

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

H.F. No. 4366

(SENATE AUTHORS: SUNDIN, Vang, Klevorn, Lippert, Ecklund, Lislegard and Sandstede)

DATE	D-PG	OFFICIAL STATUS
04/25/2022	7506	Received from House
	7506	Introduction and first reading
04/26/2022		Referred to for comparison with SF4019, now on General Orders
	7514a	Comm report: Rule 45-amend, subst. General Orders SF4019
04/27/2022	7515	Second reading
	7684a	Special Order: Amended
05/04/2022	7688	Laid on table
		Taken from table
	7696	Third reading Passed
		House not concur, conference committee of 5 requested
		House conferees Sundin; Hausman; Howard; Vang; Theis
		Senate accedes, CC of 5 be appointed
		Senate conferees Westrom; Draheim; Dornink; Pratt; Dziedzic

1.1 A bill for an act

1.2 relating to state government; establishing cooperative grants for farmers;

1.3 establishing an agricultural best management practices grant program; making

1.4 policy and technical changes to agricultural provisions; establishing the broadband

1.5 line extension program; extending use of utility easements for broadband; requiring

1.6 reports; appropriating money for the Minnesota Housing Finance Agency

1.7 supplemental budget; appropriating money; amending Minnesota Statutes 2020,

1.8 sections 17.117, subdivisions 9, 9a, 10, 11, 11a; 18E.04, subdivision 4; 35.155,

1.9 subdivision 12; 40A.18, subdivision 2; 41B.025, by adding a subdivision; 116J.396,

1.10 subdivision 2; 223.17, subdivisions 4, 6; 346.155, subdivision 7; 462A.03,

1.11 subdivision 13; 462A.05, by adding subdivisions; 462A.07, subdivisions 9, 10,

1.12 14; 462A.2035, by adding a subdivision; 462A.204, subdivision 3; 462A.21,

1.13 subdivision 4a; 462A.24; 462A.33, by adding a subdivision; 462A.36, subdivision

1.14 4, by adding a subdivision; 462A.37, subdivision 4, by adding a subdivision;

1.15 462A.38, subdivision 1; 462A.39, subdivisions 1, 2, 4, 5, 6, by adding a subdivision;

1.16 471.9996, subdivision 1; 474A.061, subdivision 2a; 474A.091, subdivision 3;

1.17 Minnesota Statutes 2021 Supplement, sections 35.155, subdivision 14; 41A.21,

1.18 subdivision 2; 462A.05, subdivision 14a; 462A.37, subdivision 5; Laws 2021,

1.19 First Special Session chapter 3, article 1, sections 2; 4; Laws 2021, First Special

1.20 Session chapter 8, article 6, section 1, subdivision 7; Laws 2021, First Special

1.21 Session chapter 10, article 1, section 7; proposing coding for new law in Minnesota

1.22 Statutes, chapters 12; 17; 116J; 462; 462A; repealing Minnesota Statutes 2020,

1.23 section 471.9996, subdivision 2.

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

1.25 **ARTICLE 1**

1.26 **AGRICULTURE APPROPRIATIONS**

1.27 Section 1. Laws 2021, First Special Session chapter 3, article 1, section 2, is amended to

1.28 read:

1.29 **Sec. 2. DEPARTMENT OF AGRICULTURE**

1.30		59,303,000	59,410,000
1.31	Subdivision 1. Total Appropriation	\$ 60,653,000	\$ 62,760,000

2.1	Appropriations by Fund		
2.2		2022	2023
2.3		58,904,000	59,011,000
2.4	General	<u>60,254,000</u>	<u>62,361,000</u>
2.5	Remediation	399,000	399,000

2.6 The amounts that may be spent for each
 2.7 purpose are specified in the following
 2.8 subdivisions.

2.9 **Subd. 2. Protection Services**

2.10	Appropriations by Fund		
2.11		2022	2023
2.12		19,384,000	19,610,000
2.13	General	<u>19,734,000</u>	<u>20,810,000</u>
2.14	Remediation	399,000	399,000

2.15 (a) \$399,000 the first year and \$399,000 the
 2.16 second year are from the remediation fund for
 2.17 administrative funding for the voluntary
 2.18 cleanup program.

2.19 (b) \$175,000 the first year and \$175,000 the
 2.20 second year are for compensation for
 2.21 destroyed or crippled livestock under
 2.22 Minnesota Statutes, section 3.737. The first
 2.23 year appropriation may be spent to compensate
 2.24 for livestock that were destroyed or crippled
 2.25 during fiscal year 2021. If the amount in the
 2.26 first year is insufficient, the amount in the
 2.27 second year is available in the first year. The
 2.28 commissioner may use up to \$5,000 each year
 2.29 to reimburse expenses incurred by university
 2.30 extension educators to provide fair market
 2.31 values of destroyed or crippled livestock. If
 2.32 the commissioner receives federal dollars to
 2.33 pay claims for destroyed or crippled livestock,
 2.34 an equivalent amount of this appropriation
 2.35 may be used to reimburse nonlethal prevention

3.1 methods performed by federal wildlife services
3.2 staff.

3.3 (c) \$155,000 the first year and \$155,000 the
3.4 second year are for compensation for crop
3.5 damage under Minnesota Statutes, section
3.6 3.7371. If the amount in the first year is
3.7 insufficient, the amount in the second year is
3.8 available in the first year. The commissioner
3.9 may use up to \$10,000 of the appropriation
3.10 each year to reimburse expenses incurred by
3.11 the commissioner or the commissioner's
3.12 approved agent to investigate and resolve
3.13 claims, as well as for costs associated with
3.14 training for approved agents. The
3.15 commissioner may use up to \$20,000 of the
3.16 appropriation each year to make grants to
3.17 producers for measures to protect stored crops
3.18 from elk damage.

3.19 If the commissioner determines that claims
3.20 made under Minnesota Statutes, section 3.737
3.21 or 3.7371, are unusually high, amounts
3.22 appropriated for either program may be
3.23 transferred to the appropriation for the other
3.24 program.

3.25 (d) \$1,000,000 the second year is to reimburse
3.26 feed, veterinary, and other expenses incurred,
3.27 and offset revenue lost by owners of farmed
3.28 white-tailed deer registered under Minnesota
3.29 Statutes, section 35.155, due to movement
3.30 bans imposed by the commissioner of natural
3.31 resources in emergency rules between
3.32 December 2019 and December 2021. The
3.33 commissioner may use payments of up to
3.34 \$5,000 on a first-come, first-served,
3.35 noncompetitive basis. In order to receive a

4.1 payment, a recipient must sign an attestation
4.2 of the value of the loss suffered. Grants must
4.3 be limited to the value of the loss or \$5,000,
4.4 whichever is less. However, if funds remain
4.5 after payments have been made to all eligible
4.6 applicants, the commissioner shall make
4.7 additional payments on a pro rata basis. This
4.8 is a onetime appropriation and is available
4.9 until June 30, 2024. Beginning February 1,
4.10 2023, and annually thereafter until February
4.11 1, 2025, the commissioner must report on the
4.12 reimbursements under this section by county
4.13 to the legislative committees with jurisdiction
4.14 over agriculture finance.

4.15 (e) \$225,000 the first year and \$225,000 the
4.16 second year are for additional funding for the
4.17 noxious weed and invasive plant program.

4.18 ~~(e)~~ (f) \$50,000 the first year is for additional
4.19 funding for the industrial hemp program for
4.20 IT development. This is a onetime
4.21 appropriation and is available until June 30,
4.22 2023.

4.23 ~~(f)~~ (g) \$110,000 the first year and \$110,000
4.24 the second year are for additional meat and
4.25 poultry inspection services. The commissioner
4.26 is encouraged to seek inspection waivers,
4.27 matching federal dollars, and offer more online
4.28 inspections for the purposes under this
4.29 paragraph.

4.30 ~~(g)~~ (h) \$825,000 the first year and \$825,000
4.31 the second year are to replace capital
4.32 equipment in the Department of Agriculture's
4.33 analytical laboratory.

5.1 ~~(h)~~ (i) \$274,000 the first year and \$550,000
5.2 the second year are to maintain the current
5.3 level of service delivery.

5.4 (j) \$200,000 the second year is for grants to
5.5 fund the Forever Green Agriculture Initiative
5.6 at the University of Minnesota and protect the
5.7 state's natural resources while increasing the
5.8 efficiency, profitability, and productivity of
5.9 Minnesota farmers by incorporating perennial
5.10 and winter annual crops into existing
5.11 agricultural practices. Up to 25 percent of the
5.12 appropriation may be used for equipment and
5.13 physical infrastructure to support breeding and
5.14 agronomic activities necessary to develop
5.15 perennial and winter annual crops. This is a
5.16 onetime appropriation and is available until
5.17 June 30, 2028.

5.18 (k) \$350,000 in the first year is for a grant to
5.19 the Board of Regents of the University of
5.20 Minnesota to purchase equipment for the
5.21 Veterinary Diagnostic Laboratory to test for
5.22 chronic wasting disease, African swine fever,
5.23 avian influenza, and other animal diseases.
5.24 The Veterinary Diagnostic Laboratory must
5.25 report expenditures under this paragraph to
5.26 the legislative committees with jurisdiction
5.27 over agriculture finance and higher education
5.28 with an initial report completed by January 3,
5.29 2023, and a final report by September 1, 2023.
5.30 The reports must include a list of equipment
5.31 purchased, including the cost of each item.
5.32 This is a onetime appropriation that is
5.33 available until June 30, 2023.

6.1	Subd. 3. Agricultural Marketing and		4,205,000
6.2	Development	4,200,000	<u>4,215,000</u>

6.3 (a) \$186,000 the first year and \$186,000 the
 6.4 second year are for transfer to the Minnesota
 6.5 grown account and may be used as grants for
 6.6 Minnesota grown promotion under Minnesota
 6.7 Statutes, section 17.102. Grants may be made
 6.8 for one year. Notwithstanding Minnesota
 6.9 Statutes, section 16A.28, the appropriations
 6.10 encumbered under contract on or before June
 6.11 30, 2023, for Minnesota grown grants in this
 6.12 paragraph are available until June 30, 2025.

6.13 (b) \$50,000 the first year is to expand
 6.14 international marketing opportunities for
 6.15 farmers and value-added processors, including
 6.16 in-market representation in Taiwan. This is a
 6.17 onetime appropriation and is available until
 6.18 June 30, 2023.

6.19 (c) \$634,000 the first year and \$634,000 the
 6.20 second year are for continuation of the dairy
 6.21 development and profitability enhancement
 6.22 programs including dairy profitability teams
 6.23 and dairy business planning grants under
 6.24 Minnesota Statutes, section 32D.30.

6.25 (d) \$50,000 the first year and \$50,000 the
 6.26 second year are for additional funding for
 6.27 mental health outreach and support to farmers
 6.28 and others in the agricultural community,
 6.29 including a 24-hour hotline, stigma reduction,
 6.30 and educational offerings. These are onetime
 6.31 appropriations.

6.32 (e) The commissioner may use funds
 6.33 appropriated in this subdivision for annual
 6.34 cost-share payments to resident farmers or
 6.35 entities that sell, process, or package

7.1 agricultural products in this state for the costs
 7.2 of organic certification. The commissioner
 7.3 may allocate these funds for assistance to
 7.4 persons transitioning from conventional to
 7.5 organic agriculture.

7.6 (f) \$100,000 the first year and \$100,000 the
 7.7 second year are for the farm safety grant and
 7.8 outreach programs under Minnesota Statutes,
 7.9 section 17.1195. Notwithstanding Minnesota
 7.10 Statutes, section 16A.28, any unencumbered
 7.11 balance does not cancel at the end of the first
 7.12 year and is available in the second year. These
 7.13 are onetime appropriations.

7.14 (g) \$54,000 the first year and \$109,000 the
 7.15 second year are to maintain the current level
 7.16 of service delivery.

7.17 (h) \$10,000 the second year is appropriated
 7.18 from the general fund to the commissioner of
 7.19 agriculture to study and report on the state of
 7.20 regional and local food systems in Minnesota,
 7.21 including recommendations for strengthening
 7.22 these systems. No later than February 1, 2023,
 7.23 the commissioner must submit the report to
 7.24 the legislative committees with jurisdiction
 7.25 over agriculture policy and finance. This is a
 7.26 onetime appropriation.

7.27 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 7.28 **Advancement**

		<u>25,357,000</u>
	25,343,000	<u>26,057,000</u>

7.29 (a) \$9,300,000 the first year and \$9,300,000
 7.30 the second year are for transfer to the
 7.31 agriculture research, education, extension, and
 7.32 technology transfer account under Minnesota
 7.33 Statutes, section 41A.14, subdivision 3. Of
 7.34 these amounts: at least \$600,000 the first year
 7.35 and \$600,000 the second year are for the

8.1 Minnesota Agricultural Experiment Station's
8.2 agriculture rapid response fund under
8.3 Minnesota Statutes, section 41A.14,
8.4 subdivision 1, clause (2); \$2,000,000 the first
8.5 year and \$2,000,000 the second year are for
8.6 grants to the Minnesota Agriculture Education
8.7 Leadership Council to enhance agricultural
8.8 education with priority given to Farm Business
8.9 Management challenge grants; \$350,000 the
8.10 first year and \$350,000 the second year are
8.11 for potato breeding; and \$450,000 the first
8.12 year and \$450,000 the second year are for the
8.13 cultivated wild rice breeding project at the
8.14 North Central Research and Outreach Center
8.15 to include a tenure track/research associate
8.16 plant breeder. The commissioner shall transfer
8.17 the remaining funds in this appropriation each
8.18 year to the Board of Regents of the University
8.19 of Minnesota for purposes of Minnesota
8.20 Statutes, section 41A.14. Of the amount
8.21 transferred to the Board of Regents, up to
8.22 \$1,000,000 each year is for research on avian
8.23 influenza, salmonella, and other turkey-related
8.24 diseases. By January 15, 2023, entities
8.25 receiving grants for potato breeding and wild
8.26 rice breeding are requested to report to the
8.27 chairs and ranking minority members of the
8.28 legislative committees with jurisdiction over
8.29 agriculture and higher education regarding the
8.30 use of the grant money and to provide an
8.31 update on the status of research and related
8.32 accomplishments.

8.33 To the extent practicable, money expended
8.34 under Minnesota Statutes, section 41A.14,
8.35 subdivision 1, clauses (1) and (2), must
8.36 supplement and not supplant existing sources

9.1 and levels of funding. The commissioner may
9.2 use up to one percent of this appropriation for
9.3 costs incurred to administer the program.

9.4 (b) ~~\$16,028,000~~ the first year and ~~\$16,028,000~~
9.5 \$16,728,000 the second year are for the
9.6 agricultural growth, research, and innovation
9.7 program under Minnesota Statutes, section
9.8 41A.12. Except as provided below, the
9.9 commissioner may allocate the appropriation
9.10 each year among the following areas:
9.11 facilitating the start-up, modernization,
9.12 improvement, or expansion of livestock
9.13 operations including beginning and
9.14 transitioning livestock operations with
9.15 preference given to robotic dairy-milking
9.16 equipment; providing funding not to exceed
9.17 \$800,000 each year to develop and enhance
9.18 farm-to-school markets for Minnesota farmers
9.19 by providing more fruits, vegetables, meat,
9.20 grain, and dairy for Minnesota children in
9.21 school and child care settings including, at the
9.22 commissioner's discretion, reimbursing
9.23 schools for purchases from local farmers;
9.24 assisting value-added agricultural businesses
9.25 to begin or expand, to access new markets, or
9.26 to diversify, including aquaponics systems;
9.27 providing funding not to exceed \$600,000
9.28 each year for urban youth agricultural
9.29 education or urban agriculture community
9.30 development of which \$10,000 each year is
9.31 for transfer to the emerging farmer account
9.32 under Minnesota Statutes, section 17.055,
9.33 subdivision 1a; providing funding not to
9.34 exceed \$450,000 each year for the good food
9.35 access program under Minnesota Statutes,
9.36 section 17.1017; facilitating the start-up,

10.1 modernization, or expansion of other
10.2 beginning and transitioning farms including
10.3 by providing loans under Minnesota Statutes,
10.4 section 41B.056; sustainable agriculture
10.5 on-farm research and demonstration;
10.6 development or expansion of food hubs and
10.7 other alternative community-based food
10.8 distribution systems; enhancing renewable
10.9 energy infrastructure and use; crop research;
10.10 Farm Business Management tuition assistance;
10.11 and good agricultural practices and good
10.12 handling practices certification assistance. The
10.13 commissioner may use up to 6.5 percent of
10.14 this appropriation for costs incurred to
10.15 administer the program.

