing infrastructure grant program to be administered by the Minnesota Housing Finance Authority to make grants to counties and cities for the capital costs of housing infrastructure necessary for an eligible cooperative manufactured housing development project. The grants may

Section	Description – Article 2: Policy
	cover up to 50 percent of the project, up to a maximum of $60,000 per manufactured housing lot.
10	**Legislative office facilities.** Provides authority to the commissioner of management and budget to refinance certificates of participation or lease-revenue bonds that were issued for the Minnesota Senate Building.
11	**Department of Public Safety; land acquisition.** Authorizes the commissioner of administration to acquire land adjacent to the Bureau of Criminal Apprehension facility in the city of Bemidji at the request of the commissioner of public safety.
12	**Repealer.** Repeals obsolete language for Infrastructure Development Bonds, which were paid off in 2016. Also repeals cancellation language in the Greater Minnesota child care facility grant program that conflicts with cancellation requirements for capital projects.
13	**Effective date.** Provides that except otherwise specified, the article is effective the day following final enactment (June 15, 2025).

Article 3: Modifications

This article contains provisions that make amendments to capital project appropriations enacted in previous years.

Section	Description – Article 3: Modifications
1	**Chisago County; U.S. Highway 8 Reconstruction.** Extends the bond sale authorization and appropriation of bond proceeds for a capital project for U.S. Highway 8 in Chisago County until December 31, 2029.
2	**White Bear Lake communities; Lake Links Trail.** Authorizes the city of Dellwood to complete a trail improvement project in segments. Extends the bond sale authorization and appropriation of bond proceeds for the project until December 31, 2028.

Section	Description – Article 3: Modifications
3	**Alexandria; Runestone Community Center Expansion.** Exempts a capital project appropriation for the Runestone Community Center in the city of Alexandria from various sustainable building and energy efficiency requirements. Effective retroactively from October 21, 2020.
4	**Marshall; MERIT Training Center.** Narrows the scope of an appropriation for a capital project at the Minnesota Emergency Response and Industrial Training Center in the city of Marshall.
5	**Dellwood; Lake Links Trail.** Conforming changes to an additional appropriation for certain trail improvements in the city of Dellwood that relate to the amendments in section 2.
6	**Maple Grove; Community Center.** Adds "construct" to the list of authorized uses for a capital project appropriation for the Maple Grove Community Center.
7	**St. Cloud; CentraCare.** Adds "construct, renovate, furnish, and equip" to the authorized uses for a capital project appropriation for a University of Minnesota Medical School Campus on the CentraCare Health System Campus in the city of St. Cloud.
8	**Isuroon.** Authorizes any money remaining after a capital project on Lake Street in Minneapolis owned by Isuroon is completed to be used for a special care center capital project in Ramsey County owned by Isuroon.
9	**Open Arms.** Amends the description of a capital project appropriation for Open Arms of Minnesota, including the location of the project.
10	**Somali Museum.** Adds "acquire property" and removes "predesign" from the authorized uses for a capital project appropriation for the Somali Museum.
11	**The Link.** Removes "construct, furnish, and equip" from the authorized uses of a capital project appropriation for a new multiuse facility in North Minneapolis owned by the Link.

Section	Description – Article 3: Modifications
12	**First District Association; Wastewater Industrial Pretreatment Facility.** Adds "acquire land" to the authorized uses of a capital project appropriation for a wastewater industrial pretreatment facility owned by First District Association.
13	**Western Lake Superior Sanitary District; clarifiers.** Extends a capital project appropriation for rehabilitation of secondary clarifiers owned by Western Lake Superior Sanitary District to December 31, 2029.
14	**Education.** Exempts a grant to the city of Redwood Falls under the library construction grants program from various sustainable building and energy efficiency requirements. Effective retroactively from June 1, 2023.
15	**Heartland State Trail.** Authorizes any unspent portion of a capital project appropriation for improvements to the Heartland State Trail between Detroit Lakes and Frazee to be used for capital expenditures for other segments of the Heartland State Trail after written notice to the commissioner of management and budget.
16	**Savage; road and bridge Improvements.** Extends the bond sale authorization and appropriation of bond proceeds for a capital project for railroad bridges in the city of Savage to December 31, 2029.
17	**Minnesota State Colleges and Universities.** Adds construction of the first phase of roof replacement to a capital project appropriation for the Heintz Center at Rochester Community and Technical College.
18	**Effective date.** Provides that except otherwise specified, the provisions in this article are effective the day following final enactment (June 15, 2025).

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