

S.F. No. 4413 – Omnibus Capital Investment Bill – Governor’s Proposal – as proposed to be amended by the A-1

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Article 1 – Appropriations

Section 1 [Capital Improvement Appropriations] specifies terms and conditions for appropriations in the bill. Appropriations are from the bond proceeds fund, unless otherwise specified. Appropriations of bond proceeds must be spent as permitted under certain provisions of the Constitution that permit the state to incur public debt to acquire and better public land and buildings and make other public capital improvements. Unless otherwise specified, the money in the act can be used for certain agency staff costs and is available until a project is completed or abandoned, subject to a statutory cancellation procedure after four years. Money appropriated in this bill must not be used for asset preservation if the work can be done in a reasonable time using existing energy improvement financing programs. The commissioner of management and budget is authorized to make an appropriation in this article available when amounts sufficient to complete the project are committed to the project.

Sections 2 through 25 appropriate proceeds of general obligation bonds and money from the general fund for state and local government projects as listed on the spreadsheet prepared by Casey Muhm, Fiscal Analyst, with Senate Counsel, Research, and Fiscal Analysis.

Section 26 [Bond Sale Expenses] appropriates money to pay the expenses of the sale of bonds authorized in section 27.

Section 27 [Bond Sale Authorization] authorizes the sale of bonds.

Subdivision 1 [Bond proceeds fund] authorizes the sale of general obligation bonds in an amount up to \$1,847,800,000 to provide money appropriated from the bond proceeds fund.

Subdivision 2 [Transportation fund] authorizes the sale of general obligation bonds in an amount up to \$210,000,000 to provide money appropriated from the state transportation fund.

Section 28 [Bond Sale Schedule] sets the cap on the amount to be transferred from the general fund to pay principal and interest on outstanding bonds and bonds scheduled to be sold during the biennium. Requires the commissioner of management and budget to adjust the amount of bonds scheduled to be sold so that the debt service does not exceed the cap. Annually appropriates the necessary debt service to the commissioner from the general fund, as required by statute.

Section 29 [Effective Date] sets the day after enactment as the effective date of Article 1.

Article 2 – Trunk Highway Bonds

Section 1 [Bond appropriations] specifies that appropriations in this article are from the bond proceeds account in the trunk highway fund. Requires that the appropriations in this article be spent for purposes authorized in the Constitution for purposes related to trunk highways. Permits money appropriated in this article to be used to pay certain state agency staff costs.

Section 2 [Department of Transportation] appropriates proceeds from the sale of trunk highway bonds to the commissioner of transportation for specified purposes as listed on the spreadsheet prepared by Casey Muhm, Fiscal Analyst, with Senate Counsel, Research, and Fiscal Analysis.

Section 3 [Bond Sale Expenses] appropriates money to the commissioner of management and budget for the expenses related to the sale of bonds authorized in this article.

Section 4 [Bond Sale Authorization] authorizes the commissioner of management and budget to sell and issue trunk highway bonds in an amount up to \$149,150,000.

Section 5 [Effective Date] sets the day after enactment as the effective date of Article 2.

Article 3 – Equity Appropriations

Section 1 [Capital Improvement Appropriations] specifies that appropriations in this article are from the general fund in fiscal year 2023. These appropriations are onetime and are available for a little over four years, like appropriations of bond proceeds for capital projects.

Section 2 [Employment and Economic Development] appropriates money from the general fund for specified purposes as listed on the spreadsheet prepared by Casey Muhm, Fiscal Analyst, with Senate Counsel, Research, and Fiscal Analysis.

Section 3 [Effective Date] makes article 3 effective the day after enactment.

Article 4 – Miscellaneous

Section 1 [16B.324 State Buildings, Renewable Energy Production Account] establishes a state building renewable energy production account to support renewable energy production improvement in state buildings.

Subd. 1 [Definitions] defines terms.

Subd. 2. [Establishment] establishes a state building renewable energy production account to support renewable energy production improvement in state buildings.

Subd. 3. [Account management] requires the commissioner to manage and administer the state building renewable energy production account through the Office of Enterprise Sustainability.

Subd. 4 [Applications] requires agencies to submit an application, containing specified information, to the commissioner of administration for renewable energy production improvement funds.

Section 2 [116.196; Stormwater Construction Grant Program] establishes a grant program to provide assistance to political subdivisions and Tribal governments for stormwater infrastructure.

Subd. 1[Purposes; public interest; declaration of policy] states legislative findings regarding a need for enhanced stormwater infrastructure and a need to provide funding to political subdivisions and Tribal governments.

Subd. 2 [Administration; assurance of funds] authorizes the commissioner of the pollution control agency to provide technical assistance and grants of up to 80% of the cost for stormwater infrastructure projects.