10.16 Of the amount appropriated for the agricultural
10.17 growth, research, and innovation program
10.18 under Minnesota Statutes, section 41A.12:

10.19 (1) \$1,000,000 the first year and \$1,000,000
10.20 the second year are for distribution in equal
10.21 amounts to each of the state's county fairs to
10.22 preserve and promote Minnesota agriculture;

10.23 (2) \$4,500,000 the first year and \$4,500,000
10.24 the second year are for incentive payments
10.25 under Minnesota Statutes, sections 41A.16,
10.26 41A.17, 41A.18, and 41A.20. Notwithstanding
10.27 Minnesota Statutes, section 16A.28, the first
10.28 year appropriation is available until June 30,
10.29 2023, and the second year appropriation is
10.30 available until June 30, 2024. If this
10.31 appropriation exceeds the total amount for
10.32 which all producers are eligible in a fiscal
10.33 year, the balance of the appropriation is
10.34 available for other purposes under this
10.35 paragraph;

11.1 (3) \$3,000,000 the first year and \$3,000,000
11.2 the second year are for grants that enable retail
11.3 petroleum dispensers, fuel storage tanks, and
11.4 other equipment to dispense biofuels to the
11.5 public in accordance with the biofuel
11.6 replacement goals established under
11.7 Minnesota Statutes, section 239.7911. A retail
11.8 petroleum dispenser selling petroleum for use
11.9 in spark ignition engines for vehicle model
11.10 years after 2000 is eligible for grant money
11.11 under this clause if the retail petroleum
11.12 dispenser has no more than 10 retail petroleum
11.13 dispensing sites and each site is located in
11.14 Minnesota. The grant money must be used to
11.15 replace or upgrade equipment that does not
11.16 have the ability to be certified for E25. A grant
11.17 award must not exceed 65 percent of the cost
11.18 of the appropriate technology. A grant award
11.19 must not exceed \$200,000 per station. The
11.20 commissioner must cooperate with biofuel
11.21 stakeholders in the implementation of the grant
11.22 program. The commissioner, in cooperation
11.23 with any economic or community development
11.24 financial institution and any other entity with
11.25 which it contracts, must submit a report on the
11.26 biofuels infrastructure financial assistance
11.27 program by January 15 of each year to the
11.28 chairs and ranking minority members of the
11.29 legislative committees and divisions with
11.30 jurisdiction over agriculture policy and
11.31 finance. The annual report must include but
11.32 not be limited to a summary of the following
11.33 metrics: (i) the number and types of projects
11.34 financed; (ii) the amount of dollars leveraged
11.35 or matched per project; (iii) the geographic
11.36 distribution of financed projects; (iv) any

12.1 market expansion associated with upgraded
12.2 infrastructure; (v) the demographics of the
12.3 areas served; (vi) the costs of the program;
12.4 and (vii) the number of grants to
12.5 minority-owned or female-owned businesses;
12.6 (4) \$750,000 the first year and ~~\$750,000~~
12.7 \$1,450,000 the second year are for grants to
12.8 facilitate the start-up, modernization, or
12.9 expansion of meat, poultry, egg, and milk
12.10 processing facilities. A grant award under this
12.11 clause must not exceed \$200,000. Any
12.12 unencumbered balance at the end of the second
12.13 year does not cancel until June 30, 2024, and
12.14 may be used for other purposes under this
12.15 paragraph. The appropriations under this
12.16 clause are onetime; and
12.17 (5) \$1,400,000 the first year and \$1,400,000
12.18 the second year are for livestock investment
12.19 grants under Minnesota Statutes, section
12.20 17.118. Any unencumbered balance at the end
12.21 of the second year does not cancel until June
12.22 30, 2024, and may be used for other purposes
12.23 under this paragraph. The appropriations under
12.24 this clause are onetime.
12.25 Notwithstanding Minnesota Statutes, section
12.26 16A.28, any unencumbered balance does not
12.27 cancel at the end of the first year and is
12.28 available for the second year, and
12.29 appropriations encumbered under contract on
12.30 or before June 30, 2023, for agricultural
12.31 growth, research, and innovation grants are
12.32 available until June 30, 2026.
12.33 The base amount for the agricultural growth,
12.34 research, and innovation program is
12.35 \$16,053,000 in fiscal year 2024 and

13.1 \$16,053,000 in fiscal year 2025, and includes
 13.2 funding for incentive payments under
 13.3 Minnesota Statutes, sections 41A.16, 41A.17,
 13.4 41A.18, and 41A.20.

13.5 (c) \$15,000 the first year and \$29,000 the
 13.6 second year are to maintain the current level
 13.7 of service delivery.

13.8 **Subd. 5. Administration and Financial**
 13.9 **Assistance**

~~9,977,000~~
10,977,000

~~9,839,000~~
11,279,000

13.10 (a) \$474,000 the first year and \$474,000 the
 13.11 second year are for payments to county and
 13.12 district agricultural societies and associations
 13.13 under Minnesota Statutes, section 38.02,
 13.14 subdivision 1. Aid payments to county and
 13.15 district agricultural societies and associations
 13.16 shall be disbursed no later than July 15 of each
 13.17 year. These payments are the amount of aid
 13.18 from the state for an annual fair held in the
 13.19 previous calendar year.

13.20 (b) \$387,000 the first year and \$337,000 the
 13.21 second year are for farm advocate services.
 13.22 Of these amounts, \$100,000 the first year and
 13.23 \$50,000 the second year are for a pilot
 13.24 program creating farmland access teams to
 13.25 provide technical assistance to potential
 13.26 beginning farmers. The farmland access teams
 13.27 must assist existing farmers and beginning
 13.28 farmers on transitioning farm ownership and
 13.29 operation. Services provided by teams may
 13.30 include but are not limited to providing
 13.31 mediation assistance, designing contracts,
 13.32 financial planning, tax preparation, estate
 13.33 planning, and housing assistance. Of this
 13.34 amount for farm transitions, up to \$50,000 the
 13.35 first year may be used to upgrade the

14.1 Minnesota FarmLink web application that
 14.2 connects farmers looking for land with farmers
 14.3 looking to transition their land.

14.4 (c) \$47,000 the first year and \$47,000 the
 14.5 second year are for grants to the Northern
 14.6 Crops Institute that may be used to purchase
 14.7 equipment. These are onetime appropriations.

14.8 (d) \$238,000 the first year and \$238,000 the
 14.9 second year are for ~~transfer to the Board of~~
 14.10 ~~Trustees of the Minnesota State Colleges and~~
 14.11 ~~Universities~~ a pass-through grant to Region
 14.12 Five Development Commission, in
 14.13 collaboration with Minnesota Farm Business
 14.14 Management: (1) for statewide mental health
 14.15 counseling support to farm families and
 14.16 ~~business operators through the Minnesota State~~
 14.17 ~~Agricultural Centers of Excellence. South~~
 14.18 ~~Central College and Central Lakes College~~
 14.19 ~~shall serve as the fiscal agents~~ Minnesota farm
 14.20 and ranch operators, families, and employees;
 14.21 and (2) for support to individuals who work
 14.22 with Minnesota farmers and ranchers in a
 14.23 professional capacity.

14.24 (e) \$1,700,000 the first year and \$1,700,000
 14.25 the second year are for grants to Second
 14.26 Harvest Heartland on behalf of Minnesota's
 14.27 six Feeding America food banks for the
 14.28 following:

14.29 (1) to purchase milk for distribution to
 14.30 Minnesota's food shelves and other charitable
 14.31 organizations that are eligible to receive food
 14.32 from the food banks. Milk purchased under
 14.33 the grants must be acquired from Minnesota
 14.34 milk processors and based on low-cost bids.
 14.35 The milk must be allocated to each Feeding

15.1 America food bank serving Minnesota
15.2 according to the formula used in the
15.3 distribution of United States Department of
15.4 Agriculture commodities under The
15.5 Emergency Food Assistance Program. Second
15.6 Harvest Heartland may enter into contracts or
15.7 agreements with food banks for shared funding
15.8 or reimbursement of the direct purchase of
15.9 milk. Each food bank that receives funding
15.10 under this clause may use up to two percent
15.11 for administrative expenses;

15.12 (2) to compensate agricultural producers and
15.13 processors for costs incurred to harvest and
15.14 package for transfer surplus fruits, vegetables,
15.15 and other agricultural commodities that would
15.16 otherwise go unharvested, be discarded, or
15.17 sold in a secondary market. Surplus
15.18 commodities must be distributed statewide to
15.19 food shelves and other charitable organizations
15.20 that are eligible to receive food from the food
15.21 banks. Surplus food acquired under this clause
15.22 must be from Minnesota producers and
15.23 processors. Second Harvest Heartland may
15.24 use up to 15 percent of each grant awarded
15.25 under this clause for administrative and
15.26 transportation expenses; and

15.27 (3) to purchase and distribute protein products,
15.28 including but not limited to pork, poultry, beef,
15.29 dry legumes, cheese, and eggs to Minnesota's
15.30 food shelves and other charitable organizations
15.31 that are eligible to receive food from the food
15.32 banks. Second Harvest Heartland may use up
15.33 to two percent of each grant awarded under
15.34 this clause for administrative expenses. Protein
15.35 products purchased under the grants must be

16.1 acquired from Minnesota processors and
16.2 producers.

16.3 Of the amount appropriated under this
16.4 paragraph, at least \$600,000 each year must
16.5 be allocated under clause (1). Notwithstanding
16.6 Minnesota Statutes, section 16A.28, any
16.7 unencumbered balance the first year does not
16.8 cancel and is available in the second year.

16.9 Second Harvest Heartland must submit
16.10 quarterly reports to the commissioner and the
16.11 chairs and ranking minority members of the
16.12 legislative committees with jurisdiction over
16.13 agriculture finance in the form prescribed by
16.14 the commissioner. The reports must include
16.15 but are not limited to information on the
16.16 expenditure of funds, the amount of milk or
16.17 other commodities purchased, and the
16.18 organizations to which this food was
16.19 distributed.

16.20 (f) \$250,000 the first year and \$250,000 the
16.21 second year are for grants to the Minnesota
16.22 Agricultural Education and Leadership
16.23 Council for programs of the council under
16.24 Minnesota Statutes, chapter 41D.

16.25 (g) \$1,437,000 the first year and \$1,437,000
16.26 the second year are for transfer to the
16.27 agricultural and environmental revolving loan
16.28 account established under Minnesota Statutes,
16.29 section 17.117, subdivision 5a, for low-interest
16.30 loans under Minnesota Statutes, section
16.31 17.117. The base for appropriations under this
16.32 paragraph in fiscal year 2024 and thereafter
16.33 is \$1,425,000. The commissioner must
16.34 examine how the department could use up to
16.35 one-third of the amount transferred to the

17.1 agricultural and environmental revolving loan
17.2 account under this paragraph to award grants
17.3 to rural landowners to replace septic systems
17.4 that inadequately protect groundwater. No
17.5 later than February 1, 2022, the commissioner
17.6 must report to the legislative committees with
17.7 jurisdiction over agriculture finance and
17.8 environment finance on the results of the
17.9 examination required under this paragraph.
17.10 The commissioner's report may include other
17.11 funding sources for septic system replacement
17.12 that are available to rural landowners.

17.13 (h) \$50,000 the second year is for the
17.14 agriculture best management practices grant
17.15 program under Minnesota Statutes, section
17.16 17.1162. This is a onetime appropriation.

17.17 (i) \$150,000 the first year and \$150,000 the
17.18 second year are for grants to the Center for
17.19 Rural Policy and Development. These are
17.20 onetime appropriations.

17.21 ~~(i)~~ (j) \$150,000 the first year is to provide
17.22 grants to Central Lakes College for the
17.23 purposes of designing, building, and offering
17.24 credentials in the area of meat cutting and
17.25 butchery that align with industry needs as
17.26 advised by local industry advisory councils.
17.27 Notwithstanding Minnesota Statutes, section
17.28 16A.28, any unencumbered balance does not
17.29 cancel at the end of the first year and is
17.30 available for the second year. The
17.31 commissioner may only award a grant under
17.32 this paragraph if the grant is matched by a like
17.33 amount from another funding source. The
17.34 commissioner must seek matching dollars
17.35 from Minnesota State Colleges and

18.1 Universities or other entities. The
18.2 appropriation is onetime and is available until
18.3 June 30, 2024. Any money remaining on June
18.4 30, 2024, must be transferred to the
18.5 agricultural growth, research, and innovation
18.6 program under Minnesota Statutes, section
18.7 41A.12, and is available until June 30, 2025.
18.8 Grants may be used for costs including but
18.9 not limited to:

- 18.10 (1) facility renovation to accommodate meat
18.11 cutting;
- 18.12 (2) curriculum design and approval from the
18.13 Higher Learning Commission;
- 18.14 (3) program operational start-up costs;
- 18.15 (4) equipment required for a meat cutting
18.16 program; and
- 18.17 (5) meat handling start-up costs in regard to
18.18 meat access and market channel building.

18.19 No later than January 15, 2023, Central Lakes
18.20 College must submit a report outlining the use
18.21 of grant money to the chairs and ranking
18.22 minority members of the legislative
18.23 committees and divisions with jurisdiction
18.24 over agriculture and higher education.

18.25 ~~(j)~~ (k) \$2,000 the first year is for grants to the
18.26 Minnesota State Poultry Association. This is
18.27 a onetime appropriation. Notwithstanding
18.28 Minnesota Statutes, section 16A.28, any
18.29 unencumbered balance does not cancel at the
18.30 end of the first year and is available for the
18.31 second year.

18.32 ~~(k)~~ (l) \$17,000 the first year and \$17,000 the
18.33 second year are for grants to the Minnesota

19.1 State Horticultural Society. These are onetime
19.2 appropriations.

19.3 ~~(h)~~ (m) \$18,000 the first year and \$18,000 the
19.4 second year are for grants to the Minnesota
19.5 Livestock Breeders Association. These are
19.6 onetime appropriations.

19.7 ~~(m)~~ (n) The commissioner shall continue to
19.8 increase connections with ethnic minority and
19.9 immigrant farmers to farming opportunities
19.10 and farming programs throughout the state.

19.11 ~~(n)~~ (o) \$25,000 the first year and \$25,000 the
19.12 second year are for grants to the Southern
19.13 Minnesota Initiative Foundation to promote
19.14 local foods through an annual event that raises
19.15 public awareness of local foods and connects
19.16 local food producers and processors with
19.17 potential buyers.

19.18 ~~(o)~~ (p) \$75,000 the first year and \$75,000 the
19.19 second year are for grants to Greater Mankato
19.20 Growth, Inc., for assistance to
19.21 agriculture-related businesses to promote jobs,
19.22 innovation, and synergy development. These
19.23 are onetime appropriations.

19.24 ~~(p)~~ (q) \$75,000 the first year and \$75,000 the
19.25 second year are for grants to the Minnesota
19.26 Turf Seed Council for basic and applied
19.27 research. The Minnesota Turf Seed Council
19.28 may subcontract with a qualified third party
19.29 for some or all of the basic or applied research.
19.30 No later than January 15, 2023, the Minnesota
19.31 Turf Seed Council must submit a report
19.32 outlining the use of the grant money and
19.33 related accomplishments to the chairs and
19.34 ranking minority members of the legislative

20.1 committees with jurisdiction over agriculture.

20.2 These are onetime appropriations. Any

20.3 unencumbered balance does not cancel at the

20.4 end of the first year and is available for the

20.5 second year.

20.6 ~~(q)~~ (r) \$150,000 the first year and \$150,000

20.7 the second year are to establish an emerging

20.8 farmer office and hire a full-time emerging

20.9 farmer outreach coordinator. The emerging

20.10 farmer outreach coordinator must engage and

20.11 support emerging farmers regarding resources

20.12 and opportunities available throughout the

20.13 Department of Agriculture and the state. For

20.14 purposes of this paragraph, "emerging farmer"

20.15 has the meaning provided in Minnesota

20.16 Statutes, section 17.055, subdivision 1. Of the

20.17 amount appropriated each year, \$25,000 is for

20.18 translation services for farmers and cottage

20.19 food producers.

20.20 ~~(r)~~ (s) \$222,000 the first year and \$286,000

20.21 the second year are to maintain the current

20.22 level of service delivery.

20.23 (t) \$1,000,000 the second year is to provide

20.24 grants to secondary career and technical

20.25 education programs for the purpose of offering

20.26 instruction in meat cutting and butchery. By

20.27 January 15, 2023, the commissioner must

20.28 report to the chairs and ranking minority

20.29 members of the committees with jurisdiction

20.30 over agriculture finance and education finance

20.31 by listing the grants made under this paragraph

20.32 by county and noting the number and amount

20.33 of grant requests not fulfilled. The report may

20.34 include additional information as determined

20.35 by the commissioner, including but not limited

21.1 to information regarding the outcomes
21.2 produced by these grants. If additional grants
21.3 are awarded under this paragraph that were
21.4 not covered in the report due by January 15,
21.5 2023, the commissioner must submit an
21.6 additional report to the chairs and ranking
21.7 minority members of the committees with
21.8 jurisdiction over agriculture finance and
21.9 education finance regarding all grants issued
21.10 under this paragraph by November 1, 2023.
21.11 This is a onetime appropriation. Grants may
21.12 be used for costs, including but not limited to:
21.13 (1) equipment required for a meat cutting
21.14 program;
21.15 (2) facility renovation to accommodate meat
21.16 cutting; and
21.17 (3) training faculty to teach the fundamentals
21.18 of meat processing.
21.19 The commissioner may receive applications
21.20 from eligible programs and make grants of up
21.21 to \$100,000, up to ten percent of which may
21.22 be used for training faculty.
21.23 Priority may be given to applicants who are
21.24 coordinating with meat cutting and butchery
21.25 programs at Minnesota State Colleges and
21.26 Universities system and local industry
21.27 partners.
21.28 (u) \$50,000 the second year is for grants to
21.29 organizations in Minnesota to develop
21.30 enterprises, supply chains, markets for
21.31 continuous living cover crops and cropping
21.32 systems in the early stage of commercial
21.33 development, Kernza perennial grain, winter
21.34 camelina, hybrid hazelnuts, and elderberry. A

22.1 multiyear project may receive grant money
22.2 for up to three years. This is a onetime
22.3 appropriation and is available until June 30,
22.4 2027.

