



S.F. No. 5005 – Omnibus Capital Investment Bill – Governor’s Proposal

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Article 1

Article 1 appropriates money for specified capital improvements projects, as detailed on the spreadsheet by Erik Olaphson.

Amounts appropriated are from the bond proceeds fund, unless another fund is named. Appropriations of bond proceeds may be spent as authorized under the Constitution. Unless otherwise specified, money appropriated in the act:

- (1) can be used to pay state agency staff costs attributable to the capital program or project, consistent with MMB accounting principles;
- (2) is available until the project is completed or abandoned, subject to a statutory cancellation process after four years;
- (3) for appropriations for asset preservation programs, the money should not be used for projects that can be financed within a reasonable time frame using existing energy improvement financing programs; and
- (4) is available when the commissioner determines that an amount sufficient to complete the project as described is committed to the project.

Appropriations from the general fund or the trunk highway fund are in fiscal year 2027 and are onetime appropriations.

Article 2

Section 1 [Appropriation of proceeds; 16A.988, subd. 7] adds the Hibbing Gas Manufacturing Plant Site to the list of projects eligible for funding from an authorization of appropriation bonds in 2020, that funded several other environmental cleanup projects.

Section 2 [Sustainable Construction and Demolition Waste Transition Grants Program; 115A.535]

Subd. 1 [Grant program established] authorizes the commissioner of the Pollution Control Agency to make grants to assist with capital costs of infrastructure projects necessary to assist grantees with the transition away from the use of unlined construction and demolition landfills.

Subd. 2 [Eligible grantees] defines eligible grantees to mean:

- (1) For projects funded from bond proceeds, a city, county, solid waste management district, sanitary district, or township; or
- (2) For projects funded from the general fund, any person.

Subd. 3 [Accounts] establishes accounts in the bond proceeds fund and in the general fund to be used to fund projects through this program.

Subd. 4 [Sustainable construction and demolition waste infrastructure grants], paragraph (a) authorizes the commissioner to make grants for infrastructure to process and manage construction and demolition waste. This includes projects related to collection, processing, waste reduction, reuse, recycling, resource recovery and disposal, and projects addressing hazardous substances, toxic pollutants, and problem materials in the construction and demolition waste system. Components of the funded systems may also process and manage other waste, that is not construction or demolition waste, as an ancillary function. Projects must comply with policies established under the legislative goal, stated in section 115A.02, to foster an integrated waste management system.

(b) Allows grants awarded under this program to cover up to 75% of eligible expenses for a project;

(c) Specifies criteria for prioritizing projects competing for grants from money appropriated for this purpose.

Subd. 5 [Construction and demolition enhanced landfill cover grants] authorizes the commissioner to make grants for enhanced cover systems to assist with the closure of unlined construction and demolition landfills. Grants may cover up to 50 percent of the eligible expenses. Specifies criteria for prioritizing projects competing for grants from money appropriated for this purpose.

Section 3 [Amount of debt obligation authorized; 446A.086, subd. 11] increases the cap to \$1.5 billion for the amount of debt the state can secure, through a program that authorizes the state to secure debt incurred by counties and cities for certain purposes. This section is effective the day following final enactment.

Section 4 [Additional authorization; 462A.37] authorizes an additional \$50,000,000 in housing infrastructure bonds. Housing infrastructure bonds are appropriation bonds that

count toward Guidelines 1 and 2 of MMB's Debt Capacity Guidelines, but do not count toward Guideline 3. This section is effective the day following final enactment.

Section 5 [Additional appropriation; 462A.37, subd. 5] appropriates money from the new authorization of housing infrastructure bonds in section 4 and authorizes relevant transfers. This section is effective the day following final enactment.

Section 6 [Aggregate bond limitation; 474A.02, subd. 1a] replaces the definition of "aggregate bond limitation" for purposes of the Minnesota Bond Allocation Act. This is a statute that is largely within the jurisdiction of the Committee on Jobs and Economic Development, and partly, where residential housing is implicated, in the jurisdiction of the Committee on Housing and Homelessness Prevention. The Bond Allocation Act governs MMB's distribution of the annual federal tax-exempt bonding volume cap. This section is effective January 1, 2027. This section is from SF 4400 (Mohamed).

Section 7 [BCA Maryland Building] exempts the BCA Maryland Building site from the state building code requirements or ordinances to construct a new perimeter eight-foot security fence and access controls. This project was funded in the 2023 bonding bill.



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