Subd. 3 [Program established] requires the commissioner of the pollution control agency to establish a funding program to provide supplemental assistance to political subdivisions and Tribal governments. Grants under this program are capped at \$5,000,000 for up to 80% of the cost of the stormwater infrastructure project. Specifies purposes for which a grant can be used.

Subd. 4 [Grant application] requires submission of a project schedule and cost estimate with an application for a grant.

Subd. 5 [Grant approval] precludes the commissioner of the pollution control agency from making a grant unless the applicant has submitted the as-bid cost for the project and is determined to be eligible.

Subd. 6 [Grant disbursement] requires disbursement of grant money to be for eligible project costs and in accord with state and federal laws.

Section 3 [174.09; Transportation Facilities Capital Program] creates a program for funding transportation facilities.

Subd. 1 [Establishment; accounts] establishes a new program for funding transportation facilities. The program will prioritize eligible projects. To be eligible, a project must do one of the following: support the programmatic mission of the department of transportation; extend the useful life of an existing building; or renovate or construct facilities to meet the current and future operational needs of the department of transportation. Projects may be funded with the proceeds from the sale of trunk highway bonds or from other funds appropriated for the program. Establishes accounts for money for the program; one account is in the trunk highway fund and the other is in the bond proceeds account of the trunk highway fund.

Subd. 2 [Standards] notes provisions in the constitution regarding trunk highway bonds. Requires the commissioner of transportation to prioritize eligible projects according to criteria in a later subdivision.

Subd. 3. [Eligible expenditures] sets requirements for eligibility. A project must be construction, improvement, or maintenance of a capital building asset that is part of the state trunk highway system, such as district headquarter buildings, truck stations, salt storage or other unheated storage buildings, deicing and anti-icing facilities, fuel dispensing facilities, highway rest area, and vehicle weight and inspection stations.

Subd. 4 [Criteria for priorities] specifies criteria the commissioner of transportation must consider in prioritizing projects.

Section 4 [174.38, subd. 1; Definitions] defines “bond-eligible costs” for purposes of the existing active transportation program that funds construction of bicycle, trail, and pedestrian infrastructure.

Section 5 [174.38, subd. 3; Active transportation account] creates two active transportation accounts – one in the bond proceeds fund and one in the general fund – and limits the use of money in the bond proceeds fund to bond-eligible costs.

Section 6 [256E.36, subd. 1; Definitions] adds Tribal governments to the list of organizations eligible for grants to provide homeless persons with emergency services.

Section 7 [256E.37, subd. 1; Grant authority] adds nonprofit organizations and Tribal governments eligible for grants to construct or rehabilitate facilities for early childhood programs, crisis nurseries, or parenting time centers. Makes a requirement that the facilities be owned by the state or a political subdivision applicable only to grants funded with general obligation bonds. Grants funded with general fund appropriations may be owned by a political subdivision, nonprofit organization, or Tribal government.

Section 8 [446A.072, subd. 5a; Type and amount of assistance] increases the cap on grants of supplemental assistance for governmental units receiving funding from the United States Department of Agriculture Rural Economic and Community Develop (USDA/RECD) from \$5,000,000 to \$8,000,000 per project. Increases the cap on loans from the clean water revolving fund and from the drinking water revolving fund from \$5,000,000 to \$8,000,000 per project.

Section 9 [446A.081, subd. 8; Loan conditions] sets the interest rate at zero percent for loans from the drinking water revolving fund for replacement of lead services lines. (It appears the bill has a typographical error at line 68.23: “lands” should be “lines”.)

Section 10 [446A.081, subd. 9; Other uses of fund] eliminates cap on grants or loan principal forgiveness for projects to replace drinking water lead service lines. Under current law the cap is 50% of the project cost up to a maximum of \$250,000.

Section 11 [462A.38, subd. 2; Authorization] adds to the list of allowed uses of housing infrastructure bonds the financing of acquisition and construction of multifamily rental housing for households with incomes at or below 50 percent of area median income. The Minnesota Housing Finance Agency must give priority to households at the lowest incomes.

Section 12 [462A.37; Additional authorization] authorizes the Minnesota Housing Finance Agency to issue an additional \$250,000,000 in housing infrastructure bonds for all of the eligible purposes for housing infrastructure bonds.

Section 13 [462A.37, subd. 5; Additional appropriation] appropriates the money necessary to pay the debt service on the housing infrastructure bonds authorized in section 12 and provides for the necessary transfer of funds to the housing infrastructure bond account.

Section 14 [Bemidji, Montevideo, and Preston – New Veterans Homes] amends an appropriation from the 2018 bonding bill to extend the availability of the appropriation to December 31, 2025.

Section 15 [State Parking Account] ends a requirement to annually transfer money from the state parking account to the state bond fund for the debt service payments on the parking facilities in the Capitol complex constructed with an appropriation of bond proceeds in the 2013 capital investment bill. The funds transfer is no longer after fiscal year 2022.

Section 16 [Effective Date] makes Article 4 effective the day after enactment.