22.5 In consultation with interested stakeholders,
22.6 the commissioner must develop a process to
22.7 award grants. At the time of application, the
22.8 commissioner must provide to the applicant
22.9 information about requirements for grant
22.10 recipients. The commissioner must appoint a
22.11 technical review panel to review and rank
22.12 eligible applicants and give preference to
22.13 applicants that are well-positioned to expand
22.14 the profitable commercialization of the Kernza
22.15 perennial grain, winter camelina, hybrid
22.16 hazelnuts, and elderberry. The technical
22.17 review panel must include at least one
22.18 representative from the Forever Green
22.19 Initiative and one representative from the
22.20 Agricultural Utilization Research Institute.
22.21 The commissioner must consider the technical
22.22 review panel recommendations when selecting
22.23 grant recipients.

22.24 Beginning February 1, 2023, and annually
22.25 thereafter until February 1, 2028, the
22.26 commissioner shall submit a report on the
22.27 utilization of the grants to the chairs and
22.28 ranking minority members of the legislative
22.29 committees and divisions with jurisdiction
22.30 over agriculture policy and finance.

22.31 (v) \$10,000 the second year is to provide
22.32 technical assistance and leadership in the
22.33 development of a comprehensive and
22.34 well-documented state aquaculture plan. The
22.35 commissioner must provide the state

23.1 aquaculture plan to the legislative committees
23.2 with jurisdiction over agriculture finance and
23.3 policy by February 15, 2023. This is a onetime
23.4 appropriation.

23.5 (w) \$500,000 the first year is for continuing
23.6 construction of the soybean processing and
23.7 research facility at the Ag Innovation Campus.
23.8 This is a onetime appropriation and is
23.9 available until December 31, 2026.

23.10 (x) \$30,000 the second year is for grants or
23.11 other forms of financial assistance to meat and
23.12 poultry processors for reimbursing the cost of
23.13 attending courses or training and receiving
23.14 technical assistance in fiscal year 2023 that
23.15 support developing sanitation standard
23.16 operating procedures, hazard analysis and
23.17 critical control points plans, or business plans.
23.18 A meat processor with 50 full-time equivalent
23.19 employees or less is eligible for grant money
23.20 under this paragraph. This is a onetime
23.21 appropriation.

23.22 (y) \$500,000 the first year is for transfer to the
23.23 agricultural emergency account established
23.24 under Minnesota Statutes, section 17.041. This
23.25 is a onetime transfer. This transfer is in
23.26 addition to the appropriations made in Laws
23.27 2022, chapter 47, section 2.

23.28 Notwithstanding Minnesota Statutes, section
23.29 17.041, the commissioner may use the amount
23.30 to be transferred for the purposes identified
23.31 under Laws 2022, chapter 47, section 2,
23.32 paragraph (b). This paragraph expires on
23.33 December 31, 2022.

24.1 (z) \$300,000 the second year is for grants to
 24.2 organizations to provide technical assistance
 24.3 and culturally appropriate services to emerging
 24.4 farmers with preference given to organizations
 24.5 that serve African immigrants and refugees
 24.6 and African-American populations. This is a
 24.7 onetime appropriation. No later than January
 24.8 15, 2024, the commissioner must report grant
 24.9 activity and outcomes to the legislative
 24.10 committees with jurisdiction over agriculture
 24.11 finance.

24.12 Sec. 2. Laws 2021, First Special Session chapter 3, article 1, section 4, is amended to read:

24.13	Sec. 4. AGRICULTURAL UTILIZATION			<u>4,043,000</u>
24.14	RESEARCH INSTITUTE	\$	4,543,000	\$ <u>4,343,000</u>

24.15 (a) \$150,000 the first year and \$150,000 the
 24.16 second year are for a meat scientist.

24.17 (b) \$500,000 the first year is for grants to
 24.18 organizations to acquire, host, and operate a
 24.19 mobile slaughter unit. The mobile unit must
 24.20 coordinate with Minnesota state two-year
 24.21 colleges that have meat cutting programs to
 24.22 accommodate training as it relates to animal
 24.23 slaughter. The mobile unit may coordinate
 24.24 with livestock producers who desire to provide
 24.25 value-added meat products by utilizing the
 24.26 mobile slaughter unit. The mobile unit may
 24.27 be used for research, training outside of the
 24.28 two-year colleges, and other activities that
 24.29 align with industry needs. The Agricultural
 24.30 Utilization Research Institute may only award
 24.31 a grant under this paragraph if the grant
 24.32 amount is matched by a like amount from
 24.33 another funding source. The Agricultural
 24.34 Utilization Research Institute must seek
 24.35 matching dollars from Minnesota State

25.1 Colleges and Universities or other entities for
 25.2 purposes of this paragraph. The appropriation
 25.3 under this paragraph is onetime and is
 25.4 available until June 30, 2024. Any money
 25.5 remaining on June 30, 2024, must be
 25.6 transferred to the commissioner of agriculture
 25.7 for the agricultural growth, research, and
 25.8 innovation program under Minnesota Statutes,
 25.9 section 41A.12, and is available until June 30,
 25.10 2025. By January 15, 2023, the institute must
 25.11 report to the chairs and ranking minority
 25.12 members of the legislative committees with
 25.13 jurisdiction over agriculture regarding the
 25.14 status of the project, including the status of
 25.15 the use of any state or matching dollars to
 25.16 complete the project.

25.17 (c) \$300,000 the second year is for equipment
 25.18 upgrades, equipment replacement, installation
 25.19 expenses, and laboratory infrastructure at
 25.20 laboratories in Crookston, Marshall, and
 25.21 Waseca, Minnesota. This is a onetime
 25.22 appropriation and is available until June 30,
 25.23 2026.

25.24 ARTICLE 2

25.25 BROADBAND APPROPRIATIONS

25.26 Section 1. Laws 2021, First Special Session chapter 10, article 1, section 7, is amended
 25.27 to read:

25.28 **Sec. 7. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
 25.29 **FUNDING; APPROPRIATION.**

25.30 (a) The commissioner of employment and economic development must prepare and
 25.31 submit an application to the United States Department of the Treasury requesting that
 25.32 \$70,000,000 of Minnesota's capital projects fund allocation under Public Law 117-2 be
 25.33 awarded to the state. The commissioner must submit the application required under this

26.1 paragraph by the later of September 30, 2021, or 90 days after the date on which the United
 26.2 States Department of the Treasury begins accepting capital projects fund applications. The
 26.3 commissioner must specify in the application that the award will be used for grants ~~and~~ that
 26.4 satisfy the purposes specified under Minnesota Statutes, section 116J.395.

26.5 (b) Of the amount awarded to the state of Minnesota pursuant to the application required
 26.6 in paragraph (a), notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, 50 percent
 26.7 in fiscal year 2022 and 50 percent in fiscal year 2023 are appropriated to the commissioner
 26.8 of employment and economic development. This is a onetime appropriation and must be
 26.9 used for grants ~~and~~ that satisfy the purposes specified under Minnesota Statutes, section
 26.10 116J.395. All money awarded under this section must be spent by December 31, 2026.

26.11 (c) The commissioner of employment and economic development may temporarily
 26.12 modify program standards under Minnesota Statutes, section 116J.395, to the degree
 26.13 necessary to comply with federal standards for funding received under this section.

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

26.15 Sec. 2. **LOWER POPULATION DENSITY PILOT PROGRAM.**

26.16 (a) The commissioner of employment and economic development must establish a pilot
 26.17 program to provide broadband service to unserved and underserved areas, as defined in
 26.18 Minnesota Statutes, section 116J.394, of the state where a 50 percent match formula is not
 26.19 adequate to make a business case for the extension of broadband facilities. Grants awarded
 26.20 under this section shall adhere to all other requirements of Minnesota Statutes, section
 26.21 116J.395, subdivisions 1 to 6, and may fund up to 75 percent of the total cost of a project,
 26.22 notwithstanding Minnesota Statutes section 116J.395, subdivision 7. Grants awarded to a
 26.23 single project under this section may not exceed \$5,000,000.

26.24 (b) The commissioner of employment and economic development may use up to
 26.25 \$15,000,000 from the appropriations in sections 3 and 4 for the lower population density
 26.26 pilot program under paragraph (a).

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

26.28 Sec. 3. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
 26.29 **FUNDING; APPROPRIATION.**

26.30 (a) The commissioner of employment and economic development must prepare and
 26.31 submit a grant plan application to the United States Department of the Treasury requesting
 26.32 that \$110,703,000 of Minnesota's capital projects fund allocation under Public Law 117-2

27.1 be used for grants that satisfy the purposes specified under Minnesota Statutes, section
 27.2 116J.395, and sections 2, 5, and 6 of this article. The commissioner must submit the
 27.3 application required under this paragraph by September 24, 2022.

27.4 (b) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, the amount awarded
 27.5 to Minnesota pursuant to the application required in paragraph (a) is appropriated to the
 27.6 commissioner of employment and economic development. This appropriation (1) must be
 27.7 used only for grants that satisfy the purposes specified under Minnesota Statutes, section
 27.8 116J.395, and sections 2, 5, and 6 of this article, and (2) is available until December 31,
 27.9 2026.

27.10 (c) The commissioner of employment and economic development may temporarily
 27.11 modify program standards under Minnesota Statutes, section 116J.395, and sections 2, 5,
 27.12 and 6 of this article to the extent necessary to comply with federal standards that apply to
 27.13 funding received under this section.

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

27.15 Sec. 4. **BROADBAND DEVELOPMENT; APPROPRIATION.**

27.16 (a) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, if Minnesota receives
 27.17 federal money for broadband development under Public Law 117-58, the Infrastructure
 27.18 Investment and Jobs Act, the money is appropriated to the commissioner of economic
 27.19 development for grants that satisfy the purposes specified under Minnesota Statutes, section
 27.20 116J.395, and sections 2, 5, and 6 of this article.

27.21 (b) The commissioner of employment and economic development may temporarily
 27.22 modify program standards under Minnesota Statutes, section 116J.395, and sections 2, 5,
 27.23 and 6 of this article to the extent necessary to comply with federal standards that apply to
 27.24 funding received under this section.

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

27.26 Sec. 5. **BROADBAND LINE EXTENSION PROGRAM; APPROPRIATION.**

27.27 The commissioner of employment and economic development may use up to \$15,000,000
 27.28 from the appropriations in sections 3 and 4 for the broadband line extension program in
 27.29 Minnesota Statutes, section 116J.3951.

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

28.1 Sec. 6. **BROADBAND; MAPPING.**

28.2 The commissioner of employment and economic development may use up to \$15,000,000
 28.3 from the appropriations in sections 3 and 4 for comprehensive statewide mapping if the
 28.4 commissioner determines that comprehensive statewide mapping is an eligible expense
 28.5 under federal law.

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

28.7 **ARTICLE 3**28.8 **AGRICULTURE AND RURAL DEVELOPMENT POLICY**28.9 Section 1. **[17.1016] COOPERATIVE GRANTS.**

28.10 Subdivision 1. **Definitions.** For the purposes of this section:

28.11 (1) "agricultural commodity" and "agricultural product processing facility" have the
 28.12 meanings given in section 17.101, subdivision 5; and

28.13 (2) "agricultural service" means an action made under the direction of a farmer that
 28.14 provides value to another entity. Agricultural service includes grazing to manage vegetation.

28.15 Subd. 2. **Grant program.** (a) The commissioner may establish and implement a grant
 28.16 program to help farmers finance new cooperatives that organize for purposes of operating
 28.17 an agricultural product processing facility or marketing an agricultural product or agricultural
 28.18 service.

28.19 (b) To be eligible for this program, a grantee must:

28.20 (1) be a cooperative organized under chapter 308A;

28.21 (2) certify that all control and equity in the cooperative is from farmers, family farm
 28.22 partnerships, family farm limited liability companies, or family farm corporations as defined
 28.23 in section 500.24, subdivision 2, who are actively engaged in agricultural commodity
 28.24 production;

28.25 (3) be operated primarily to process agricultural commodities or market agricultural
 28.26 products or services produced in Minnesota; and

28.27 (4) receive agricultural commodities produced primarily by shareholders or members
 28.28 of the cooperative.

28.29 (c) The commissioner may receive applications and make grants up to \$50,000 to eligible
 28.30 grantees for feasibility, marketing analysis, assistance with organizational development,
 28.31 financing and managing new cooperatives, product development, development of business

29.1 and marketing plans, and predesign of facilities, including site analysis, the development
 29.2 of bid specifications, preliminary blueprints and schematics, and the completion of purchase
 29.3 agreements and other necessary legal documents.

29.4 (d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.

29.5 (e) State funds must not be used for grants.

29.6 **Sec. 2. [17.1162] AGRICULTURE BEST MANAGEMENT PRACTICES GRANT**
 29.7 **PROGRAM.**

29.8 Subdivision 1. **Establishment.** The commissioner of agriculture must establish and
 29.9 administer a grant program to support healthy soil management practices in accordance
 29.10 with this section.

29.11 Subd. 2. **State healthy soil management plan.** The commissioner must develop a
 29.12 healthy soil management plan in consultation with the University of Minnesota, the United
 29.13 States Department of Agriculture Natural Resources Conservation Service, the Board of
 29.14 Water and Soil Resources, the Minnesota Pollution Control Agency, and nongovernmental
 29.15 environmental and agricultural organizations. By December 31, 2023, and every two years
 29.16 thereafter, the commissioner must report the plan to the governor and to the chairs and
 29.17 ranking minority members of the house of representatives and senate committees and
 29.18 divisions with jurisdiction over agriculture and the environment and natural resources. The
 29.19 plan must include all of the following:

29.20 (1) an assessment of the current state of healthy soil management practices statewide;

29.21 (2) a statewide five- and ten-year goal for healthy soil management practice
 29.22 implementation, denominated in acres;

29.23 (3) an explanation of how the commissioner will make grant award decisions based on
 29.24 the eligibility categories described in subdivision 3;

29.25 (4) an explanation of how the commissioner will ensure a geographically fair distribution
 29.26 of funding across a broad group of crop types, soil management practices, and farm sizes;

29.27 (5) a strategy for leveraging other public and private sources of money to expand healthy
 29.28 soil management practices in the state;

29.29 (6) a summary of the operations of the program during the previous two-year period,
 29.30 including a summary of state, federal, and private money spent, the total number of projects
 29.31 and acres, and an estimate of carbon sequestered or carbon emissions reduced during that
 29.32 period; and

30.1 (7) any other matter that the commissioner deems relevant.

30.2 Subd. 3. **Eligible projects.** The commissioner may award a grant under this section for
 30.3 any project on agricultural land in Minnesota that will:

30.4 (1) increase the quantity of organic carbon in soil through practices, including but not
 30.5 limited to reduced tillage, cover cropping, manure management, precision agriculture, crop
 30.6 rotations, and changes in grazing management;

30.7 (2) integrate perennial vegetation into the management of agricultural lands;

30.8 (3) reduce nitrous oxide and methane emissions through changes to livestock, soil
 30.9 management, or nutrient optimization;

30.10 (4) increase the usage of precision agricultural practices;

30.11 (5) enable the development of site-specific management plans; or

30.12 (6) enable the purchase of equipment, technology, subscriptions, technical assistance,
 30.13 seeds, seedlings, or amendments that will further any of the purposes in clauses (1) to (5).

30.14 Subd. 4. **Grant eligibility.** Any land owner or lessee may apply for a grant under this
 30.15 section.

30.16 Subd. 5. **Funding limitations.** Every appropriation for the agriculture best management
 30.17 practices grant program is subject to the following limitations:

30.18 (1) the commissioner may award no more than ten percent of the appropriation to a
 30.19 single recipient; and

30.20 (2) the commissioner may use no more than five percent of the appropriation to cover
 30.21 the costs of administering the program.

30.22 Sec. 3. Minnesota Statutes 2020, section 17.117, subdivision 9, is amended to read:

30.23 **Subd. 9. Allocation rescission.** (a) Continued availability of allocations granted to a
 30.24 local government unit is contingent upon the commissioner's approval of the local
 30.25 government unit's annual report. The commissioner shall review this annual report to ensure
 30.26 that the past and future uses of the funds are consistent with the comprehensive water
 30.27 management plan, other local planning documents, the requirements of the funding source,
 30.28 and compliance to program requirements. If the commissioner concludes the past or intended
 30.29 uses of the money are not consistent with these requirements, the commissioner shall rescind
 30.30 all or part of the allocation awarded to a local government unit.

31.1 (b) The commissioner may rescind funds allocated to the local government unit that are
 31.2 not designated to committed projects or disbursed within one year from the date of the
 31.3 allocation agreement.

31.4 (c) ~~An additional year to use the undisbursed portion of an allocation may be granted~~
 31.5 ~~by the commissioner under extenuating circumstances~~ The commissioner may rescind
 31.6 uncommitted allocations.

31.7 Sec. 4. Minnesota Statutes 2020, section 17.117, subdivision 9a, is amended to read:

31.8 Subd. 9a. **Authority and responsibilities of local government units.** (a) A local
 31.9 government unit that enters into an allocation agreement with the commissioner:

31.10 (1) is responsible for the local administration and implementation of the program in
 31.11 accordance with this section;

31.12 (2) may submit applications for allocations to the commissioner;

31.13 (3) shall identify, develop, determine eligibility, define and approve projects, designate
 31.14 maximum loan amounts for projects, and certify completion of projects implemented under
 31.15 this program. In areas where no local government unit has applied for funds under this
 31.16 program, the commissioner may appoint a local government unit to review and certify
 31.17 projects or the commissioner may assume the authority and responsibility of the local
 31.18 government unit;

31.19 (4) shall certify as eligible only projects that are within its geographic jurisdiction or
 31.20 within the geographic area identified in its local comprehensive water management plans
 31.21 or other local planning documents;

31.22 (5) may require withholding by the local lender of all or a portion of the loan to the
 31.23 borrower until satisfactory completion of all required components of a certified project;

31.24 ~~(6) must identify which account is used to finance an approved project if the local~~
 31.25 ~~government unit has allocations from multiple accounts in the agricultural and environmental~~
 31.26 ~~revolving accounts;~~

31.27 ~~(7)~~ (6) shall report to the commissioner annually the past and intended uses of allocations
 31.28 awarded; and

31.29 ~~(8)~~ (7) may request additional funds in excess of their allocation when funds are available
 31.30 in the agricultural and environmental revolving accounts, as long as all other allocation
 31.31 awards to the local government unit have been used or committed.

