

HOUSE RESEARCH

Bill Summary

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Subject: Capital project grants to political subdivisions

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Overview

This bill establishes a procedure for political subdivisions seeking state bond funding for capital projects and establishes criteria for evaluation of such projects.

- 1 Subd. 1. Projects covered.** Provisions of bill apply only to capital improvement projects not covered by another state program of assistance.
- Subd. 2. Budget request.** Provides that political subdivisions seeking either general fund or state general obligation bond proceeds for local capital improvement projects are encouraged to submit their requests to the commissioner of finance by June 1 in the odd-numbered years. Requires requests filed on time to be forwarded to the legislature in the same manner as agency capital budget requests (due July 1st).
- Subd. 3. Evaluation.** Provides that the commissioner of finance will evaluate all requests based on the nine criteria identified in the bill. Further provides that the commissioner must forward all requests, with the commissioner's evaluation and the governor's recommendation, to the legislature.
- Subd. 4. Funding.** Provides that if a project covered by this section is funded, the amount of the funding may be no more than one-half of the total project cost, except when projects are needed as a result of, or to prevent, a disaster, or when projects are located in political subdivisions with very low average net tax capacities. Further provides that this section does not prevent the governor from recommending or the legislature from funding, projects that do not meet the established criteria when a compelling reason exists.