

Chapter 129

2026 Regular Session

Subject Capital Investment General Fund Appropriations

Bill H.F. 2484/S.F. 2827

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Overview

This Act is the 2026 General Fund Capital Investment Bill, part of a dual law capital investment package. The bonding bill was enacted as Laws 2026, chapter 130.

Article 1 appropriates money from the general fund for certain capital projects. See the spreadsheet by Andy Lee and Erik Olaphson dated 5/17/2026 8:16 PM.

This summary describes the remaining articles in the Act:

- Article 2 includes policy language, some of which relate to appropriations in Article 1.
- Article 3 includes modifications to prior capital project appropriations from the general fund.

Article 2: Miscellaneous

Contains various capital investment policy provisions.

Section	Description – Article 2: Miscellaneous
1	<p>Hortman Memorial Highway.</p> <p>Designates Marked Trunk Highway 610 as “Hortman Memorial Highway.” Requires the commissioner of transportation to adopt a suitable design to mark the highway and to erect appropriate signs.</p> <p>Money for the costs of marking the highway and erecting the signs is included in Article 1.</p>
2	<p>Aggregate bond limitation.</p> <p>Amends the definition of “aggregate bond limitation” under the Minnesota Bond Allocation Act (chapter 474A) to conform with a federal tax law change.</p>

Section Description – Article 2: Miscellaneous

Effective January 1, 2027.

3 Drinking water regionalization planning and assistance grants.

These grants are funded in Article 1.

Subd. 1. Eligible recipients. Provides that the grants under this section are available to counties, municipalities, and townships, that seek to establish or expand regional drinking water systems.

Subd. 2. Eligible expenses. Provides that the grants must be used for certain planning activities and activities necessary for drinking water system establishment or expansion under the public water and sewer systems chapter of the law (chapter 116A) to support regional drinking water infrastructure development.

Subd. 3. Grant administration. Requires the commissioner of health to develop an application process and selection criteria that prioritizes projects by November 1, 2026.

Subd. 4. Grant maximum and match requirement. Caps grants under this section at \$300,000 per grant recipient per year. Requires grant recipients to provide matching funds of at least 25 percent of the total grant amount. Prohibits the commissioner from awarding grants in a fiscal year that, in the aggregate across all grant recipients involved with that drinking water system or district, exceed 60 percent of the funds available for that fiscal year.

Subd. 5. Reporting. Requires the commissioner of health to submit a report to the legislature by January 15, 2028, summarizing the grants awarded under this section, the progress of funded projects, and recommendations for future funding to support drinking water regionalization efforts.

4 Study of unlawful shipment of infectious or pathological waste.

Requires the commissioner of the Pollution Control Agency to submit a study to the legislature by January 15, 2027, on the unlawful transportation of infectious or pathological waste to solid waste management facilities. The study must include an assessment on the extent of the issue, a survey of current practices by generators of infectious waste, and recommendations for legislative or policy changes.

This study is funded in Article 1.

5 Applicability of increased funding for water infrastructure grants.

Extends the 2025 maximum grant amounts for water infrastructure grants (WIF) to drinking water projects that received points for consolidation on the Drinking Water Revolving Fund Project Priority List subject to a WIF grant agreement as of

Section Description – Article 2: Miscellaneous

September 1, 2024, or thereafter. This language impacts one project for the East Range Joint Powers Board.

6 Radar infrastructure grants.

These grants are funded under Article 1.

Subd. 1. Purpose. Requires the commissioner of transportation to make grants to political subdivisions for the acquisition, design, construction, and installation of mobile radar infrastructure and equipment to enhance airspace and marine surveillance.

Subd. 2. Grants. Specifies the projects that are eligible for funding under this section. Also provides that money from a grant may be used for training and technical support necessary to commission and operate the capital project.

7 Melissa Hortman memorial.

Appropriates \$800,000 of the money previously appropriated to implement the updated Capitol Mall Design Framework to design, procure, and install a memorial garden on the State Office Building site recognizing Melissa Hortman. The artist must be selected via a competitive process and must obtain the approval of the immediate family of Melissa Hortman.

8 Transfer.

Transfers \$3,800,000 in fiscal year 2026 from the workforce development fund to the general fund.

9 Appropriation; zoological board.

Appropriates \$3,800,000 in fiscal year 2026 to the Minnesota Zoological Board to address an operational deficiency.

10 Appropriations; state airports.

Appropriates \$1,265,000 in fiscal year 2027 from the state airports fund to the commissioner of transportation for a grant to the city of Mankato to design, construct, furnish, and equip an air traffic control tower facility at the Mankato Regional Airport.

Also appropriates \$2,000,000 in fiscal year 2027 from the state airports fund to the commissioner of transportation for a grant to the Duluth Airport Authority to design, construct, furnish, and equip a new air traffic control tower and base building at the Duluth International Airport.

Section Description – Article 2: Miscellaneous

- 11 **Cancellations.**
Cancels prior appropriations for a community multicultural outreach center in North St. Paul, a transit station in Apple Valley, a meat processing business in a redevelopment area in South St. Paul, and an unencumbered portion of an appropriation from the Targeted Capital Project Grant Program.
- 12 **Corridors of commerce; extension.**
Extends the portions of appropriations and bond sale authorizations awarded under the corridors of commerce program for reconstruction of marked Trunk Highway 13 in the cities of Savage and Burnsville until June 30, 2029.
- 13 **Effective date.**
Applies an effective date of day following final enactment (May 28, 2026) to the article.

