

Legislative Update: Bonding Bill

During the second year of the biennium, like this one, the governor proposes a bonding bill which uses bonds, truck highway cash and General Fund cash to support infrastructure projects throughout the state. Minn. Governor Tim Walz proposed a \$982 million bonding bill on January 16. The bill details a list of priority construction and infrastructure projects 45% of which would go towards preserving state infrastructure. A total of \$100.550 million will be set aside towards Natural resources, Projects range from building maintenance in the Capitol Complex to improving state parks. The bill will be negotiated throughout the session often in parts and requires a three-fifths majority to pass.

The full list of recommendations can be found [here](#)¹. Recommendations relating to agriculture and other MFU priorities can be found below:

- A recommended \$2 million to go towards the Transportation Economic Development Infrastructure grant program which funds up to 100% of road and public infrastructure project cost for projects that create jobs and support economic development. This program can be combined with the Minnesota Department of Transportation's Transportation Economic Development program.
- Similarly, \$3 million is to go towards the Business Development Public Infrastructure grant program in Greater Minnesota which provides up to 50% of the necessary public infrastructure cost and focuses on job creation and retention through innovative businesses and organizations.
- A total of \$5 million is recommended for Early Childhood Facilities grants towards political subdivisions (including cities, counties and school districts), nonprofits and tribal governments. This grant would be towards building or renovating facilities.

¹ <https://mn.gov/mmb-stat/documents/budget/capital-budget/final-capital-budget/2024/summary-listing-of-governors-recommendations-by-entity-and-project.pdf>

- To acquire and improve state lands \$7 million is recommended.
- For cities, counties and watershed districts \$6 million would be set aside towards grants for projects that reduce flood risk, including purchasing and removing at risk residential structures and constructing levees, pumping stations and multi-purpose flood impoundments.
- A mix of Bonds and General fund cash totaling \$10 million would go towards removing manmade contaminant like Per- and polyfluoroalkyl substances (PFAS) from private wells.
- Two million dollars is to be used towards purchasing and installing nitrate sensors for continuous monitoring of watershed and basin pour points that have been monitored in the past.
- The Clean Water and Drinking Water Revolving Funds are used towards related infrastructure projects statewide, including wastewater treatment and drinking water storage, treatment and distribution systems. These projects help communities comply with the Clean Water Act and Safe Drinking Water Act. A recommended \$39 million would go towards matching federal funds in the program.
- A suggested \$23.485 million would go towards the Water Infrastructure Funding program to keep costs affordable for residents in an area building clean water and drinking water infrastructure projects.
- Point Source Implementation Grants help pay for water treatment plant upgrades which are necessary to meet various requirements including wasteload reduction, phosphorus, and nitrogen, among others. A suggested \$18.527 million would go towards this purpose.
- To mitigate the impact of emerging contaminants like manganese and PFAS \$18 million would go toward a new Emerging Contaminants Grant Program.
- Forty million dollars in Truck Highway Cash would go towards high-priority truck highway bridges.

- A new drainage asset management program would receive \$4.8 million towards monitoring and repairing hydraulic assets and flood resiliency projects.
- To install additional truck parking stalls in the Avon and Enfield rest areas, \$7.75 million in Truck Highway Cash would be applied.
- To maintain no net loss of wetlands requirements on the state and federal level \$4.5 million would go towards replacing wetlands drained or filled by road construction projects. This allows for projects to proceed as planned while still maintaining no net loss of wetland. It would be funded in part by General Fund Cash.
- The Reinvest in Minnesota Reserve Program would receive \$10 million to improve water quality and wildlife habitats in ecologically sensitive areas. These funds would be matched at the federal level.