32.1 (b) If a local government unit withdraws from participation in this program, the local
 32.2 government unit, or the commissioner in accordance with the priorities established under
 32.3 subdivision 6a, may designate another local government unit that is eligible under subdivision
 32.4 6 as the new local government unit responsible for local administration of this program.
 32.5 This designated local government unit may accept responsibility and administration of
 32.6 allocations awarded to the former responsible local government unit.

32.7 Sec. 5. Minnesota Statutes 2020, section 17.117, subdivision 10, is amended to read:

32.8 Subd. 10. **Authority and responsibilities of local lenders.** (a) Local lenders may enter
 32.9 into lender agreements with the commissioner.

32.10 (b) Local lenders may enter into loan agreements with borrowers to finance eligible
 32.11 projects under this section.

32.12 ~~(e) The local lender shall notify the local government unit of the loan amount issued to~~
 32.13 ~~the borrower after the closing of each loan.~~

32.14 ~~(d)~~ (c) Local lenders with local revolving loan accounts created before July 1, 2001,
 32.15 may continue to retain and use those accounts in accordance with their lending agreements
 32.16 for the full term of those agreements.

32.17 ~~(e)~~ (d) Local lenders, including local government units designating themselves as the
 32.18 local lender, may enter into participation agreements with other lenders.

32.19 ~~(f)~~ (e) Local lenders may enter into contracts with other lenders for the limited purposes
 32.20 of loan review, processing and servicing, or to enter into loan agreements with borrowers
 32.21 to finance projects under this section. Other lenders entering into contracts with local lenders
 32.22 under this section must meet the definition of local lender in subdivision 4, must comply
 32.23 with all provisions of the lender agreement and this section, and must guarantee repayment
 32.24 of the loan funds to the local lender.

32.25 ~~(g)~~ (f) When required by the local government unit, a local lender must withhold all or
 32.26 a portion of the loan disbursement for a project until notified by the local government unit
 32.27 that the project has been satisfactorily completed.

32.28 ~~(h)~~ (g) The local lender is responsible for repaying all funds provided by the commissioner
 32.29 to the local lender.

32.30 ~~(i)~~ (h) The local lender is responsible for collecting repayments from borrowers. If a
 32.31 borrower defaults on a loan issued by the local lender, it is the responsibility of the local
 32.32 lender to obtain repayment from the borrower. Default on the part of borrowers shall have

33.1 no effect on the local lender's responsibility to repay its obligations to the commissioner
 33.2 whether or not the local lender fully recovers defaulted amounts from borrowers.

33.3 ~~(j)~~ (i) The local lender shall provide sufficient collateral or protection to the commissioner
 33.4 for the funds provided to the local lender. The commissioner must approve the collateral
 33.5 or protection provided.

33.6 Sec. 6. Minnesota Statutes 2020, section 17.117, subdivision 11, is amended to read:

33.7 Subd. 11. **Loans issued to borrower.** (a) Local lenders may issue loans only for projects
 33.8 that are approved and certified by the local government unit as meeting priority needs
 33.9 identified in a comprehensive water management plan or other local planning documents,
 33.10 are in compliance with accepted practices, standards, specifications, or criteria, and are
 33.11 eligible for financing under Environmental Protection Agency or other applicable guidelines.

33.12 (b) The local lender may use any additional criteria considered necessary to determine
 33.13 the eligibility of borrowers for loans.

33.14 (c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

33.15 ~~(1) no loan to a borrower may exceed \$200,000; and~~

33.16 ~~(2) no borrower shall, at any time, have multiple loans from this program with a total~~
 33.17 outstanding loan balance of more than \$200,000.

33.18 (d) The maximum term length for projects in this paragraph is ten years.

33.19 (e) Fees charged at the time of closing must:

33.20 (1) be in compliance with normal and customary practices of the local lender;

33.21 (2) be in accordance with published fee schedules issued by the local lender;

33.22 (3) not be based on participation program; and

33.23 (4) be consistent with fees charged other similar types of loans offered by the local
 33.24 lender.

33.25 (f) The interest rate assessed to an outstanding loan balance by the local lender must not
 33.26 exceed three percent per year.

33.27 Sec. 7. Minnesota Statutes 2020, section 17.117, subdivision 11a, is amended to read:

33.28 Subd. 11a. **Eligible projects.** (a) All projects that remediate or mitigate adverse
 33.29 environmental impacts are eligible if the project is eligible under an allocation agreement.

34.1 (b) A manure management project is eligible if the project remediates or mitigates
 34.2 impacts from facilities with less than 1,000 animal units as defined in Minnesota Rules,
 34.3 chapter 7020, and otherwise meets the requirements of this section.

34.4 (c) A drinking water project is eligible if the project:

34.5 (1) remediates ~~the~~ or mitigates the inadequate flow, adverse environmental impacts or
 34.6 presence of contaminants in ~~private well~~ privately owned water supplies that are used for
 34.7 drinking water by people or livestock, privately owned water service lines, or privately
 34.8 owned plumbing and fixtures;

34.9 (2) implements best management practices that are intended to achieve drinking water
 34.10 standards or adequate flow; and

34.11 (3) otherwise meets the requirements of this section.

34.12 Sec. 8. Minnesota Statutes 2020, section 18E.04, subdivision 4, is amended to read:

34.13 Subd. 4. **Reimbursement payments.** (a) The board shall pay a person that is eligible
 34.14 for reimbursement or payment under subdivisions 1, 2, and 3 from the agricultural chemical
 34.15 response and reimbursement account for 80 percent of the total reasonable and necessary
 34.16 corrective action costs greater than \$1,000 and less than or equal to ~~\$350,000~~ \$425,000 in
 34.17 fiscal years 2023 and 2024, \$500,000 in fiscal years 2025 and 2026, and \$575,000 in fiscal
 34.18 year 2027 and each following year.

34.19 (b) A reimbursement or payment may not be made until the board has determined that
 34.20 the costs are reasonable and are for a reimbursement of the costs that were actually incurred.

34.21 (c) The board may make periodic payments or reimbursements as corrective action costs
 34.22 are incurred upon receipt of invoices for the corrective action costs.

34.23 (d) Money in the agricultural chemical response and reimbursement account is
 34.24 appropriated to the commissioner to make payments and reimbursements directed by the
 34.25 board under this subdivision.

34.26 (e) The board may not make reimbursement greater than the maximum allowed under
 34.27 paragraph (a) for all incidents on a single site which:

34.28 (1) were not reported at the time of release but were discovered and reported after July
 34.29 1, 1989; and

34.30 (2) may have occurred prior to July 1, 1989, as determined by the commissioner.

35.1 (f) The board may only reimburse an eligible person for separate incidents within a
 35.2 single site if the commissioner determines that each incident is completely separate and
 35.3 distinct in respect of location within the single site or time of occurrence.

35.4 (g) Except for an emergency incident, the board may not reimburse or pay for more than
 35.5 60 percent of the corrective action costs of an eligible person or for an incident within five
 35.6 years of a previous incident at a single site resulting from a site recontamination.

35.7 (h) The deduction of \$1,000 and 20 percent from the ~~\$350,000 remuneration payment~~
 35.8 amounts described in subdivision (a) may be waived by the board if the incident took place
 35.9 on or after August 18, 2007, and was caused by flooding associated with Presidential
 35.10 Declaration of Major Disaster DR-1717.

35.11 **EFFECTIVE DATE.** This section is effective July 1, 2022.

35.12 Sec. 9. Minnesota Statutes 2020, section 35.155, subdivision 12, is amended to read:

35.13 Subd. 12. **Importation.** If there is an antemortem test for chronic wasting disease
 35.14 validated by the United States Department of Agriculture, a person may only import
 35.15 white-tailed deer that have tested negative immediately prior to importation. A person must
 35.16 not import Cervidae into the state from a herd that is infected or exposed to chronic wasting
 35.17 disease or from a known chronic wasting disease endemic area, as determined by the board.
 35.18 A person may import Cervidae into the state only from a herd that is not in a known chronic
 35.19 wasting disease endemic area, as determined by the board, and the herd has been subject to
 35.20 a state or provincial approved chronic wasting disease monitoring program for at least three
 35.21 years. Cervidae imported in violation of this section may be seized and destroyed by the
 35.22 commissioner of natural resources.

35.23 Sec. 10. Minnesota Statutes 2021 Supplement, section 35.155, subdivision 14, is amended
 35.24 to read:

35.25 Subd. 14. **Concurrent authority; regulating farmed white-tailed deer.** ~~(a)~~ The
 35.26 commissioner of natural resources ~~and~~, in conjunction with the Board of Animal Health,
 35.27 possess concurrent authority to regulate farmed white-tailed deer under this section, sections
 35.28 35.92 to 35.96, and any administrative rules adopted pursuant to this section or sections
 35.29 35.92 to 35.96. This does not confer to the commissioner any additional authorities under
 35.30 chapter 35, other than those set forth in sections 35.155 and 35.92 to 35.96, and any
 35.31 administrative rules adopted thereto. Neither entity may issue an emergency order restricting
 35.32 the movement of farmed white-tailed deer without the concurrence of the other.

36.1 ~~(b) By February 1, 2022, the commissioner of natural resources, in conjunction with the~~
 36.2 ~~Board of Animal Health, must submit a report to the chairs and ranking minority members~~
 36.3 ~~of the legislative committees and divisions with jurisdiction over the environment and~~
 36.4 ~~natural resources and agriculture on the implementation of the concurrent authority under~~
 36.5 ~~this section. The report must include:~~

36.6 ~~(1) a summary of how the agencies worked together under this section, including~~
 36.7 ~~identification of any challenges;~~

36.8 ~~(2) an assessment of ongoing challenges to managing chronic wasting disease in this~~
 36.9 ~~state; and~~

36.10 ~~(3) recommendations for statutory and programmatic changes to help the state better~~
 36.11 ~~manage the disease.~~

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

36.13 Sec. 11. Minnesota Statutes 2020, section 40A.18, subdivision 2, is amended to read:

36.14 Subd. 2. **Allowed commercial and industrial operations.** (a) Commercial and industrial
 36.15 operations are not allowed on land within an agricultural preserve except:

36.16 (1) small on-farm commercial or industrial operations normally associated with and
 36.17 important to farming in the agricultural preserve area;

36.18 (2) storage use of existing farm buildings that does not disrupt the integrity of the
 36.19 agricultural preserve;

36.20 (3) small commercial use of existing farm buildings for trades not disruptive to the
 36.21 integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop,
 36.22 and similar activities that a farm operator might conduct; ~~and~~

36.23 (4) wireless communication installments and related equipment and structure capable
 36.24 of providing technology potentially beneficial to farming activities. A property owner who
 36.25 installs wireless communication equipment does not violate a covenant made prior to January
 36.26 1, 2018, under section 40A.10, subdivision 1; and

36.27 (5) solar energy generating systems with an output capacity of one megawatt or less.

36.28 (b) For purposes of paragraph (a), clauses (2) and (3), "existing" means existing on
 36.29 August 1, 1989.

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

37.1 Sec. 12. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 2, is amended
37.2 to read:

37.3 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source
37.4 at least 80 percent of its forest resources raw materials from Minnesota. The facility must
37.5 be located in Minnesota; must begin construction activities by December 31, ~~2022~~ 2023,
37.6 for a specific location; must ~~begin production~~ have produced at least one OSB square foot
37.7 on a 3/8-inch nominal basis at a specific location by June 30, ~~2025~~ 2026; and must not begin
37.8 operating before January 1, 2022. Eligible facilities must be new OSB construction sites
37.9 with total capital investment in excess of \$250,000,000. Eligible OSB production facilities
37.10 must produce at least ~~200,000,000~~ 50,000,000 OSB square feet on a 3/8-inch nominal basis
37.11 of OSB each ~~year~~ quarter. At least one product produced at the facility should be a
37.12 wood-based wall or roof structural sheathing panel that has an integrated, cellulose-based
37.13 paper overlay that serves as a water resistive barrier.

37.14 (b) No payments shall be made for OSB production that occurs after June 30, 2036, for
37.15 those eligible producers under paragraph (a).

37.16 (c) An eligible producer of OSB shall not transfer the producer's eligibility for payments
37.17 under this section to a facility at a different location.

37.18 (d) A producer that ceases production for any reason is ineligible to receive payments
37.19 under this section until the producer resumes production.

37.20 Sec. 13. Minnesota Statutes 2020, section 41B.025, is amended by adding a subdivision
37.21 to read:

37.22 Subd. 10. **Timely decisions.** The authority must make a decision on a completed loan
37.23 application submitted by a borrower or eligible agricultural lender within ten business days.

37.24 Sec. 14. Minnesota Statutes 2020, section 223.17, subdivision 4, is amended to read:

37.25 Subd. 4. **Bond.** (a) Except as provided in paragraphs (c) to (e), before a grain buyer's
37.26 license is issued, the applicant for the license must file with the commissioner a bond in a
37.27 penal sum prescribed by the commissioner but not less than the following amounts:

37.28 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

37.29 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but
37.30 not more than \$750,000;

38.1 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but
38.2 not more than \$1,500,000;

38.3 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000
38.4 but not more than \$3,000,000;

38.5 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000
38.6 but not more than \$6,000,000;

38.7 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000
38.8 but not more than \$12,000,000;

38.9 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000
38.10 but not more than \$24,000,000; and

38.11 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

38.12 (b) The amount of the bond shall be based on the most recent gross annual grain purchase
38.13 report of the grain buyer.

38.14 (c) A first-time applicant for a grain buyer's license shall file a \$50,000 bond with the
38.15 commissioner. This bond shall remain in effect for the first year of the license. Thereafter,
38.16 the licensee shall comply with the applicable bonding requirements contained in paragraph
38.17 (a), clauses (1) to (8).

38.18 (d) In lieu of the bond required by this subdivision the applicant may deposit with the
38.19 commissioner of management and budget an irrevocable bank letter of credit as defined in
38.20 section 336.5-102, in the same amount as would be required for a bond.

38.21 (e) A grain buyer who purchases grain immediately upon delivery solely with cash; a
38.22 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
38.23 this subdivision ~~if the grain buyer's gross annual purchases are \$100,000 or less.~~

38.24 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
38.25 90 days' written notice of the bond's termination date to the licensee and the commissioner.

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

38.27 Sec. 15. Minnesota Statutes 2020, section 223.17, subdivision 6, is amended to read:

38.28 Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer
38.29 licensed under this chapter must annually submit to the commissioner a financial statement
38.30 prepared in accordance with generally accepted accounting principles. The annual financial
38.31 statement required under this subdivision must also:

39.1 (1) include, but not be limited to the following:

39.2 (i) a balance sheet;

39.3 (ii) a statement of income (profit and loss);

39.4 (iii) a statement of retained earnings;

39.5 (iv) a statement of changes in financial position; and

39.6 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
39.7 grain buyer;

39.8 (2) be accompanied by a compilation report of the financial statement that is prepared
39.9 by a grain commission firm or a management firm approved by the commissioner or by an
39.10 independent public accountant, in accordance with standards established by the American
39.11 Institute of Certified Public Accountants;

39.12 (3) be accompanied by a certification by the chief executive officer or the chief executive
39.13 officer's designee of the licensee, and where applicable, all members of the governing board
39.14 of directors under penalty of perjury, that the financial statement accurately reflects the
39.15 financial condition of the licensee for the period specified in the statement;

39.16 (4) for grain buyers purchasing under ~~\$5,000,000~~ \$7,500,000 of grain annually, be
39.17 reviewed by a certified public accountant in accordance with standards established by the
39.18 American Institute of Certified Public Accountants, and must show that the financial
39.19 statements are free from material misstatements; and

39.20 (5) for grain buyers purchasing ~~\$5,000,000~~ \$7,500,000 or more of grain annually, be
39.21 audited by a certified public accountant in accordance with standards established by the
39.22 American Institute of Certified Public Accountants and must include an opinion statement
39.23 from the certified public accountant.

39.24 (b) Only one financial statement must be filed for a chain of warehouses owned or
39.25 operated as a single business entity, unless otherwise required by the commissioner. All
39.26 financial statements filed with the commissioner are private or nonpublic data as provided
39.27 in section 13.02.

39.28 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a
39.29 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
39.30 this subdivision ~~if the grain buyer's gross annual purchases are \$100,000 or less.~~

39.31 (d) The commissioner shall annually provide information on a person's fiduciary duties
39.32 to each licensee. To the extent practicable, the commissioner must direct each licensee to

40.1 provide this information to all persons required to certify the licensee's financial statement
40.2 under paragraph (a), clause (3).

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

40.4 Sec. 16. Minnesota Statutes 2020, section 346.155, subdivision 7, is amended to read:

40.5 Subd. 7. **Exemptions.** This section does not apply to:

40.6 (1) institutions accredited by the American Zoo and Aquarium Association;

40.7 (2) a wildlife sanctuary;

40.8 (3) fur-bearing animals, as defined in section 97A.015, possessed by a game farm that
40.9 is licensed under section 97A.105, or bears possessed by a game farm that is licensed under
40.10 section 97A.105;

40.11 (4) the Department of Natural Resources, or a person authorized by permit issued by
40.12 the commissioner of natural resources pursuant to section 97A.401, subdivision 3;

40.13 (5) a licensed or accredited research or medical institution; ~~or~~

40.14 (6) a United States Department of Agriculture licensed exhibitor of regulated animals
40.15 while transporting or as part of a circus, carnival, rodeo, or fair; or

40.16 (7) a United States Department of Agriculture licensed exhibitor of regulated animals
40.17 that houses animals owned by institutions accredited by the American Zoo and Aquarium
40.18 Association.

