

S.F. No. XX in 2025 First Special Session – General Fund Capital Investment Bill (Rev. Doc. No. 25-05729)

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Section 1 [Capital Improvement Appropriations] specifies terms and conditions for appropriations in this bill.

(a) Appropriations are from the general fund in fiscal year 2026 and are onetime.

(b) For any project funded in whole or in part by this act that: (1) workers on the project must be paid at least the prevailing wage rate; and (2) the project is subject to prevailing wage reporting and record keeping requirements and enforcement by the Department of Labor and Industry. Defines “project” for purposes of these requirements.

(c) Money appropriated in this act is available after the commissioner of management and budget determines amounts sufficient to complete the project are committed to the project. Appropriations may be used for certain agency staff costs. Money appropriated in the act is available until a project is completed or abandoned or canceled, subject to a statutory cancellation procedure after four years.

(d) The sustainable building guidelines are mandatory for state-owned new buildings and major renovations.

(e) Grant recipients, other than state agencies, are required to demonstrate the ability and a plan to fund the program intended for the facility.

Sections 2-8 appropriate money from the general fund as detailed on the spreadsheet prepared by Hannah Grunewald Noeldner, Senate Fiscal Analyst, and Andrew Lee, House Fiscal Analyst.

Section 9 [Local Public Housing Program; 462A.44] establishes a new program to fund the development or acquisition of public housing that is owned by a city, county, a federally recognized American Indian Tribe, or a Tribally designated housing entity.

Subd. 1 [Establishment] establishes a new program to be administered by the Minnesota Housing Finance Agency to fund the development or acquisition of housing.

Subd. 2 [Creation of accounts] sets up one account in the housing development fund and a second account in the bond proceeds fund.

Subd. 3 [Eligible recipient] specifies that a city or a county is eligible for a grant from funds in either account and that a Tribe or Tribal housing entity is eligible for a loan from the account in the housing development fund.

Subd. 4 [Use of funds; program requirements] specifies allowable uses of money awarded under this program.

(a) A recipient must use the money for qualifying capital costs for property to be used as housing. The recipient must maintain ownership for 50 years.

(b) For a multifamily property funded through this program, at least 30 percent of the units must be occupied by households with an income less than 50 percent of the area median income and at least 30 percent of the units must be occupied by households with an income under 100 percent of the area median income. This housing would not be available to a household that has an income greater than 400 percent of the area median income at the time of application or initial lease agreement.

(c) A single-family property funded through this program may only be occupied by a household with an income not exceeding 80 percent of the area median income.

(d) An eligible recipient may act as a community land trust for single-family property funded through this program from money from the housing development fund, if the recipient meets the requirements for a city acting as a community land trust as specified in MHFA statutes.

(e) Lease agreements for housing funded through this program must include tenant protections included in public housing lease agreements.

Subd. 5 [Operation of local public housing] authorizes an eligible recipient to enter a lease or management agreement for operation of housing funded through this program. A lease or management agreement for state bond-financed property is subject to laws constraining use of state bond-financed property. A recipient must use money received from operating the housing for affordable housing in the recipient's jurisdiction, unless the money is pledged to repayment of awarded funds.

Subd. 6 [Administration] requires MHFA to make funding for approximately the same number of housing units in the metropolitan area and the rest of the state; requires MHFA to fund projects that include accessible units; and requires MHFA to provide technical assistance to eligible recipients to apply for funding and to recipients who have been awarded funding. Requires money in the account in the bond proceeds fund to be awarded only as grants. Money in the public housing development fund must be awarded as loans.

Subd. 7 [Reports] requires MHFA to issue annual reports, beginning January 15, 2026, to the legislature specifying projects that received funding in the prior fiscal year.

Section 10 [Amateur Sports Support] amends an appropriation for a skate park grant program to provide grants to named recipients, instead of grants through a competitive grant program, and to change the fiscal agent for the grants from the Amateur Sports Commission to the department of employment and economic development. Related section 15 repeals the existing grant program.

Section 11 [Effective date] is a technical change to the effective date of a law enacted in the 2025 State Government omnibus bill. This relates to facilitating the statue change at the U.S. Capitol, as provided in section 13.

Section 12 [Public Safety Officer Hearing Protection Program] establishes a program through which the commissioner of public safety must purchase hearing protection products and distribute them to public safety officer employees at the request of public safety officers and heads of agencies.

Subd. 1 [Definitions] defines terms.

Subd. 2 [State and local eligibility] allows public safety officers and heads of agencies and entities who buy hearing protection products for public safety officer employees to request hearing protection products from the commissioner of public safety. While supply lasts, the commissioner must make hearing protection products available to qualified applicants at no cost and the products must be distributed to applicants in the order that applications are received.

Subd. 3 [Limitation of liability] precludes a claim for liability for negligence in the death or injury to a public safety officer resulting from the hearing protection product being defective or deficient, against a state agency, political subdivision, state or local government employee, or other entity, that has provided a public safety officer with a hearing protection product under this section.

Section 13 [National Statuary Hall; Hubert H. Humphrey Statue] expresses the legislature's request to Congress to replace the statue of Henry Mower Rice with a statue of Hubert H. Humphrey in Statuary Hall in the U.S. Capitol building.

Subd. 1 [Legislative findings] expresses legislative findings related to the state's responsibilities for changing the statue and regarding Hubert H. Humphrey.

Subd. 2 [Request for statue replacement] requires the governor to submit a request to the Architect of the U.S. Capitol to have the statue of Henry Mower Rice replaced with a statue of Hubert H. Humphrey. Specifies required content in the request.

Subd. 3 [Duties upon approval of request] requires the governor to contract for specified services for returning the Henry Mower Rice statue and transporting the Humphrey statue, if the state's request is approved.

Section 14 [General Fund Cancellations] cancels unspent and unencumbered amounts of general fund appropriations listed in the 2025 cancellation report unless extended in a bill enacted in the 2025 First Special Session.

Section 15 [Repealer] repeals a competitive grant program for skate parks through the Amateur Sports Commission.

Section 16 [Effective date] sets the effective date for the bill as the day after final enactment.



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