

Feb. 25, 2025

## CITY ISSUE FACT SHEET: BONDING

Bonding is when the state borrows money to fund major public infrastructure projects, such as roads, bridges, wastewater and drinking water treatment facilities, and public housing. These projects are vital to maintain and improve cities' infrastructure, protect public health and economic vitality, and meet evolving state and federal regulations. Bonding bills, also known as capital investment bills, allow cities to receive state assistance to address infrastructure needs they would otherwise struggle to fund on their own.

In 2024, Minnesota's Legislature failed to pass a bonding bill, continuing a trend from recent years. This marks the fourth time in the last five years that bonding bills were not successfully passed in their entirety. As a result, cities are left in limbo, with increasing infrastructure needs and rising costs due to delayed projects.

In total, Minnesota cities are waiting on \$5 billion in bonding requests for projects ranging from wastewater treatment to roads and bridges. Without bonding assistance, cities face the tough decision of either delaying necessary upgrades or relying on local taxpayers to cover rising costs.

### Key areas that require immediate funding include:

- Wastewater and drinking water treatment facilities
- Transportation infrastructure
- Public housing

Cities cannot afford further delays. LMC is committed to advocating for bonding legislation that supports the long-term success of Minnesota cities.

### OUR ASKS:

- ✓ Pass a bonding bill in 2025 to ensure projects that are ready to begin can move forward.
- ✓ Retain retail delivery fee and indexing provisions.
- ✓ Prioritize public health and safety by supporting projects that address wastewater and drinking water treatment, road repairs, and affordable housing.

### FOR MORE INFORMATION:

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