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

40.20 **ARTICLE 4**

40.21 **BROADBAND POLICY**

40.22 Section 1. **[116J.3951] BROADBAND LINE EXTENSION PROGRAM.**

40.23 Subdivision 1. **Program established.** A broadband line extension grant program is
40.24 established in the Department of Employment and Economic Development. The purpose
40.25 of the broadband line extension grant program is to award grants to eligible applicants in
40.26 order to extend existing broadband infrastructure to unserved locations.

40.27 Subd. 2. **Portal.** No later than November 1, 2022, the department must develop and
40.28 implement a portal on the department's website that allows a person to report (1) that
40.29 broadband service is unavailable at the physical address of the person's residence or business,
40.30 and (2) any additional information that the department deems necessary to ensure that the

41.1 broadband line extension grant program functions effectively. The department must develop
41.2 a form that allows the information identified in this subdivision to be submitted on paper.

41.3 Subd. 3. **Data sharing.** (a) Beginning no later than six months after the date that the
41.4 portal is implemented and every six months thereafter, the department must send to each
41.5 broadband service provider serving Minnesota customers: (1) a list of addresses submitted
41.6 to the portal under subdivision 2 during the previous six months; and (2) any additional
41.7 information that the department deems necessary to ensure that the broadband line extension
41.8 grant program functions effectively. The department must send the information required
41.9 under this section via e-mail.

41.10 (b) No later than ten days after the date that the list in paragraph (a) is provided, a
41.11 broadband service provider may notify the department of any posted address at which the
41.12 broadband service provider's broadband service is available. The department must provide
41.13 persons residing or doing business at those addresses with contact information for:

41.14 (1) the broadband service provider with broadband service available at that address; and

41.15 (2) programs administered by government agencies, nonprofit organizations, or the
41.16 applicable broadband service provider that reduce the cost of broadband service and for
41.17 which the persons may be eligible.

41.18 Subd. 4. **Reverse auction process.** (a) No later than ten days after the date that the notice
41.19 requirement in subdivision 3, paragraph (b), expires, the department must notify each
41.20 broadband service provider that the broadband service provider may participate in the reverse
41.21 auction process under this subdivision. Within 60 days of the date that the notification is
41.22 received, a broadband service provider may submit a bid to the department to extend the
41.23 broadband service provider's existing broadband infrastructure to a location where broadband
41.24 service is currently unavailable.

41.25 (b) A bid submitted under this subdivision must include:

41.26 (1) a proposal to extend broadband infrastructure to one or more of the addresses on the
41.27 list sent by the department to the broadband service provider under subdivision 3, paragraph
41.28 (a), at which broadband service is unavailable;

41.29 (2) the amount of the broadband infrastructure extension's total cost that the broadband
41.30 service provider proposes to pay;

41.31 (3) the amount of the broadband infrastructure extension's total cost that the broadband
41.32 service provider proposes that the department is responsible for paying; and

41.33 (4) any additional information required by the department.

42.1 (c) Financial assistance that the department provides under this section must be in the
 42.2 form of a grant issued to the broadband service provider. A grant issued under this section
 42.3 must not exceed \$25,000 per line extension.

42.4 (d) Within 60 days of the date that the bidding period closes, the department must review
 42.5 the bids submitted and select the broadband service provider bids that request the least
 42.6 amount of financial support from the state, provided that the department determines that
 42.7 the selected bids represent a cost-effective expenditure of state resources.

42.8 Subd. 5. **Line extension agreement.** The department must enter into a line extension
 42.9 agreement with each winning bidder identified under subdivision 4, except that the
 42.10 department may not enter into a line extension agreement to serve any customer located
 42.11 within an area that will be served by a grant already awarded by the department under section
 42.12 116J.395.

42.13 Subd. 6. **Contents of agreement.** A line extension agreement under subdivision 5 must
 42.14 contain the following terms:

42.15 (1) the broadband service provider agrees to extend broadband infrastructure to support
 42.16 broadband service scalable to speeds of at least 100 megabits per second download and 100
 42.17 megabits per second upload to each address included in the broadband service provider's
 42.18 winning bid;

42.19 (2) the department agrees to pay the state's portion of the line extension cost in a grant
 42.20 issued to the broadband service provider upon the completion of the broadband infrastructure
 42.21 extension to each address in the broadband service provider's winning bid; and

42.22 (3) the winning bidder has an exclusive right to apply the grant to the cost of the
 42.23 broadband infrastructure extension for a period of one year after the date that the agreement
 42.24 is executed.

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

42.26 Sec. 2. Minnesota Statutes 2020, section 116J.396, subdivision 2, is amended to read:

42.27 Subd. 2. **Expenditures.** Money in the account may be used only:

42.28 (1) for grant awards made under ~~section~~ sections 116J.395 and 116J.3951, including
 42.29 costs incurred by the Department of Employment and Economic Development to administer
 42.30 that section;

42.31 (2) to supplement revenues raised by bonds sold by local units of government for
 42.32 broadband infrastructure development; or

43.1 (3) to contract for the collection of broadband deployment data from providers and the
43.2 creation of maps showing the availability of broadband service.

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

43.4 Sec. 3. **[116J.399] BROADBAND EASEMENTS.**

43.5 Subdivision 1. **Definitions.** For the purposes of this section, the following terms have
43.6 the meanings given:

43.7 (1) "broadband infrastructure" has the meaning given in section 116J.394, paragraph
43.8 (c);

43.9 (2) "broadband service" has the meaning given in section 116J.394, paragraph (b); and

43.10 (3) "provider" means a broadband service provider, but does not include an electric
43.11 cooperative association organized under chapter 308A that provides broadband service.

43.12 Subd. 2. **Use of existing easements for broadband services.** (a) A provider, provider's
43.13 affiliate, or another entity that has entered into an agreement with a provider, may use the
43.14 provider, affiliate, or entity's existing or subsequently acquired easements to install broadband
43.15 infrastructure and provide broadband service, which may include an agreement to lease
43.16 fiber capacity.

43.17 (b) Before exercising rights granted under this subdivision, a provider must provide
43.18 notice to the property owner on which the easement is located, as described in subdivision
43.19 3.

43.20 (c) Use of an easement to install broadband infrastructure and provide broadband service
43.21 vests and runs with the land beginning six months after the first notice is provided under
43.22 subdivision 3, unless a court action challenging the use of the easement has been filed before
43.23 that time by the property owner as provided under subdivision 4. The provider must also
43.24 file copies of the notices with the county recorder.

43.25 Subd. 3. **Notice to property owner.** (a) A provider must send two written notices to
43.26 impacted property owners declaring that the provider intends to use the easements to install
43.27 broadband infrastructure and provide broadband service. The notices must be sent at least
43.28 two months apart and must be sent by first class mail to the last known address of the owner
43.29 of the property on which the easement is located or, if the property owner is an existing
43.30 customer of the provider, by separate printed insertion in the property owner's monthly
43.31 invoice or included as a separate page on a property owner's electronic invoice.

43.32 (b) The notice must include:

- 44.1 (1) the provider's name and mailing address;
44.2 (2) a narrative describing the nature and purpose of the intended easement use;
44.3 (3) a description of any trenching or other underground work expected to result from
44.4 the intended use, and the anticipated time frame for the work;
44.5 (4) a phone number for an employee of the provider that the property owner may contact
44.6 regarding the easement; and
44.7 (5) the following statement, in bold red lettering: "It is important to make any challenge
44.8 by the deadline to preserve any legal rights you may have."

44.9 (c) The provider must file copies of the notices with the county recorder.

44.10 Subd. 4. **Action for damages.** (a) Notwithstanding any other law to the contrary, this
44.11 subdivision governs an action under this section and is the exclusive means to bring a claim
44.12 for compensation with respect to a notice of intent to use a provider's existing easement to
44.13 install broadband infrastructure and provide broadband service.

44.14 (b) Within six months after the date notice is received under subdivision 3, a property
44.15 owner may file an action seeking to recover damages for a provider's use of an existing
44.16 easement to install broadband infrastructure and provide broadband service. Claims for
44.17 damages under \$15,000 may be brought in conciliation court.

44.18 (c) To initiate an action under this subdivision, a property owner must serve a complaint
44.19 upon the provider in the same manner as in a civil action and must file the complaint with
44.20 the district court for the county in which the easement is located. The complaint must state
44.21 whether the property owner:

44.22 (1) challenges the provider's right to use the easement for broadband services or
44.23 infrastructure as provided under subdivision 5, paragraph (a);

44.24 (2) seeks damages as provided under subdivision 5, paragraph (b); or

44.25 (3) seeks to proceed under both clauses (1) and (2).

44.26 Subd. 5. **Deposit and hearing required.** (a) If a property owner files a complaint
44.27 challenging a provider's right to use an easement to install broadband infrastructure and
44.28 provide broadband service, after the provider answers the complaint, the district court must
44.29 promptly hold a hearing on the complaint. If the district court denies the property owner's
44.30 complaint, the provider may proceed to use the easement to install broadband infrastructure
44.31 and provide broadband service, unless the complaint also seeks damages. If the complaint
44.32 seeks damages, the provider may proceed under paragraph (b).

45.1 (b) If a property owner files a claim for damages, a provider may, after answering the
45.2 complaint, deposit with the court administrator an amount equal to the provider's estimate
45.3 of damages. A provider's estimate of damages must be no less than \$1. After the estimated
45.4 damages are deposited, the provider may use the existing easement to install broadband
45.5 infrastructure and provide broadband service, conditioned on an obligation, filed with the
45.6 court administrator, to pay the amount of damages determined by the court.

45.7 Subd. 6. **Calculation of damages; burden of proof.** (a) In an action under this section
45.8 involving a property owner's claim for damages:

45.9 (1) the property owner has the burden to prove the existence and amount of any net
45.10 reduction in the fair market value of the property, considering the existence, installation,
45.11 construction, maintenance, modification, operation, repair, replacement, or removal of
45.12 broadband infrastructure in the easement, adjusted to reflect any increase in the property's
45.13 fair market value resulting from access to broadband service;

45.14 (2) a court is prohibited from awarding consequential or special damages; and

45.15 (3) evidence of estimated revenue, profits, fees, income, or similar benefits accruing to
45.16 the provider, the provider's affiliate, or a third party as a result of use of the easement is
45.17 inadmissible.

45.18 (b) Any fees or costs incurred as a result of an action under this subdivision must be
45.19 paid by the party that incurred the fees or costs, except that a provider is responsible for a
45.20 property owner's attorney fees if the final judgment or award of damages by the court exceeds
45.21 140 percent of the provider's damage deposit made under subdivision 5, if applicable.

45.22 Subd. 7. **No limits on existing easement.** Nothing in this section limits in any way a
45.23 provider's existing easement rights.

45.24 Subd. 8. **Local governmental right-of-way management preserved.** The placement
45.25 of broadband infrastructure to provide broadband service under subdivisions 2 to 7 is subject
45.26 to local government permitting and right-of-way management authority under section
45.27 237.163, and must be coordinated with the relevant local government unit in order to
45.28 minimize potential future relocations. The provider must notify a local government unit
45.29 prior to placing infrastructure for broadband service in an easement that is in or adjacent to
45.30 the local government unit's public right-of-way.

45.31 Subd. 9. **Railroad rights-of-way crossing.** The placement of broadband infrastructure
45.32 for use to provide broadband service under subdivisions 1 to 7 or section 308A.201,

46.1 subdivision 12, in any portion of an existing easement located in a railroad right-of-way is
46.2 subject to sections 237.04 and 237.045.

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

46.4 **ARTICLE 5**

46.5 **HOUSING APPROPRIATIONS**

46.6 Section 1. **APPROPRIATIONS.**

46.7 The sums shown in the columns marked "Appropriations" are added to the appropriations
46.8 in Laws 2021, First Special Session chapter 8, or other law, to specified agencies. The
46.9 appropriations are from the general fund, or another named fund, and are available for the
46.10 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article
46.11 mean that the appropriations listed under them are available for the fiscal year ending June
46.12 30, 2022, or June 30, 2023, respectively.

46.13		<u>APPROPRIATIONS</u>	
46.14		<u>Available for the Year</u>	
46.15		<u>Ending June 30</u>	
46.16		<u>2022</u>	<u>2023</u>

46.17 Sec. 2. **HOUSING FINANCE AGENCY**

46.18 Subdivision 1. **Total Appropriation** **\$ 50,000,000**

46.19 (a) The amounts that may be spent for each
46.20 purpose are specified in the following
46.21 subdivisions.

46.22 (b) Unless otherwise specified, this
46.23 appropriation is for transfer to the housing
46.24 development fund for the programs specified
46.25 in this section.

46.26 Subd. 2. **Workforce Homeownership Program** **10,000,000**

46.27 This appropriation is for the workforce
46.28 homeownership program under Minnesota
46.29 Statutes, section 462A.38. This is a onetime
46.30 appropriation.

47.1 Subd. 3. Homeownership Investment Grants 35,000,000

47.2 This appropriation is for homeownership
 47.3 investment grants under section 4. This is a
 47.4 onetime appropriation.

47.5 Subd. 4. Targeted Loan Pool 5,000,000

47.6 This appropriation is for a grant to Build
 47.7 Wealth Minnesota to establish the 9,000
 47.8 Equities Fund, a targeted loan pool, to provide
 47.9 affordable first mortgages or equivalent
 47.10 financing opportunities to households
 47.11 struggling to access mortgages in underserved
 47.12 communities of color. The goal for this
 47.13 appropriation for Build Wealth Minnesota and
 47.14 the 9,000 Equities Fund is to create at least
 47.15 4,500 new homeownership opportunities and
 47.16 to close the homeownership disparity gap by
 47.17 eight percent in the Twin Cities metropolitan
 47.18 area in five years. By February 15, 2023, and
 47.19 for the next eight years, Build Wealth
 47.20 Minnesota shall report to the Minnesota
 47.21 Housing Finance Agency and the legislature
 47.22 on activities and expenditures of the 9,000
 47.23 Equities Fund and its homeownership
 47.24 outcomes. Up to ten percent of the
 47.25 appropriation may be used by Build Wealth
 47.26 Minnesota to administer the target loan pool.
 47.27 This is a onetime appropriation.

47.28 Sec. 3. HOUSING AFFORDABILITY FUND; FISCAL YEAR 2023 ALLOCATION.

47.29 (a) \$10,000,000 of the allocations from the Housing Finance Agency's housing
 47.30 affordability fund, or Pool 3, in fiscal year 2023 shall be for a revolving loan fund under
 47.31 Minnesota Statutes, section 462A.05, subdivision 35, to provide loans with a two percent
 47.32 interest rate for residents of manufactured home parks to purchase the manufactured home
 47.33 park in which they reside for the purpose of conversion of the manufactured home park to
 47.34 cooperative ownership. Repayments of principal and interest from loans issued under this

48.1 section must be used for the purposes of this section. The commissioner must make a
48.2 determination regarding the issuance of a loan under this section and disburse the funds
48.3 within 90 days of receiving a completed application. No money from the allocation under
48.4 this paragraph may be used to administer this program. The commissioner must not supplant
48.5 other homeownership programs out of Pool 3 to capitalize this revolving loan fund.

48.6 (b) \$5,000,000 of the allocations from the Housing Finance Agency's housing affordability
48.7 fund, or Pool 3, in fiscal year 2023 shall be for grants to nonprofit organizations for the
48.8 installation of sprinkler systems in eligible residential buildings. "Eligible residential
48.9 buildings" means an existing building owned by a nonprofit organization that has at least
48.10 one story used for human occupancy which is 75 feet or more above the lowest level of fire
48.11 department vehicle access, and at least two-thirds of its units are rented to an individual or
48.12 family with an annual income of up to 50 percent of the area median income as determined
48.13 by the United States Department of Housing and Urban Development, adjusted for family
48.14 size, that is paying no more than 30 percent of annual income on rent. The agency shall
48.15 develop forms and procedures for soliciting and reviewing applications for grants under
48.16 this paragraph. The maximum grant per eligible building shall be \$250,000, and each grant
48.17 must have a nonstate match of at least 25 percent of the grant award. An in-kind contribution
48.18 may be used to meet all or a portion of the match requirement. This allocation expires on
48.19 June 30, 2025.

48.20 (c) Each year on January 15, the commissioner of the Housing Finance Agency shall
48.21 report to the legislature the allocation of housing affordability funds under paragraphs (a)
48.22 and (b) separately, including the amount issued in loans, the amount of loans repaid, the
48.23 remaining balance of the revolving loan fund, the number of projects funded or financed,
48.24 the number of residents included in each project, and the location of each project.

48.25 (d) Nothing in this section shall impair the obligation of the agency to use funds in Pool
48.26 3 to satisfy the agency's obligations to holders of bonds secured by the general obligation
48.27 pledge of the agency to suggested use of agency resources.

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

48.29 Sec. 4. **HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM.**

48.30 Subdivision 1. **Definitions.** For the purposes of this section, the following terms have
48.31 the meanings given:

48.32 (1) "commissioner" means the commissioner of the Housing Finance Agency; and

49.1 (2) "eligible organization" means a nonprofit organization the commissioner determines
49.2 to be eligible under subdivision 2.

