

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 5323**

(SENATE AUTHORS: PAPPAS)

DATE  
04/04/2024

D-PG  
13378 Introduction and first reading  
Referred to Capital Investment

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to capital investment; clarifying capital project funding expectations;  
1.3 amending Minnesota Statutes 2022, section 16A.86, subdivision 4.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2022, section 16A.86, subdivision 4, is amended to read:

1.6 Subd. 4. **Funding.** (a) The state share of a project covered by this section and any capital  
1.7 project grant to a nonprofit organization must be no more than half the total cost of the  
1.8 project, including predesign, design, construction, furnishings, and equipment, except as  
1.9 provided in paragraph (b) or (c). This subdivision does not apply to a project proposed by  
1.10 a school district or other school organization. The state share of a project includes state  
1.11 assistance in any manner, including but not limited to a direct appropriation, a grant awarded  
1.12 through a grant program administered by a state entity, or a combination of state assistance  
1.13 appropriated and granted by multiple state entities. The nonstate share of a project may be  
1.14 funded by federal, local, private, or other funds, or a combination thereof, from nonstate  
1.15 sources.

1.16 (b) The state share may be more than half the total cost of a project if the project is  
1.17 deemed needed as a result of a disaster or to prevent a disaster or is located in a political  
1.18 subdivision with a very low average net tax capacity.

1.19 (c) Nothing in this section prevents the governor from recommending, or the legislature  
1.20 from considering or funding, projects that do not meet the deadline in subdivision 2 or a  
1.21 state share that is greater than half the total cost of the project when the governor or the  
1.22 legislature determines that there is a compelling reason for the recommendation or funding.

2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.