Article 3: Appropriation Modifications

This article includes modifications to prior appropriations from the general fund.

Section Description – Article 3: Appropriation Modifications

- 1 **Capacity-building grants.**
Changes a grantee for a capacity-building grant to Merrick Community Services.
- 2 **Hennepin County; railroad crossing.**
Extends an appropriation for railroad crossing safety improvements at Town Line Road in Hennepin County until December 31, 2029.
- 3 **Hutchinson; Civil Air Patrol.**
Adds “construct” as an eligible project phase that can be funded with an appropriation for the Civil Air Patrol center in the city of Hutchinson.
- 4 **Dellwood; Lake Links Trail.**
Changes the trail project boundaries. Specifies the trail segments to be completed with the appropriation, which conforms the appropriation language with the additional appropriation for this project funded with state general obligation bond proceeds.

Section Description – Article 3: Appropriation Modifications

- 5 **Dakota County; Thompson Park.**
Removes specific Thompson County Park Master Plan improvements from the project description. Adds construction of Dakota Lodge improvements, park entry wayfinding and safety improvements, and an accessible trail loop with inclusive nature play stations to the improvements that may be funded with the appropriation.
- 6 **Ramsey County; Rice Street revitalization.**
Extends an appropriation for the Rice Street revitalization project in Ramsey County until December 31, 2029.
- 7 **Mendota Heights; Pilot Knob.**
Extends an appropriation for the development of Oheyawahe (Pilot Knob) in the city of Mendota Heights until December 31, 2029.
- 8 **St. Paul; inclusive playground.**
Extends an appropriation for an inclusive and accessible playground in the city of St. Paul until December 31, 2029.
- 9 **Accessible Space.**
Amends an appropriation for capital improvements to low-income accessible housing units to be used for grants to multiple affiliated businesses for specific low-income accessible housing capital projects in the cities of St. Paul, Stillwater, and Roseville.
- 10 **Agate Housing and Services.**
Authorizes the unspent portion of an appropriation for a shelter facility in the city of Minneapolis to be used to predesign, design, furnish, equip, renovate, and construct a second shelter facility in the city of Minneapolis.
- 11 **Ain Dah Yung Center.**
Adds “pre-design” and “design” as eligible project phases to be funded with the appropriation. Removes youth lodge improvements from the project scope.
- 12 **Appetite for Change.**
Extends an appropriation for a facility owned by Appetite for Change in the city of Minneapolis until December 31, 2029.
- 13 **CornerHouse.**
Extends an appropriation for CornerHouse to acquire property for a facility in Hennepin County until December 31, 2029.

Section Description – Article 3: Appropriation Modifications

- 14 **Division of Indian Work.**
Changes the eligible project phase to be funded with the appropriation to demolition of the current facility owned by the Division of Indian Work, renovation and the making of capital repairs to the existing facility in the city of Minneapolis, and to predesign an expansion of the existing facility.
- 15 **Irreducible Grace Foundation.**
Extends an appropriation for capital improvements to certain housing owned and managed by the Irreducible Grace Foundation until December 31, 2029.
- 16 **MNI Sota Fund.**
Extends an appropriation for an Indigenous asset building center owned by MNI Sota Fund until December 31, 2029.
- 17 **Sanneh Foundation.**
Removes “predesign and design” from the capital project phases to be funded with an appropriation for an Innovation Center owned by Sanneh Foundation. Also adds “workforce and human development participants and programs” to the scope of purpose of the facility.
- 18 **Lincoln-Pipestone Rural Water System.**
Changes the scope of a portion of an appropriation for capital projects owned by the Lincoln-Pipestone Rural Water System. Extends the appropriation until December 31, 2028.
- 19 **Sauk River Watershed District; outlet conveyance system.**
Removes “gravity” from the description of an outlet conveyance system funded with an appropriation for a Sauk River Watershed District capital project. Changes the outlet from Sauk Lake to “an appropriate downstream outlet”.
- 20 **Forest Lake; veterans memorial.**
Changes the grantee from the Forest Lake Veterans Memorial Committee to the city of Forest Lake.
- 21 **Winona; Mississippi Riverfront Trail.**
Changes the scope of an appropriation for a capital project in the city of Winona from bridges and bridge approaches to a trail segment. Authorizes any unspent portion of the appropriation to be used for final design, engineering, and construction of an extension of the Mississippi Riverfront Trail in the city of Winona.

Section Description – Article 3: Appropriation Modifications

- 22 **North Zumbro Sanitary District; wastewater treatment facility.**
Replaces “pre-design” with “design and engineer” as eligible project phases to be funded with the appropriation. Authorizes demolition of existing wastewater treatment structures and related infrastructure to the project scope.
- 23 **Minnesota Historical Society.**
Removes the construction of a fence from the capital project scope for an appropriation for capital improvements at the Wasioja Historic District seminary ruins.
- 24 **Metropolitan Council.**
Changes the agency headnote for an appropriation for a grant to Minneapolis Park and Recreation Board for the new Cedar Riverside Recreation Center. Also changes the term “payment” to “grant.”
- 25 **Effective date.**
Applies an effective date of day following final enactment (May 28, 2026) to this article.



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