49.3 Subd. 2. **Eligible organization.** To be eligible for a grant under this subdivision, a
49.4 nonprofit organization must:

49.5 (1) be an organization defined under section 501(c)(3) of the Internal Revenue Code or
49.6 an equivalent organization;

49.7 (2) have primary operations located in the state of Minnesota; and

49.8 (3) be certified as a community development financial institution by the United States
49.9 Department of the Treasury and must provide affordable housing lending or financing
49.10 programs.

49.11 Subd. 3. **Eligible services.** (a) Eligible organizations may apply for housing investment
49.12 grants for affordable owner-occupied housing projects for the following:

49.13 (1) housing development to increase the supply of affordable owner-occupied homes;

49.14 (2) financing programs, including revolving loans, for affordable owner-occupied new
49.15 home construction;

49.16 (3) acquisition, rehabilitation, and resale of affordable owner-occupied homes or homes
49.17 to be converted to owner-occupied homes;

49.18 (4) financing programs, including revolving loans, for affordable owner-occupied
49.19 manufactured housing;

49.20 (5) services to increase access to stable, affordable, owner-occupied housing in
49.21 low-income communities, Indigenous American Indian communities, and communities of
49.22 color; and

49.23 (6) residential counseling or housing navigation assistance for homeownership.

49.24 (b) No more than five percent of the total amount awarded in this section may be for
49.25 grants under paragraph (a), clause (3), and no more than five percent of the total amount
49.26 awarded under this section may be for grants under paragraph (a), clause (6).

49.27 Subd. 4. **Commissioner duties.** (a) The commissioner shall consult with eligible
49.28 organizations and develop forms, applications, and reporting requirements for use by eligible
49.29 organizations. All organizations applying for a grant must include as part of their application
49.30 a plan to create new affordable home ownership and home preservation opportunities for
49.31 targeted areas. The commissioner shall develop a grant award scoring system that ensures

50.1 a distribution of awards throughout the state based on population and eligible households
 50.2 and communities.

50.3 (b) The commissioner shall complete the requirements under paragraph (a) within 90
 50.4 days of enactment of this section.

50.5 (c) By January 15, 2023, the commissioner must submit a report to the chairs and ranking
 50.6 minority members of the legislative committees with jurisdiction over housing finance and
 50.7 policy detailing the use of funds under this section.

50.8 **ARTICLE 6**

50.9 **HOUSING POLICY**

50.10 Section 1. **[12.47] LIMITATION OF POWERS; EVICTION PROCEEDINGS.**

50.11 Notwithstanding any law to the contrary, an order issued under this chapter prohibiting
 50.12 or delaying eviction proceedings under chapter 504B or 327C is valid for a period not to
 50.13 exceed 30 days. The governor must not extend the order beyond 30 days unless the extension
 50.14 is approved by a majority vote of each house of the legislature. The governor shall not allow
 50.15 the order to expire and issue a new order delaying or prohibiting eviction proceedings under
 50.16 chapter 504B or 327C in an effort to avoid obtaining legislative approval for an extension
 50.17 of the order as provided in this section. An order issued to avoid obtaining legislative
 50.18 approval as required under this section is null and void.

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

50.20 Sec. 2. **[462.3575] LIMITING REGULATIONS ON RESIDENTIAL**
 50.21 **DEVELOPMENT.**

50.22 Subdivision 1. **Application.** This section applies to official controls adopted under
 50.23 sections 462.357, 462.358, and 462.3595.

50.24 Subd. 2. **Planned unit development.** (a) A municipality shall not require a planned unit
 50.25 development agreement in lieu of a proposed residential development if the proposed
 50.26 residential development complies with the existing city zoning ordinances, subdivision
 50.27 regulation, or qualifies as a conditional use.

50.28 (b) A planned unit development agreement must be made available to the public by
 50.29 posting the agreement on the website of the municipality at least seven days before the
 50.30 governing body's review of the agreement. If the municipality does not have a website, a
 50.31 copy of the planned unit development agreement must be available for review at the city

51.1 hall building of the municipality. If the agreement is approved by the governing body, the
51.2 agreement cannot be modified unless all parties to the agreement concur.

51.3 Subd. 3. **Limitation on aesthetic mandates.** A municipality shall not condition approval
51.4 of a building permit, subdivision development, or planned unit development on the use of
51.5 specific materials, design, or other aesthetic conditions that are not required by the State
51.6 Building Code under chapter 326B. This subdivision shall not apply within a historic district
51.7 as determined under section 138.72 that was in existence as of January 1, 2022.

51.8 Subd. 4. **Exception.** This section shall not apply to a proposed residential development
51.9 that is to be developed by the municipality itself or to multifamily rental, commercial, or
51.10 industrial properties.

51.11 Sec. 3. Minnesota Statutes 2020, section 462A.03, subdivision 13, is amended to read:

51.12 Subd. 13. **Eligible mortgagor.** "Eligible mortgagor" means a nonprofit or cooperative
51.13 housing corporation; the Department of Administration for the purpose of developing
51.14 community-based programs as defined in section 252.50; a limited profit entity or a builder
51.15 as defined by the agency in its rules, which sponsors or constructs residential housing as
51.16 defined in subdivision 7; or a natural person of low or moderate income, except that the
51.17 return to a limited dividend entity shall not exceed 15 percent of the capital contribution of
51.18 the investors or such lesser percentage as the agency shall establish in its rules, provided
51.19 that residual receipts funds of a limited dividend entity may be used for agency-approved,
51.20 housing-related investments owned by the limited dividend entity without regard to the
51.21 limitation on returns. Owners of existing residential housing occupied by renters shall be
51.22 eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner
51.23 agrees to conditions established by the agency in its rules relating to rental or other matters
51.24 that will ~~insure~~ ensure that the housing will be occupied by persons and families of low or
51.25 moderate income. The agency shall require by rules that the owner give preference to those
51.26 persons of low or moderate income who occupied the residential housing at the time of
51.27 application for the loan.

51.28 Sec. 4. Minnesota Statutes 2021 Supplement, section 462A.05, subdivision 14a, is amended
51.29 to read:

51.30 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may
51.31 make loans to persons and families of low and moderate income to rehabilitate or to assist
51.32 in rehabilitating existing residential housing owned and occupied by those persons or
51.33 families. Rehabilitation may include replacement of manufactured homes. No loan shall be

52.1 made unless the agency determines that the loan will be used primarily for rehabilitation
 52.2 work necessary for health or safety, essential accessibility improvements, or to improve the
 52.3 energy efficiency of the dwelling. No loan for rehabilitation of owner-occupied residential
 52.4 housing shall be denied solely because the loan will not be used for placing the residential
 52.5 housing in full compliance with all state, county or municipal building, housing maintenance,
 52.6 fire, health or similar codes and standards applicable to housing. The amount of any loan
 52.7 shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted
 52.8 by the agency not to exceed ~~\$37,500~~ \$40,000, or (b) the actual cost of the work performed,
 52.9 or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise
 52.10 be paid by the person or family without the expenditure of an unreasonable portion of the
 52.11 income of the person or family. Loans made in whole or in part with federal funds may
 52.12 exceed the maximum loan amount to the extent necessary to comply with federal lead
 52.13 abatement requirements prescribed by the funding source. In making loans, the agency shall
 52.14 determine the circumstances under which and the terms and conditions under which all or
 52.15 any portion of the loan will be repaid and shall determine the appropriate security for the
 52.16 repayment of the loan. Loans pursuant to this subdivision may be made with or without
 52.17 interest or periodic payments.

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

52.19 Sec. 5. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to
 52.20 read:

52.21 **Subd. 14f. Reporting; rehabilitation loans.** By January 15 of each year, the agency
 52.22 must report to the legislative committees with jurisdiction over housing the following with
 52.23 respect to the rehabilitation loan programs referenced in subdivisions 14 and 14a:

52.24 (1) a list of programs, the sources of funding for those programs, and the amounts
 52.25 allocated from each source;

52.26 (2) the total number of loans and total amount of outstanding rehabilitation loans per
 52.27 program;

52.28 (3) the total number of loans issued, total dollar amount in loans, the mean and median
 52.29 loan amount, and the number of loans at the maximum loan amount for the prior fiscal year
 52.30 per program;

52.31 (4) the total number of loans forgiven, the total dollar amount forgiven, and the mean
 52.32 and median loan amount forgiven in the prior fiscal year per program;

53.1 (5) the total amount of loans issued by county over the prior fiscal year per program;
 53.2 and

53.3 (6) a history of the maximum loan amount over time and computation of what the
 53.4 maximum loan amount would be if adjusted for inflation.

53.5 Sec. 6. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to
 53.6 read:

53.7 Subd. 42. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its
 53.8 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or
 53.9 their associated Tribally Designated Housing Entity (TDHE) as defined by United States
 53.10 Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

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

53.12 Sec. 7. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to
 53.13 read:

53.14 Subd. 43. **Housing disparities.** The agency must prioritize its use of appropriations for
 53.15 any homeownership program under this chapter to narrow the racial disparity gap in
 53.16 homeownership.

53.17 Sec. 8. Minnesota Statutes 2020, section 462A.07, subdivision 9, is amended to read:

53.18 Subd. 9. **Priority where State Building Code is adopted.** It may establish such rules
 53.19 as may be necessary to ~~insure~~ ensure that priority for assistance by the agency will be given
 53.20 to projects located in municipal jurisdictions or counties, which have adopted the uniform
 53.21 State Building Code.

53.22 Sec. 9. Minnesota Statutes 2020, section 462A.07, subdivision 10, is amended to read:

53.23 Subd. 10. **Human rights.** It may establish and enforce such rules as may be necessary
 53.24 to ~~insure~~ ensure compliance with chapter 363A, and to ~~insure~~ ensure that occupancy of
 53.25 housing assisted under this chapter shall be open to all persons, and that contractors and
 53.26 subcontractors engaged in the construction of such housing shall provide an equal opportunity
 53.27 for employment to all persons, without discrimination as to race, color, creed, religion,
 53.28 national origin, sex, marital status, age, and status with regard to public assistance or
 53.29 disability.

54.1 Sec. 10. Minnesota Statutes 2020, section 462A.07, subdivision 14, is amended to read:

54.2 Subd. 14. **American Indians.** (a) It may engage in housing programs for low- and
54.3 moderate-income American Indians developed and administered separately or in combination
54.4 by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux
54.5 communities as determined by such tribe, band, or communities. In furtherance of the policy
54.6 of economic integration stated in section 462A.02, subdivision 6, it may engage in housing
54.7 programs for American Indians who intend to reside on reservations and who are not persons
54.8 of low and moderate income, provided that the aggregate dollar amount of the loans for
54.9 persons who are not of low- or moderate-income closed in each lender's fiscal year shall
54.10 not exceed an amount equal to 25 percent of the total dollar amount of all loans closed by
54.11 that lender during the same fiscal year. In developing such housing programs, the tribe,
54.12 band, or communities shall take into account the housing needs of all American Indians
54.13 residing both on and off reservations within the state. A plan for each such program, which
54.14 specifically describes the program content, utilization of funds, administration, operation,
54.15 implementation and other matter, as determined by the agency, must be submitted to the
54.16 agency for its review and approval prior to the making of eligible loans pursuant to section
54.17 462A.21. All such programs must conform to rules promulgated by the agency concerning
54.18 program administration, including but not limited to rules concerning costs of administration;
54.19 the quality of housing; interest rates, fees, and charges in connection with making eligible
54.20 loans; and other matters determined by the agency to be necessary in order to effectuate the
54.21 purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs
54.22 must provide for a reasonable balance in the distribution of funds appropriated for the
54.23 purpose of this section between American Indians residing on and off reservations within
54.24 the state. Nothing in this section shall preclude such tribe, band, or communities from
54.25 requesting and receiving cooperation, advice, and assistance from the agency as regards
54.26 program development, operation, delivery, financing, or administration. As a condition to
54.27 the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of
54.28 Chippewa Indians, and the Sioux communities shall:

54.29 (1) enter into a loan agreement and other contractual arrangements with the agency for
54.30 the purpose of transferring the allocated portion of loan funds and to ~~insure~~ ensure compliance
54.31 with the provisions of this section and this chapter; and

54.32 (2) agree that all of their official books and records related to such housing programs
54.33 shall be subjected to audit by the legislative auditor in the manner prescribed for agencies
54.34 of state government.

55.1 The agency shall submit a biennial report concerning the various housing programs for
 55.2 American Indians, and related receipts and expenditures as provided in section 462A.22,
 55.3 subdivision 9, and such tribe, band, or communities to the extent that they administer such
 55.4 programs, shall be responsible for any costs and expenses related to such administration
 55.5 provided, however, they shall be eligible for payment for costs, expenses, and services
 55.6 pursuant to subdivision 12 and section 462A.21. The agency may provide or cause to be
 55.7 provided essential general technical services as set forth in subdivision 2, and general
 55.8 consultative project assistance services, including, but not limited to, management training,
 55.9 and home ownership counseling as set forth in subdivision 3. Members of boards,
 55.10 committees, or other governing bodies of the tribe, band, and communities administering
 55.11 the programs authorized by this subdivision must be compensated for those services as
 55.12 provided in section 15.0575.

55.13 (b) The agency may engage in demonstration projects to encourage the participation of
 55.14 financial institutions or other leveraging sources in providing housing opportunities for
 55.15 American Indians. The agency shall consult with the Minnesota Chippewa tribe, the Red
 55.16 Lake band of Chippewa Indians, and the Sioux communities in developing the demonstration
 55.17 projects. The income limits specified in paragraph (a) do not apply to the demonstration
 55.18 projects.

55.19 (c) The agency may make home improvement loans under this subdivision without
 55.20 regard to household income.

55.21 Sec. 11. Minnesota Statutes 2020, section 462A.2035, is amended by adding a subdivision
 55.22 to read:

55.23 Subd. 5. **Report.** By January 15 of each year, the agency must report to the legislative
 55.24 committees with jurisdiction over housing the following with respect to grants issued under
 55.25 subdivision 1b:

55.26 (1) grants requested and grants funded during the prior fiscal year, organized by
 55.27 ownership type of the manufactured home park, such as private, cooperative, and municipal
 55.28 ownership, and by county; and

55.29 (2) the average amounts of grants awarded.

55.30 Sec. 12. Minnesota Statutes 2020, section 462A.204, subdivision 3, is amended to read:

55.31 Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of the
 55.32 metropolitan area. A county, a group of contiguous counties jointly acting together, a Tribe,

56.1 a group of Tribes, or a community-based nonprofit organization ~~with a sponsoring resolution~~
 56.2 ~~from each of the county boards of the counties located within its operating jurisdiction~~ may
 56.3 apply for and receive grants ~~for areas located outside the metropolitan area.~~

56.4 Sec. 13. Minnesota Statutes 2020, section 462A.21, subdivision 4a, is amended to read:

56.5 Subd. 4a. **Correction of housing defects.** It may make rehabilitation grants and
 56.6 expenditures for correction of residential housing defects as provided in section 462A.05,
 56.7 subdivisions 15 and 16. In order to ~~insure~~ ensure the preservation of the maximum number
 56.8 of housing units with the money appropriated by the legislature, grants shall be recovered
 56.9 by the agency to the extent provided in this section to be used for future grants. Grants made
 56.10 under the terms of this subdivision shall contain a requirement that the grant be recovered
 56.11 by the agency in accordance with the following schedule:

56.12 (1) if the property is sold, transferred, or otherwise conveyed within the first three years
 56.13 after the date of a grant, the recipient shall repay the full amount of the grant;

56.14 (2) if the property is sold, transferred, or otherwise conveyed within the fourth year after
 56.15 the date of a grant, the recipient shall repay 75 percent of the amount of the grant;

56.16 (3) if the property is sold, transferred, or otherwise conveyed within the fifth year after
 56.17 the date of a grant, the recipient shall repay 50 percent of the amount of the grant;

56.18 (4) if the property is sold, transferred, or otherwise conveyed within the sixth year after
 56.19 the date of a grant, the recipient shall repay 25 percent of the amount of the grant;

56.20 (5) if the property is sold, transferred, or otherwise conveyed within the seventh year
 56.21 after the date of the grant, or thereafter, there is no repayment requirement; provided that
 56.22 no repayment is required to the extent that the grants are made to improve the accessibility
 56.23 of residential housing to a disabled occupant.

56.24 Sec. 14. Minnesota Statutes 2020, section 462A.24, is amended to read:

56.25 **462A.24 CONSTRUCTION; GRANTS AND LOANS; PRIORITIES.**

56.26 (a) This chapter is necessary for the welfare of the state of Minnesota and its inhabitants;
 56.27 therefore, it shall be liberally construed to effect its purpose.

56.28 (b) To the extent practicable, the agency shall award grant and loan amounts with a
 56.29 reasonable balance between nonmetropolitan and metropolitan areas of the state.

56.30 (c) Beginning with applications made in response to requests for proposals issued after
 56.31 July 1, 2020, after final decisions are made on applications for programs of the agency, the

57.1 results of any quantitative scoring system used to rank applications shall be posted on the
57.2 agency website.

57.3 (d) The agency shall award points in the agency's decision-making criteria for all
57.4 programs of the agency based on how quickly a project can be constructed.

57.5 Sec. 15. Minnesota Statutes 2020, section 462A.33, is amended by adding a subdivision
57.6 to read:

57.7 Subd. 9. **Report.** By January 15 of each year, the agency must report to the legislative
57.8 committees with jurisdiction over housing the following with respect to activities of the
57.9 program created by this section during the prior fiscal year:

57.10 (1) the number of units of new construction and number of rehabilitated units funded
57.11 by county; and

57.12 (2) the number of owner-occupied units and number of rental units funded by county.

