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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1141

02/19/2025 Authored by Howard, Norris, Hussein, Lillie, Kozlowski and others
The bill was read for the first time and referred to the Committee on Housing Finance and Policy
04/20/2026 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/27/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act
1.2 relating to housing; establishing a supplemental budget for the Minnesota Housing
1.3 Finance Agency; authorizing the issuance of housing infrastructure bonds;
1.4 modifying the authority of the Minnesota Housing Finance Agency over the housing
1.5 development fund; requiring reports; transferring money; appropriating money;
1.6 amending Minnesota Statutes 2024, sections 462A.05, subdivision 8; 462A.20,
1.7 subdivisions 3, 4, by adding a subdivision; 462A.21, subdivisions 10, 12a; 462A.37,
1.8 by adding a subdivision; Minnesota Statutes 2025 Supplement, section 462A.37,
1.9 subdivision 5; Laws 2025, chapter 32, article 1, section 2, subdivisions 1, 3, 15,
1.10 by adding a subdivision; proposing coding for new law in Minnesota Statutes,
1.11 chapter 462A; repealing Minnesota Statutes 2024, section 462A.21, subdivision
1.12 5.

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

1.14 ARTICLE 1
1.15 HOUSING APPROPRIATIONS

1.16 Section 1. Laws 2025, chapter 32, article 1, section 2, subdivision 1, is amended to read:

Table with 2 columns: Description and Amount. Row 1: Subdivision 1. Total Appropriation \$ 101,148,000 \$ 82,798,000 / 103,098,000

1.19 (a) The amounts that may be spent for each
1.20 purpose are specified in the following
1.21 subdivisions.

1.22 (b) Unless otherwise specified, the
1.23 appropriations for the programs in this section
1.24 are appropriated and made available for the
1.25 purposes of the housing development fund.

1.26 Except as otherwise indicated, the amounts

2.1 appropriated are part of the agency's
 2.2 permanent budget base.

2.3 Sec. 2. Laws 2025, chapter 32, article 1, section 2, subdivision 3, is amended to read:

2.4			2,000,000
2.5	Subd. 3. Workforce Housing Development	2,000,000	<u>22,000,000</u>

2.6 (a) This appropriation is for the greater
 2.7 Minnesota workforce housing development
 2.8 program under Minnesota Statutes, section
 2.9 462A.39. If requested by the applicant and
 2.10 approved by the agency, funded properties
 2.11 may include a portion of income- and
 2.12 rent-restricted units. Funded properties may
 2.13 include owner-occupied homes.

2.14 (b) The base for this program in fiscal year
 2.15 2028 and beyond is \$2,000,000.

2.16 Sec. 3. Laws 2025, chapter 32, article 1, section 2, subdivision 15, is amended to read:

2.17	Subd. 15. Homeownership Education,		857,000
2.18	Counseling, and Training	857,000	<u>1,007,000</u>

2.19 (a) This appropriation is for the
 2.20 homeownership education, counseling, and
 2.21 training program under Minnesota Statutes,
 2.22 section 462A.209.

2.23 (b) The base for this program in fiscal year
 2.24 2028 and beyond is \$857,000.

2.25 Sec. 4. Laws 2025, chapter 32, article 1, section 2, is amended by adding a subdivision to
 2.26 read:

2.27	<u>Subd. 21. Minnesota Nice HomeShare</u>	<u>-0-</u>	<u>150,000</u>
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2.28 (a) This appropriation is for the Minnesota
 2.29 Nice HomeShare pilot program. This is a
 2.30 onetime appropriation.

3.1 (b) The commissioner of the Minnesota
3.2 Housing Finance Agency must establish and
3.3 administer the Minnesota Nice HomeShare
3.4 pilot program to award a grant under this
3.5 section. The commissioner shall award a grant
3.6 for assisting seniors in the counties of Lake,
3.7 St. Louis, and Washington to reduce living
3.8 expenses by matching seniors who own homes
3.9 with spare rooms to adults in need of
3.10 affordable housing. For the purposes of this
3.11 section, "senior" means a person 55 years of
3.12 age or older. The commissioner may partner
3.13 with the Arrowhead Area Agency on Aging
3.14 or organizations that advocate for seniors to
3.15 promote the program.

