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## [MN Cities Could Face Additional Barriers to State Financial Support for Capital Improvement Projects.](#)

**Proposals heard in the House and Senate would require that any city receiving funding for a local infrastructure project from state bonds or general funds create an account sufficient for rehabilitation, expansion, and eventual replacement of the project.**

The House and Senate both held informational hearings on legislation that creates far-reaching barriers to state financial support of local public infrastructure.

[HF 3582](#) (Rep. Fue Lee, DFL-Minneapolis) and [SF 3782](#) (Sen. Sandra Pappas, DFL-St. Paul) would require that a local government infrastructure project that receives any state funding must also create a capital project replacement fund to cover major rehabilitation, expansion, or replacement of that capital project.

The funds and the approval of uses of that money would be determined by the state and the account would need to be annually audited. Money could not be used from that account without state approval. An amendment that was adopted in the House includes language that more broadly applies the requirement to other state capital project grant recipients and also penalizes anyone whose fund is not kept at required levels.

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**League of Minnesota Cities**

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