57.13 Sec. 16. Minnesota Statutes 2020, section 462A.36, is amended by adding a subdivision
57.14 to read:

57.15 Subd. 2a. **Refunding bonds.** (a) The agency may issue nonprofit housing bonds in one
57.16 or more series to refund bonds authorized in subdivision 2. The amount of refunding nonprofit
57.17 housing bonds that may be issued from time to time will not be subject to the dollar limitation
57.18 contained in subdivision 2 nor will those bonds be included in computing the amount of
57.19 bonds that may be issued within that dollar limitation.

57.20 (b) In the refunding of nonprofit housing bonds, each bond must be called for redemption
57.21 prior to its maturity in accordance with its terms no later than the earliest date on which it
57.22 may be redeemed. No refunding bonds may be issued unless as of the date of the refunding
57.23 bonds the present value of the dollar amount of the debt service on the refunding bonds,
57.24 computed to their stated maturity dates, is lower than the present value of the dollar amount
57.25 of debt service on all nonprofit housing bonds refunded computed to their stated maturity
57.26 dates. For purposes of this subdivision, "present value of the dollar amount of debt service"
57.27 means the dollar amount of debt service to be paid, discounted to the nominal date of the
57.28 refunding bonds at a rate equal to the yield on the refunding bonds.

57.29 (c) If as a result of the issuance of refunding bonds the amount of debt service for an
57.30 annual period is less than the amount transferred by the commissioner of management and
57.31 budget to pay debt service for that annual period, the agency must deduct the excess amount

58.1 from the actual amount of debt service on those bonds certified for the next subsequent
58.2 annual period.

58.3 Sec. 17. Minnesota Statutes 2020, section 462A.36, subdivision 4, is amended to read:

58.4 Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must certify
58.5 annually to the commissioner of management and budget the actual amount of annual debt
58.6 service on each series of bonds issued under subdivision 2.

58.7 (b) Each July 15, beginning in 2009 and through 2031, if any nonprofit housing bonds
58.8 issued under subdivision 2, or nonprofit housing bonds issued to refund those bonds, remain
58.9 outstanding, the commissioner of management and budget must transfer to the nonprofit
58.10 housing bond account established under section 462A.21, subdivision 32, the amount
58.11 certified under paragraph (a), not to exceed \$2,400,000 annually. The amounts necessary
58.12 to make the transfers are appropriated from the general fund to the commissioner of
58.13 management and budget.

58.14 (c) The agency may pledge to the payment of the nonprofit housing bonds the payments
58.15 to be made by the state under this section.

58.16 Sec. 18. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision
58.17 to read:

58.18 Subd. 2i. Refunding bonds. (a) The agency may issue housing infrastructure bonds in
58.19 one or more series to refund bonds authorized in this section. The amount of refunding
58.20 housing infrastructure bonds that may be issued from time to time will not be subject to the
58.21 dollar limitation contained in any of the authorizations in this section nor will those bonds
58.22 be included in computing the amount of bonds that may be issued within those dollar
58.23 limitations.

58.24 (b) In the refunding of housing infrastructure bonds, each bond must be called for
58.25 redemption prior to its maturity in accordance with its terms no later than the earliest date
58.26 on which it may be redeemed. No refunding bonds may be issued unless as of the date of
58.27 the refunding bonds the present value of the dollar amount of the debt service on the
58.28 refunding bonds, computed to their stated maturity dates, is lower than the present value of
58.29 the dollar amount of debt service on all housing infrastructure bonds refunded computed to
58.30 their stated maturity dates. For purposes of this subdivision, "present value of the dollar
58.31 amount of debt service" means the dollar amount of debt service to be paid, discounted to
58.32 the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

59.1 (c) If as a result of the issuance of refunding bonds the amount of debt service for an
 59.2 annual period is less than the amount transferred by the commissioner of management and
 59.3 budget to pay debt service for that annual period, the agency must deduct the excess amount
 59.4 from the actual amount of debt service on those bonds certified for the next subsequent
 59.5 annual period.

59.6 Sec. 19. Minnesota Statutes 2020, section 462A.37, subdivision 4, is amended to read:

59.7 Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must certify
 59.8 annually to the commissioner of management and budget the actual amount of annual debt
 59.9 service on each series of bonds issued under subdivision 2.

59.10 (b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure
 59.11 bonds issued under subdivision 2, or housing infrastructure bonds issued to refund those
 59.12 bonds, remain outstanding, the commissioner of management and budget must transfer to
 59.13 the ~~affordable~~ housing infrastructure bond account established under section 462A.21,
 59.14 subdivision 33, the amount certified under paragraph (a), not to exceed \$2,200,000 annually.
 59.15 The amounts necessary to make the transfers are appropriated from the general fund to the
 59.16 commissioner of management and budget.

59.17 (c) The agency may pledge to the payment of the housing infrastructure bonds the
 59.18 payments to be made by the state under this section.

59.19 Sec. 20. Minnesota Statutes 2021 Supplement, section 462A.37, subdivision 5, is amended
 59.20 to read:

59.21 Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the
 59.22 commissioner of management and budget the actual amount of annual debt service on each
 59.23 series of bonds issued under this section.

59.24 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
 59.25 bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those
 59.26 bonds, remain outstanding, the commissioner of management and budget must transfer to
 59.27 the housing infrastructure bond account established under section 462A.21, subdivision 33,
 59.28 the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts
 59.29 necessary to make the transfers are appropriated from the general fund to the commissioner
 59.30 of management and budget.

59.31 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
 59.32 bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those

60.1 bonds, remain outstanding, the commissioner of management and budget must transfer to
60.2 the housing infrastructure bond account established under section 462A.21, subdivision 33,
60.3 the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts
60.4 necessary to make the transfers are appropriated from the general fund to the commissioner
60.5 of management and budget.

60.6 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
60.7 bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those
60.8 bonds, remain outstanding, the commissioner of management and budget must transfer to
60.9 the housing infrastructure bond account established under section 462A.21, subdivision 33,
60.10 the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts
60.11 necessary to make the transfers are appropriated from the general fund to the commissioner
60.12 of management and budget.

60.13 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
60.14 bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those
60.15 bonds, remain outstanding, the commissioner of management and budget must transfer to
60.16 the housing infrastructure bond account established under section 462A.21, subdivision 33,
60.17 the amount certified under paragraph (a). The amounts necessary to make the transfers are
60.18 appropriated from the general fund to the commissioner of management and budget.

60.19 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
60.20 bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those
60.21 bonds, remain outstanding, the commissioner of management and budget must transfer to
60.22 the housing infrastructure bond account established under section 462A.21, subdivision 33,
60.23 the amount certified under paragraph (a). The amounts necessary to make the transfers are
60.24 appropriated from the general fund to the commissioner of management and budget.

60.25 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
60.26 bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those
60.27 bonds, remain outstanding, the commissioner of management and budget must transfer to
60.28 the housing infrastructure bond account established under section 462A.21, subdivision 33,
60.29 the amount certified under paragraph (a). The amounts necessary to make the transfers are
60.30 appropriated from the general fund to the commissioner of management and budget.

60.31 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
60.32 bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those
60.33 bonds, remain outstanding, the commissioner of management and budget must transfer to
60.34 the housing infrastructure bond account established under section 462A.21, subdivision 33,

61.1 the amount certified under paragraph (a). The amounts necessary to make the transfers are
 61.2 appropriated from the general fund to the commissioner of management and budget.

61.3 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
 61.4 bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those
 61.5 bonds, remain outstanding, the commissioner of management and budget must transfer to
 61.6 the housing infrastructure bond account established under section 462A.21, subdivision 33,
 61.7 the amount certified under paragraph (a). The amounts necessary to make the transfers are
 61.8 appropriated from the general fund to the commissioner of management and budget.

61.9 (j) The agency may pledge to the payment of the housing infrastructure bonds the
 61.10 payments to be made by the state under this section.

61.11 Sec. 21. Minnesota Statutes 2020, section 462A.38, subdivision 1, is amended to read:

61.12 Subdivision 1. **Establishment.** A workforce and affordable homeownership development
 61.13 program is established to award homeownership development grants to cities, counties,
 61.14 Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or
 61.15 308B, and community land trusts created for the purposes outlined in section 462A.31,
 61.16 subdivision 1, for development of workforce and affordable homeownership projects. The
 61.17 purpose of the program is to increase the supply of workforce and affordable, owner-occupied
 61.18 multifamily or single-family housing throughout Minnesota.

61.19 Sec. 22. Minnesota Statutes 2020, section 462A.39, subdivision 1, is amended to read:

61.20 Subdivision 1. **Establishment.** The commissioner of Minnesota housing finance shall
 61.21 establish a workforce housing development program to award grants or deferred loans to
 61.22 eligible project areas to be used for qualified expenditures. Grants or deferred loans
 61.23 authorized under this section may be made without limitations relating to the maximum
 61.24 incomes of the renters or homeowners.

61.25 Sec. 23. Minnesota Statutes 2020, section 462A.39, subdivision 2, is amended to read:

61.26 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
 61.27 meanings given.

61.28 (b) "Eligible project area" means a home rule charter or statutory city located outside
 61.29 of the metropolitan area as defined in section 473.121, subdivision 2, with a population
 61.30 exceeding 500; a community that has a combined population of 1,500 residents located
 61.31 within 15 miles of a home rule charter or statutory city located outside the metropolitan

62.1 area as defined in section 473.121, subdivision 2; federally recognized Tribal Reservations;
 62.2 or an area served by a joint county-city economic development authority.

62.3 (c) "Joint county-city economic development authority" means an economic development
 62.4 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between
 62.5 a city and county and excluding those established by the county only.

62.6 (d) "Market rate residential rental properties" means properties that are rented at market
 62.7 value, including new modular homes, new manufactured homes, and new manufactured
 62.8 homes on leased land or in a manufactured home park, and may include rental developments
 62.9 that have a portion of income-restricted units.

62.10 (e) "Qualified expenditure" means expenditures for owner-occupied housing or market
 62.11 rate residential rental properties including acquisition of property; construction of
 62.12 improvements; and provisions of loans or subsidies, grants, interest rate subsidies, public
 62.13 infrastructure, and related financing costs.

62.14 Sec. 24. Minnesota Statutes 2020, section 462A.39, subdivision 4, is amended to read:

62.15 Subd. 4. **Program requirements.** (a) The commissioner must not award a grant or
 62.16 deferred loans to an eligible project area under this section until the following determinations
 62.17 are made:

62.18 (1) the average vacancy rate for rental housing located in the eligible project area, and
 62.19 in any other city located within 15 miles or less of the boundaries of the area, has been five
 62.20 percent or less for at least the prior two-year period;

62.21 (2) one or more businesses located in the eligible project area, or within 25 miles of the
 62.22 area, that employs a minimum of 20 full-time equivalent employees in aggregate have
 62.23 provided a written statement to the eligible project area indicating that the lack of available
 62.24 ~~rental~~ housing has impeded their ability to recruit and hire employees; and

62.25 (3) the eligible project area has certified that the grants or deferred loans will be used
 62.26 for qualified expenditures for the development of ~~rental~~ housing to serve employees of
 62.27 businesses located in the eligible project area or surrounding area.

62.28 (b) Preference for grants or deferred loans awarded under this section shall be given to
 62.29 eligible project areas with less than 30,000 people.

62.30 (c) Among comparable proposals, preference must be given to projects with a higher
 62.31 proportion of units that are not income-restricted.

63.1 Sec. 25. Minnesota Statutes 2020, section 462A.39, subdivision 5, is amended to read:

63.2 Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 percent
 63.3 of the rental housing development project cost. The commissioner shall not award a grant
 63.4 or deferred loans to ~~a city~~ an eligible project area without certification by the ~~city~~ eligible
 63.5 project area that the amount of the grant or deferred loans shall be matched by a local unit
 63.6 of government, business, ~~or nonprofit organization,~~ or federally recognized Tribe, with \$1
 63.7 for every \$2 provided in grant or deferred loans funds.

63.8 Sec. 26. Minnesota Statutes 2020, section 462A.39, is amended by adding a subdivision
 63.9 to read:

63.10 Subd. 5a. **No change in project scope.** (a) When a contingency is provided in a grant
 63.11 award under this section, changes to the project made by the developer to meet the
 63.12 contingency shall not be considered a change in project scope and the grant must be funded,
 63.13 provided that:

63.14 (1) the number of affordable units is not reduced;

63.15 (2) an increase in the number of affordable units is allowed if required to cover the
 63.16 increased financial costs of meeting the agency contingency; and

63.17 (3) additional state funds are not solicited for the project.

63.18 (b) Additional local matching funds may be solicited for the project under this
 63.19 subdivision, including but not limited to funds from local units of government.

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

63.21 Sec. 27. Minnesota Statutes 2020, section 462A.39, subdivision 6, is amended to read:

63.22 Subd. 6. **Report.** ~~Beginning~~ By January 15, 2018 of each year, the commissioner must
 63.23 annually submit a report to the chairs and ranking minority members of the senate and house
 63.24 of representatives committees having jurisdiction over taxes ~~and,~~ workforce development,
 63.25 and housing specifying the projects that received grants or deferred loans under this section
 63.26 and the specific purposes for which the grant funds were used. The report must include a
 63.27 breakdown of the amount issued in loans and the amount issued in grants for the prior fiscal
 63.28 year, together with the number of new units funded and the number of rehabilitated units
 63.29 funded in the prior fiscal year.

64.1 Sec. 28. [462A.41] PROGRAM FOR MANUFACTURED HOME MORTGAGE
 64.2 FINANCING AND DOWN PAYMENT ASSISTANCE FOR CERTAIN
 64.3 MANUFACTURED HOMES.

64.4 (a) By August 1, 2023, the agency, in conjunction with Fannie Mae's HomeReady
 64.5 program or other federal mortgage programs that may authorize it, must develop and
 64.6 implement a program that offers mortgage financing and down payment assistance for
 64.7 purchasers of eligible manufactured homes.

64.8 (b) For purposes of this section "eligible manufactured homes" means a manufactured
 64.9 home titled as real property in this state and affixed to real property owned by a
 64.10 resident-owned community.

64.11 (c) The agency may include manufactured homes in private parks as an eligible
 64.12 manufactured home if allowed under federal law. The commissioner must report to the
 64.13 chairs and ranking minority members of the legislative committees with jurisdiction over
 64.14 housing by August 1, 2023, on steps required to set up a similar program for manufactured
 64.15 homes in private parks if they do not qualify under federal law.

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

64.17 Sec. 29. Minnesota Statutes 2020, section 471.9996, subdivision 1, is amended to read:

64.18 Subdivision 1. ~~In general~~ **Prohibition.** (a) No statutory or home rule charter city, county,
 64.19 or town may adopt or renew by ordinance or otherwise any law to control rents on private
 64.20 residential property ~~except as provided in subdivision 2.~~ This section does not impair the
 64.21 right of any statutory or home rule charter city, county, or town:

64.22 (1) to manage or control property in which it has a financial interest through a housing
 64.23 authority or similar agency;

64.24 (2) to contract with a property owner;

64.25 (3) to act as required or authorized by laws or regulations of the United States government
 64.26 or this state; or

64.27 (4) to mediate between property owners and tenants for the purpose of negotiating rents.

64.28 (b) Nothing in this section shall be deemed to limit or restrict the classification of
 64.29 low-income rental property as class 4d under section 273.13, subdivision 25.

64.30 **EFFECTIVE DATE.** This section is effective retroactively from November 1, 2021.

65.1 Sec. 30. Minnesota Statutes 2020, section 474A.061, subdivision 2a, is amended to read:

65.2 Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January
65.3 and continuing on each Monday through the last Monday in June, the commissioner shall
65.4 allocate available bonding authority from the housing pool to applications received on or
65.5 before the Monday of the preceding week for residential rental projects that meet the
65.6 eligibility criteria under section 474A.047. Allocations of available bonding authority from
65.7 the housing pool for eligible residential rental projects shall be awarded in the following
65.8 order of priority:

65.9 (1) preservation projects;

65.10 (2) 30 percent AMI residential rental projects;

65.11 (3) 50 percent AMI residential rental projects;

65.12 (4) 100 percent LIHTC projects;

65.13 (5) 20 percent LIHTC projects; and

65.14 (6) other residential rental projects for which the amount of bonds requested in their
65.15 respective applications do not exceed the aggregate bond limitation.

65.16 If there are two or more applications for residential rental projects at the same priority level
65.17 and there is insufficient bonding authority to provide allocations for all the projects in any
65.18 one allocation period, available bonding authority shall be ~~randomly~~ awarded by lot giving
65.19 preference for projects with a lower cost per square foot but only for projects that can receive
65.20 the full amount of their respective requested allocations. If a residential rental project does
65.21 not receive any of its requested allocation pursuant to this paragraph and the project applies
65.22 for an allocation of bonds again in the same calendar year or to the next successive housing
65.23 pool, the project shall be fully funded up to its original application request for bonding
65.24 authority before any new project, applying in the same allocation period, that has an equal
65.25 priority shall receive bonding authority. An issuer that receives an allocation under this
65.26 paragraph must issue obligations equal to all or a portion of the allocation received on or
65.27 before 180 days of the allocation. If an issuer that receives an allocation under this paragraph
65.28 does not issue obligations equal to all or a portion of the allocation received within the time
65.29 period provided in this paragraph or returns the allocation to the commissioner, the amount
65.30 of the allocation is canceled and returned for reallocation through the housing pool or to
65.31 the unified pool after July 1.