3.16 (c) A grantee must:

3.17 (1) assist hosts and renters over the telephone,
3.18 through a text chat function or by video;

3.19 (2) collect and process rental payments from
3.20 renters and distribute payments to hosts in a
3.21 timely manner;

3.22 (3) protect the private information and data of
3.23 hosts and renters;

3.24 (4) conduct background checks on hosts and
3.25 renters, including contacting at least two
3.26 references for each host and renter;

3.27 (5) acquire from renters employment
3.28 verification or proof of school enrollment; and

3.29 (6) review and process all applications.

3.30 **Sec. 5. RETURN OF UNUSED TAX-FORFEITED SETTLEMENT**
3.31 **APPROPRIATION; CANCELLATION; APPROPRIATION.**

3.32 Subdivision 1. Return of funds. Notwithstanding Laws 2024, chapter 113, section 1,
3.33 subdivision 5, on June 29, 2026, the claims administrator appointed under Laws 2024,

4.1 chapter 113, to settle litigation related to the state's retention of tax-forfeited lands, surplus
4.2 proceeds from the sale of tax-forfeited lands, and mineral rights in those lands, must return
4.3 to the commissioner of management and budget the amount of the appropriation under Laws
4.4 2024, chapter 113, section 1, subdivision 5, that is not needed to settle claims under Laws
4.5 2024, chapter 113.

4.6 Subd. 2. **Cancellation.** The commissioner of management and budget must cancel the
4.7 amount received under subdivision 1 to the general fund within one day of the receipt of
4.8 the funds.

4.9 Subd. 3. **Appropriation.** The amount canceled under subdivision 2 is appropriated in
4.10 fiscal year 2027 to the commissioner of the Minnesota Housing Finance Agency for the
4.11 family homeless prevention and assistance program under Minnesota Statutes, section
4.12 462A.204. This appropriation is onetime and is made available for the purposes of the
4.13 housing development fund. Notwithstanding procurement provisions outlined in Minnesota
4.14 Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing
4.15 program grantees.

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

4.17 Sec. 6. **TRANSFER.**

4.18 On or before June 29, 2026, the commissioner of management and budget must transfer
4.19 \$22,300,000 to the general fund from the housing development fund from the aggregated
4.20 earnings from investments of state appropriations made pursuant to Minnesota Statutes,
4.21 section 462A.20, subdivision 3. This is a onetime transfer.

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

4.23 **ARTICLE 2**

4.24 **HOUSING INFRASTRUCTURE BONDS**

4.25 Section 1. Minnesota Statutes 2024, section 462A.37, is amended by adding a subdivision
4.26 to read:

4.27 Subd. 2l. **Additional authorization.** In addition to the amount authorized in subdivisions
4.28 2 to 2k and 3a, the agency may issue up to \$100,000,000 in one or more series to which the
4.29 payments under this section may be pledged.

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

5.1 Sec. 2. Minnesota Statutes 2025 Supplement, section 462A.37, subdivision 5, is amended
5.2 to read:

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

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

5.13 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
5.14 bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those
5.15 bonds, remain outstanding, the commissioner of management and budget must transfer to
5.16 the housing infrastructure bond account established under section 462A.21, subdivision 33,
5.17 the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts
5.18 necessary to make the transfers are appropriated from the general fund to the commissioner
5.19 of management and budget.

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

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

5.33 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
5.34 bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those

6.1 bonds, remain outstanding, the commissioner of management and budget must transfer to
6.2 the housing infrastructure bond account established under section 462A.21, subdivision 33,
6.3 the amount certified under paragraph (a). The amounts necessary to make the transfers are
6.4 appropriated from the general fund to the commissioner of management and budget.