66.1 (b) After January 1, and through January 15, The Minnesota Housing Finance Agency
66.2 may accept applications from cities for single-family housing programs which meet program
66.3 requirements as follows:

66.4 (1) the housing program must meet a locally identified housing need and be economically
66.5 viable;

66.6 (2) the adjusted income of home buyers may not exceed 80 percent of the greater of
66.7 statewide or area median income as published by the Department of Housing and Urban
66.8 Development, adjusted for household size;

66.9 (3) house price limits may not exceed the federal price limits established for mortgage
66.10 revenue bond programs. Data on the home purchase price amount, mortgage amount, income,
66.11 household size, and race of the households served in the previous year's single-family
66.12 housing program, if any, must be included in each application; and

66.13 (4) for applicants who choose to have the agency issue bonds on their behalf, an
66.14 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal
66.15 to one percent of the requested allocation must be submitted to the Minnesota Housing
66.16 Finance Agency before the agency forwards the list specifying the amounts allocated to the
66.17 commissioner under paragraph (d). The agency shall submit the city's application fee and
66.18 application deposit to the commissioner when requesting an allocation from the housing
66.19 pool.

66.20 Applications by a consortium shall include the name of each member of the consortium
66.21 and the amount of allocation requested by each member.

66.22 (c) Any amounts remaining in the housing pool after June 15 are available for
66.23 single-family housing programs for cities that applied in January and received an allocation
66.24 under this section in the same calendar year. For a city that chooses to issue bonds on its
66.25 own behalf or pursuant to a joint powers agreement, the agency must allot available bonding
66.26 authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by
66.27 loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing
66.28 Finance Agency issues bonds.

66.29 Any city that received an allocation pursuant to paragraph (f) in the same calendar year
66.30 that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an
66.31 amount becoming available for single-family housing programs after June 15 shall notify
66.32 the Minnesota Housing Finance Agency by June 15. The Minnesota Housing Finance
66.33 Agency shall notify each city making a request of the amount of its allocation within three
66.34 business days after June 15. The city must comply with paragraph (f).

67.1 For purposes of paragraphs (a) to (h), "city" means a county or a consortium of local
67.2 government units that agree through a joint powers agreement to apply together for
67.3 single-family housing programs, and has the meaning given it in section 462C.02, subdivision
67.4 6. "Agency" means the Minnesota Housing Finance Agency.

67.5 (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser
67.6 of: (i) the amount requested, or (ii) the product of the total amount available for mortgage
67.7 bonds from the housing pool, multiplied by the ratio of each applicant's population as
67.8 determined by the most recent estimate of the city's population released by the state
67.9 demographer's office to the total of all the applicants' population, except that each applicant
67.10 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount
67.11 determined under the formula in clause (ii). If a city applying for an allocation is located
67.12 within a county that has also applied for an allocation, the city's population will be deducted
67.13 from the county's population in calculating the amount of allocations under this paragraph.

67.14 Upon determining the amount of each applicant's allocation, the agency shall forward
67.15 to the commissioner a list specifying the amounts allotted to each application with all
67.16 application fees and deposits from applicants who choose to have the agency issue bonds
67.17 on their behalf.

67.18 Total allocations from the housing pool for single-family housing programs may not
67.19 exceed 27 percent of the adjusted allocation to the housing pool until after June 15 in 2020
67.20 and 2021, after which the allocations may not exceed 31 percent of the adjusted allocation
67.21 to the housing pool until after June 15.

67.22 (e) The agency may issue bonds on behalf of participating cities. The agency shall request
67.23 an allocation from the commissioner for all applicants who choose to have the agency issue
67.24 bonds on their behalf and the commissioner shall allocate the requested amount to the
67.25 agency. The agency may request an allocation at any time after the second Tuesday in
67.26 January and through the last Monday in June. After awarding an allocation and receiving
67.27 a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the
67.28 commissioner shall transfer the application deposits to the Minnesota Housing Finance
67.29 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency
67.30 shall return any application deposit to a city that paid an application deposit under paragraph
67.31 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph
67.32 (d).

67.33 (f) A city may choose to issue bonds on its own behalf or through a joint powers
67.34 agreement and may request an allocation from the commissioner by forwarding an application

68.1 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
68.2 application deposit to the commissioner no later than the Monday of the week preceding
68.3 an allocation. If the total amount requested by all applicants exceeds the amount available
68.4 in the pool, the city may not receive a greater allocation than the amount it would have
68.5 received under the list forwarded by the Minnesota Housing Finance Agency to the
68.6 commissioner. No city may request or receive an allocation from the commissioner until
68.7 the list under paragraph (d) has been forwarded to the commissioner. A city must request
68.8 an allocation from the commissioner no later than the last Monday in June. No city may
68.9 receive an allocation from the housing pool for mortgage bonds which has not first applied
68.10 to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested
68.11 amount to the city or cities subject to the limitations under this paragraph.

68.12 If a city issues mortgage bonds from an allocation received under this paragraph, the
68.13 issuer must provide for the recycling of funds into new loans. If the issuer is not able to
68.14 provide for recycling, the issuer must notify the commissioner in writing of the reason that
68.15 recycling was not possible and the reason the issuer elected not to have the Minnesota
68.16 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated
68.17 from the repayment and prepayment of loans for further eligible loans or for the redemption
68.18 of bonds and the issuance of current refunding bonds.

68.19 (g) No entitlement city or county or city in an entitlement county may apply for or be
68.20 allocated authority to issue mortgage bonds or use mortgage credit certificates from the
68.21 housing pool. No city in an entitlement county may apply for or be allocated authority to
68.22 issue residential rental bonds from the housing pool or the unified pool.

68.23 (h) A city that does not use at least 50 percent of its allotment by the date applications
68.24 are due for the first allocation that is made from the housing pool for single-family housing
68.25 programs in the immediately succeeding calendar year may not apply to the housing pool
68.26 for a single-family mortgage bond or mortgage credit certificate program allocation that
68.27 exceeds the amount of its allotment for the preceding year that was used by the city in the
68.28 immediately preceding year or receive an allotment from the housing pool in the succeeding
68.29 calendar year that exceeds the amount of its allotment for the preceding year that was used
68.30 in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to
68.31 June 15, regardless of the amount used in the preceding calendar year, except that a city
68.32 whose allocation in the preceding year was the minimum amount of \$100,000 and who did
68.33 not use at least 50 percent of its allocation from the preceding year is ineligible for an
68.34 allocation in the immediate succeeding calendar year. Each local government unit in a
68.35 consortium must meet the requirements of this paragraph.

69.1 **EFFECTIVE DATE.** This section is effective January 1, 2023.

69.2 Sec. 31. Minnesota Statutes 2020, section 474A.091, subdivision 3, is amended to read:

69.3 Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding
69.4 authority under this section on the Monday of every other week beginning with the first
69.5 Monday in July through and on the last Monday in November. Applications for allocations
69.6 must be received by the department by 4:30 p.m. on the Monday preceding the Monday on
69.7 which allocations are to be made. If a Monday falls on a holiday, the allocation will be made
69.8 or the applications must be received by the next business day after the holiday.

69.9 (b) Prior to October 1, only the following applications shall be awarded allocations from
69.10 the unified pool. Allocations shall be awarded in the following order of priority:

69.11 (1) applications for residential rental project bonds;

69.12 (2) applications for small issue bonds for manufacturing projects; and

69.13 (3) applications for small issue bonds for agricultural development bond loan projects.

69.14 (c) On the first Monday in October through the last Monday in November, allocations
69.15 shall be awarded from the unified pool in the following order of priority:

69.16 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office
69.17 of Higher Education;

69.18 (2) applications for mortgage bonds;

69.19 (3) applications for public facility projects funded by public facility bonds;

69.20 (4) applications for small issue bonds for manufacturing projects;

69.21 (5) applications for small issue bonds for agricultural development bond loan projects;

69.22 (6) applications for residential rental project bonds;

69.23 (7) applications for enterprise zone facility bonds;

69.24 (8) applications for governmental bonds; and

69.25 (9) applications for redevelopment bonds.

69.26 (d) If there are two or more applications for manufacturing projects from the unified
69.27 pool and there is insufficient bonding authority to provide allocations for all manufacturing
69.28 projects in any one allocation period, the available bonding authority shall be awarded based
69.29 on the number of points awarded a project under section 474A.045 with those projects
69.30 receiving the greatest number of points receiving allocation first. If two or more applications

70.1 for manufacturing projects receive an equal amount of points, available bonding authority
70.2 shall be awarded by lot unless otherwise agreed to by the respective issuers.

70.3 (e) If there are two or more applications for enterprise zone facility projects from the
70.4 unified pool and there is insufficient bonding authority to provide allocations for all enterprise
70.5 zone facility projects in any one allocation period, the available bonding authority shall be
70.6 awarded based on the number of points awarded a project under section 474A.045 with
70.7 those projects receiving the greatest number of points receiving allocation first. If two or
70.8 more applications for enterprise zone facility projects receive an equal amount of points,
70.9 available bonding authority shall be awarded by lot unless otherwise agreed to by the
70.10 respective issuers.

70.11 (f) If there are two or more applications for residential rental projects from the unified
70.12 pool and there is insufficient bonding authority to provide allocations for all residential
70.13 rental projects in any one allocation period, the available bonding authority shall be awarded
70.14 in the following order of priority: (1) preservation projects; (2) 30 percent AMI residential
70.15 rental projects; (3) 50 percent AMI residential rental projects for which the amount of bonds
70.16 requested in their respective applications do not exceed the aggregate bond limitations; (4)
70.17 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental
70.18 projects. If there are two or more applications for residential rental projects at the same
70.19 priority level and there is insufficient bonding authority to provide allocations for all the
70.20 projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded
70.21 by lot giving preference for projects with a lower cost per square foot but only for projects
70.22 that can receive the full amount of their respective requested allocations. If a residential
70.23 rental project does not receive any of its requested allocation pursuant to this paragraph and
70.24 the project applies in the next successive housing pool or the next successive unified pool
70.25 for an allocation of bonds, the project shall be fully funded up to its original application
70.26 request for bonding authority before any new project, applying in the same allocation period,
70.27 that has an equal priority shall receive bonding authority.

70.28 (g) From the first Monday in July through the last Monday in November, \$20,000,000
70.29 of bonding authority or an amount equal to the total annual amount of bonding authority
70.30 allocated to the small issue pool under section 474A.03, subdivision 1, less the amount
70.31 allocated to issuers from the small issue pool for that year, whichever is less, is reserved
70.32 within the unified pool for small issue bonds to the extent the amounts are available within
70.33 the unified pool.

70.34 (h) The total amount of allocations for mortgage bonds from the housing pool and the
70.35 unified pool may not exceed:

71.1 (1) \$10,000,000 for any one city; or

71.2 (2) \$20,000,000 for any number of cities in any one county.

71.3 (i) The total amount of allocations for student loan bonds from the unified pool may not
71.4 exceed \$25,000,000 per year.

71.5 (j) If there is insufficient bonding authority to fund all projects within any qualified bond
71.6 category other than enterprise zone facility projects, manufacturing projects, and residential
71.7 rental projects, allocations shall be awarded by lot unless otherwise agreed to by the
71.8 respective issuers.

71.9 (k) If an application is rejected, the commissioner must notify the applicant and return
71.10 the application deposit to the applicant within 30 days unless the applicant requests in writing
71.11 that the application be resubmitted.

71.12 (l) The granting of an allocation of bonding authority under this section must be evidenced
71.13 by issuance of a certificate of allocation.

71.14 **EFFECTIVE DATE.** This section is effective January 1, 2023.

71.15 Sec. 32. Laws 2021, First Special Session chapter 8, article 6, section 1, subdivision 7, is
71.16 amended to read:

71.17 Subd. 7. **Report.** (a) No later than February 1, 2022, the task force shall submit an initial
71.18 report to the chairs and ranking minority members of the house of representatives and senate
71.19 committees and divisions with jurisdiction over housing and preventing homelessness on
71.20 its findings and recommendations.

71.21 (b) No later than ~~August 31, 2022~~ December 15, 2022, the task force shall submit a final
71.22 report to the chairs and ranking minority members of the house of representatives and senate
71.23 committees and divisions with jurisdiction over housing and preventing homelessness on
71.24 its findings and recommendations.

71.25 Sec. 33. **PROHIBITION OF GRANT FUNDS FOR HIRING A LOBBYIST.**

71.26 No grant funds awarded by the Housing Finance Agency may be used to hire a lobbyist
71.27 as defined in Minnesota Statutes, section 10A.01, subdivision 21.

71.28 Sec. 34. **REPORT ON HOMEOWNERSHIP OPPORTUNITIES.**

71.29 (a) The Housing Finance Agency must complete a report regarding the impact on the
71.30 housing market and homeownership opportunities of corporate entities, including but not

72.1 limited to pension funds, investment funds, an employee welfare benefit fund, a mutual
 72.2 fund, life insurance companies, a common trust of a bank or other trustee established for
 72.3 the investment and reinvestment of money contributed to it, a real estate investment trust,
 72.4 or an investment company as defined in United States Code, title 15, section 80a-3,
 72.5 purchasing single-family homes and converting them to rental properties. The report must
 72.6 review the impact corporate entities are having on the availability and the purchase price
 72.7 of single-family homes and the ability of prospective home buyers to purchase
 72.8 owner-occupied homes throughout the United States. The report must also include but is
 72.9 not limited to an examination of the following:

72.10 (1) the current housing market, including an analysis of supply and demand, in Minnesota,
 72.11 in the Twin Cities metropolitan area, and within the cities of Minneapolis and St. Paul;

72.12 (2) the impact, both nationally and within Minnesota, on homeownership opportunities,
 72.13 including opportunities for Black, Indigenous, and people of color in cities or regions where
 72.14 corporate entities have purchased 20 or more single-family homes and converted them to
 72.15 single-family rentals as compared to similar communities where corporate entities are not
 72.16 buying single-family homes and converting them to rental properties;

72.17 (3) the impact of corporate ownership on the maintenance of the residential properties
 72.18 and the impact on nearby property values;

72.19 (4) whether the purchase of single-family homes by corporate entities has led to increases
 72.20 in regulatory burdens and costs for renters and the local governments where the corporate
 72.21 entities are purchasing homes; and

72.22 (5) if other states or local governments across the country have proposed any conditions
 72.23 or solutions to mitigate the impact of corporate entities buying single-family homes.

72.24 (b) The agency must consult with stakeholders, including renters, realtors, local landlords,
 72.25 financers and lending institutions, home investors, nonprofits supporting renters, and local
 72.26 units of government during the preparation of this report. The agency must also consult
 72.27 relevant academic literature and may consult with academic institutions and the Federal
 72.28 Reserve during the preparation of this report.

72.29 (c) The report must be submitted to the chairs and ranking minority members of the
 72.30 legislative committees with jurisdiction over housing by August 1, 2023.

72.31 **Sec. 35. REPORT ON RENT CONTROL; PROHIBITION ON USE OF FUNDS.**

72.32 (a) The Housing Finance Agency must complete a report regarding the impact of rent
 72.33 control on housing markets. The report must explore the impact of rent control throughout

73.1 the United States, and may explore international housing markets. The report must also
 73.2 include but is not limited to an examination of the following:

73.3 (1) the current housing market, including an analysis of supply and demand, in Minnesota,
 73.4 in the Twin Cities metropolitan area, and within the cities of Minneapolis and St. Paul;

73.5 (2) the impact, both nationally and within Minnesota, on the construction of new housing
 73.6 units within jurisdictions that have enacted rent control policies, as well as on nearby
 73.7 jurisdictions without rent control policies;

73.8 (3) the impact of rent control on the maintenance of residential properties;

73.9 (4) whether enactment of rent control policies has led to increases in other regulatory
 73.10 burdens related to housing in jurisdictions that have imposed rent control; and

73.11 (5) how rent control policies enacted within Minnesota compare to policies in jurisdictions
 73.12 across the United States, including how various jurisdictions define "rent" for the purposes
 73.13 of their policies, whether such policies exempt new construction, whether such policies
 73.14 allow for tenancy decontrol, and how "fair return on investment" policies operate in other
 73.15 jurisdictions with rent control policies, including an examination of how such policies are
 73.16 administered and the criteria used to determine what constitutes a fair return on investment.

73.17 (b) The agency must consult with stakeholders, including renters, landlords, developers,
 73.18 tradespeople, financiers and lending institutions, and local governments during the preparation
 73.19 of the report. The agency must also consult relevant academic literature and may consult
 73.20 with academic institutions during the preparation of the report.

73.21 (c) The report must be submitted to the chairs and ranking minority members of the
 73.22 legislative committees with jurisdiction over housing by August 1, 2023.

73.23 (d) Until the report required by this section is delivered, the Housing Finance Agency
 73.24 must not use any funds from any source on multifamily housing projects in cities that have
 73.25 adopted a rent control ordinance.

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

73.27 Sec. 36. **REPEALER.**

73.28 Minnesota Statutes 2020, section 471.9996, subdivision 2, is repealed.

73.29 **EFFECTIVE DATE.** This section is effective retroactively from November 1, 2021.

471.9996 RENT CONTROL PROHIBITED.

Subd. 2. **Exception.** Subdivision 1 does not preclude a statutory or home rule charter city, county, or town from controlling rents on private residential property to the extent that the city, county, or town has the power to adopt an ordinance, charter amendment, or law to control these rents if the ordinance, charter amendment, or law that controls rents is approved in a general election. Subdivision 1 does not limit any power or authority of the voters of a statutory or home rule charter city, county, or town to petition for an ordinance or charter amendment to control rents on private residential property to the extent that the power or authority is otherwise provided for by law, and if the ordinance or charter amendment is approved in a general election. This subdivision does not grant any additional power or authority to the citizens of a statutory or home rule charter city, county, or town to vote on any question beyond that contained in other law.

Subdivision 1 does not apply to any statutory city unless the citizens of the statutory city have the authority to vote on the issue of rent control granted by other law.