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

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

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

6.23 (j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure
6.24 bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those
6.25 bonds, remain outstanding, the commissioner of management and budget must transfer to
6.26 the housing infrastructure bond account established under section 462A.21, subdivision 33,
6.27 the amount certified under paragraph (a). The amounts necessary to make the transfers are
6.28 appropriated from the general fund to the commissioner of management and budget.

6.29 (k) Each July 15, beginning in 2027 and through 2048, if any housing infrastructure
6.30 bonds issued under subdivision 2k, or housing infrastructure bonds issued to refund those
6.31 bonds, remain outstanding, the commissioner of management and budget must transfer to
6.32 the housing infrastructure bond account established under section 462A.21, subdivision 33,
6.33 the amount certified under paragraph (a). The amounts necessary to make the transfers are
6.34 appropriated from the general fund to the commissioner of management and budget.

7.1 (l) Each July 15, beginning in 2028 and through 2049, if any housing infrastructure
7.2 bonds issued under subdivision 21 or housing infrastructure bonds issued to refund those
7.3 bonds remain outstanding, the commissioner of management and budget must transfer to
7.4 the housing infrastructure bond account established under section 462A.21, subdivision 33,
7.5 the amount certified under paragraph (a). The amounts necessary to make the transfers are
7.6 appropriated from the general fund to the commissioner of management and budget.

7.7 (m) The agency may pledge to the payment of the housing infrastructure bonds the
7.8 payments to be made by the state under this section.

7.9 ARTICLE 3

7.10 HOUSING POLICY

7.11 Section 1. Minnesota Statutes 2024, section 462A.05, subdivision 8, is amended to read:

7.12 Subd. 8. **Service charges.** (a) It may collect reasonable interest, fees, and charges in
7.13 connection with making and servicing its loans, notes, bonds, obligations, commitments
7.14 and other evidences of indebtedness, and in connection with providing technical, consultative
7.15 and project assistance services. Such interest, fees and charges shall be limited to the amounts
7.16 required to pay the costs of the agency, including operating and administrative expenses,
7.17 and reasonable allowances for losses which may be incurred.

7.18 (b) Notwithstanding section 16B.98, subdivision 14, or any other law to the contrary,
7.19 the agency may not retain any portion of any amount appropriated to the agency, unless the
7.20 aggregated earnings from investments of state appropriations are insufficient to pay the
7.21 costs and expenses necessary and incidental to the development and operation of programs
7.22 funded by state appropriations. Retentions from state appropriations may not exceed the
7.23 amount by which the costs and expenses necessary and incidental to the development and
7.24 operation of state programs exceed the aggregated earnings from investments of state
7.25 appropriations. Prior to retaining any portion of an appropriation to the agency, the agency
7.26 must notify the chairs and ranking minority members of the legislative committees having
7.27 jurisdiction over housing finance and policy.

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

7.29 Sec. 2. Minnesota Statutes 2024, section 462A.20, subdivision 3, is amended to read:

7.30 Subd. 3. **Separate accounts; transfers; limits.** Whenever any money is appropriated
7.31 by the state to the agency solely for a specified purpose or purposes, the agency shall establish
7.32 a separate bookkeeping account or accounts in the housing development fund to record the

8.1 receipt and disbursement of such money and of the income, gain, and loss from the
8.2 investment and reinvestment thereof. Earnings from investment of any amounts appropriated
8.3 by the state to the agency for a specified purpose or purposes may be aggregated. The costs
8.4 and expenses necessary and incidental to the development and operation of all programs
8.5 funded by state appropriations may be paid from the aggregated earnings from investments
8.6 ~~prior to periodic distributions of earnings to separate accounts to be used for the same~~
8.7 ~~purpose as the respective original appropriation.~~ The agency must annually distribute earnings
8.8 as provided in subdivision 5. The agency may transfer unencumbered balances from one
8.9 appropriated account to another, provided that no money appropriated for the purpose of
8.10 agency loan programs may be transferred to an account to be used for making grants, except
8.11 that money appropriated for the purpose of section 462A.05, subdivision 14a, may be
8.12 transferred for the purpose of section 462A.05, subdivision 15a. Prior to transferring balances
8.13 from one appropriated account to another, the agency must notify the chairs and ranking
8.14 minority members of the legislative committees having jurisdiction over housing finance
8.15 and policy.

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

8.17 Sec. 3. Minnesota Statutes 2024, section 462A.20, subdivision 4, is amended to read:

8.18 Subd. 4. ~~Operating costs~~ Housing development fund report. (a) On or before February
8.19 15 of each year, the agency shall deliver a report to the chairs of the finance and
8.20 appropriations committees of the legislature on the costs of operating the agency in the
8.21 previous fiscal year. The report shall include the expenditures for salaries and benefits, rent,
8.22 professional and technical services, general agency administration, and agency's audited
8.23 financial statements which include information on expenditures and receipts relating to debt
8.24 issuance and administration and loan origination and administration. The report must detail
8.25 which operating costs and expenditures are attributable to the development and operation
8.26 of programs funded by state appropriations, with a breakdown of costs and expenditures
8.27 by program. The report shall include a budget plan for salaries and benefits, rent, professional
8.28 and technical services, and general administration for the current fiscal year, including
8.29 estimates of changes in costs from the previous fiscal year. If it appears that the costs in the
8.30 current fiscal year will exceed the budget plan contained in the report submitted under this
8.31 subdivision, the agency must notify the chairs of the legislative committees or divisions
8.32 with jurisdiction over the agency's budget that the costs in the current fiscal year will exceed
8.33 the submitted budget plan and the reasons for the changes in costs and must submit a revised
8.34 budget plan to the commissioner of management and budget and obtain the commissioner's
8.35 concurrence with the revised plan. The agency must also notify the chairs of the legislative

9.1 committees or divisions with jurisdiction over the agency's budget when the agency is
9.2 considering an expansion of agency activities that ~~were~~ was not contemplated in the submitted
9.3 budget plan.

9.4 (b) The report under this subdivision must additionally provide:

9.5 (1) the amount in the housing development fund as of January 1 of the year the report
9.6 is to be submitted;

9.7 (2) the amount of aggregated earnings from investments of state appropriations as of
9.8 January 1 of the year the report is to be submitted;

9.9 (3) the amounts used pursuant to subdivision 5 in the prior calendar year and the programs
9.10 for which each amount was originally appropriated and through which each amount was
9.11 used;

9.12 (4) the amounts of, and reasons for, any transfers made pursuant to subdivision 3 or to
9.13 section 462A.21, subdivision 12a, in the prior calendar year;

9.14 (5) the amounts and details of any grants, loans, expenditures, or payments made out of
9.15 the housing development fund pursuant to section 462A.21 in the prior calendar year;

9.16 (6) the amounts of any administrative retentions from state appropriations in the prior
9.17 calendar year;

9.18 (7) the unencumbered balance in the housing development fund as of January 1 of the
9.19 year the report is to be submitted;

9.20 (8) the amount of fees and charges paid into the housing development fund pursuant to
9.21 subdivision 2, clause (4), in the prior calendar year; and

9.22 (9) the amount, as of January 1 of the year the report is to be submitted, of the
9.23 unencumbered balance that was appropriated prior to the current fiscal year, including
9.24 citations to the laws making the original appropriations and explanations why the amounts
9.25 remain unencumbered.

9.26 Sec. 4. Minnesota Statutes 2024, section 462A.20, is amended by adding a subdivision to
9.27 read:

9.28 **Subd. 5. Expenditure of earnings from investments of state appropriations**
9.29 **required.** Each year on June 30, the commissioner must determine the difference between:

9.30 (1) the amount of aggregated earnings from investments of state appropriations in the housing
9.31 development fund; and (2) the amount that the agency paid itself, pursuant to subdivision
9.32 3, for the costs and expenses necessary and incidental to the development and operation of

10.1 programs funded by state appropriations since July 1 of the preceding year. In each fiscal
10.2 year beginning with fiscal year 2027, the commissioner must expend the difference
10.3 determined in the preceding sentence in the preceding fiscal year, in the manner provided
10.4 in this subdivision. The commissioner must use earnings from investments for the same
10.5 purpose as the respective original appropriation, except that, if in a given fiscal year it is
10.6 impracticable to undertake the solicitation process under section 16C.06 for the same purpose
10.7 for which an original appropriation was made, the commissioner may use the earnings from
10.8 investments of that appropriation for an agency purpose under section 462A.21 or under
10.9 another program receiving state appropriations that is consistent with legislative intent and
10.10 comparable to the purpose for which the original appropriation was made.

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

10.12 Sec. 5. Minnesota Statutes 2024, section 462A.21, subdivision 10, is amended to read:

10.13 Subd. 10. **Certain appropriations available until expended.** Notwithstanding the
10.14 repeal of section 462A.26 and the provisions of section 16A.28 or any other law relating to
10.15 lapse of an appropriation, the appropriations made to the agency by the legislature in 1976
10.16 and subsequent years are available until fully expended, and the allocations provided in the
10.17 appropriations remain in effect. ~~Earnings from investments of any of the amounts~~
10.18 ~~appropriated to the agency are appropriated to the agency to be used for the same purposes~~
10.19 ~~as the respective original appropriations, after payment of the costs and expenses necessary~~
10.20 ~~and incidental to the development and operation of the programs authorized under this~~
10.21 ~~chapter.~~

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

10.23 Sec. 6. Minnesota Statutes 2024, section 462A.21, subdivision 12a, is amended to read:

10.24 Subd. 12a. **Program money transfer.** Unencumbered balances of money appropriated
10.25 for the purpose of loans or grants for agency programs under these subdivisions may be
10.26 transferred between programs created by these subdivisions or in accordance with section
10.27 462A.20, subdivision 3. Prior to making a transfer pursuant to this subdivision, the agency
10.28 must notify the chairs and ranking minority members of the legislative committees having
10.29 jurisdiction over housing finance and policy.

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

11.1 **Sec. 7. [462A.45] LIVED-EXPERIENCE ENGAGEMENT EXEMPTION.**

11.2 (a) Notwithstanding any law to the contrary, income received from lived-experience
11.3 engagement is not considered income, assets, or personal property for purposes of
11.4 determining eligibility or recertifying eligibility for state public assistance, including but
11.5 not limited to:

11.6 (1) child care assistance programs under chapter 142E;

11.7 (2) general assistance, Minnesota supplemental aid, and food support under chapters
11.8 142F and 256D;

11.9 (3) housing support under chapter 256I;

11.10 (4) Minnesota family investment program under chapter 142G; and

11.11 (5) economic assistance programs under chapter 256P.

11.12 (b) For purposes of this section, "lived-experience engagement" means the agency
11.13 engaging with people with relevant experience identified by the agency for the purposes of
11.14 (1) serving as a community reviewer of proposals submitted as part of an agency request
11.15 for proposals, or (2) gathering and sharing feedback on the impact of housing programs.

11.16 **Sec. 8. REPEALER.**

11.17 Minnesota Statutes 2024, section 462A.21, subdivision 5, is repealed.

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

APPENDIX
Article locations for H1141-2

ARTICLE 1 HOUSING APPROPRIATIONS..... Page.Ln 1.14
ARTICLE 2 HOUSING INFRASTRUCTURE BONDS..... Page.Ln 4.23
ARTICLE 3 HOUSING POLICY..... Page.Ln 7.9

APPENDIX
Repealed Minnesota Statutes: H1141-2

462A.21 HOUSING DEVELOPMENT FUND; ADVANCES, USE REPAYMENT.

Subd. 5. **Other agency purposes.** It may expend moneys in the fund, not otherwise appropriated, for such other agency purposes as previously enumerated in this chapter as the agency in its discretion shall determine and provide.