SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 3596

(SENATE AUTHORS: PORT, Fateh, Clark, Dibble and Champion)

DATE	D-PG	OFFICIAL STATUS
02/17/2026	6316	Introduction and first reading Referred to Housing and Homelessness Prevention
02/19/2026	6344	Author added Dibble
02/23/2026	6354a	Comm report: To pass as amended and re-refer to Taxes
	6355	Rule 12.10: report of votes in committee
03/04/2026	6470a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety
	6490a	Comm report: To pass as amended and re-refer to Finance
03/05/2026	6514a	Comm report: To pass as amended
	6514	Second reading
	6522	Author added Champion
03/11/2026	6602a	Special Order: Amended
	6619	Third reading Passed as amended See HF2438

A bill for an act

relating to taxation; aids to local governments; establishing a onetime emergency rental assistance aid for counties and Tribal governments; requiring the claims administrator to return unused funds; canceling a prior appropriation; temporarily extending time period to correct delinquent rent; appropriating money; requiring a report.

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

Section 1. **APPROPRIATION; EMERGENCY RENTAL ASSISTANCE AID.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "City" means a statutory or home rule charter city.

(c) "Commissioner" means the commissioner of revenue.

(d) "Household" means all individuals who occupy a single detached dwelling unit or a single unit of a multiple dwelling unit as their primary residence.

(e) "Eligible household" means a household that:

(1) has a rent obligation for the household's primary residence at an address in Minnesota;

(2) has income at or below 200 percent of federal poverty guidelines;

(3) experienced financial hardship after August 31, 2025, including but not limited to loss of income or unemployment; and

(4) is at risk of experiencing housing instability or homelessness, including but not limited to risk of lease termination or eviction.

(f) "Emergency rental assistance" means direct financial support for any or all of the following rent obligations for an eligible household's primary residence:

(1) up to two months of prospective rent;

(2) rent arrears incurred after August 31, 2025;

(3) up to two months of prospective utility costs;

(4) utility arrears incurred after August 31, 2025; or

(5) fines and fees related to nonpayment of rent or utilities.

(g) "Median rent" means the most recent estimates of median gross rent made or conducted by the United States Bureau of the Census that are available as of the effective date of this section. For Tribal land that does not have an estimate of median gross rent available for any of the preceding three years, median rent means the average of the most recent estimates of median gross rent made or conducted by the United States Bureau of the Census that are available as of the effective date of this section for the Minnesota counties in which the Tribal land is physically located.

(h) "Tribal government" means any of the 11 federally recognized Indian Tribes located wholly or partially in Minnesota.

(i) "Tribal land" means all on- and off-reservation land subject to the civil regulatory jurisdiction of a particular Tribal government.

Subd. 2. **Distribution.** (a) The commissioner must calculate the amount of emergency rental assistance aid payable to each county and Tribal government under this section.

(b) Each county shall receive an amount of aid calculated using the county distribution formula under Minnesota Statutes, section 477A.30, subdivision 3; the population data and distribution factors used to certify aids payable in 2026 under Minnesota Statutes, section 477A.30; and the appropriation amount provided in subdivision 7 for aid to counties.

(c) No later than ten days after the effective date of this section, a Tribal government may notify the commissioner in the form and manner prescribed by the commissioner that the Tribal government declines to receive aid under this section. Each Tribal government that does not decline to receive aid by the deadline imposed under this paragraph shall receive an equal share of the appropriation amount provided in subdivision 7 for aid to Tribal governments.

Subd. 3. **Use of proceeds; administration.** (a) Of the aid received under this section, each county and Tribal government must use:

(1) 95 percent of the payment amount to provide emergency rental assistance to eligible households; and

(2) five percent of the payment amount to evaluate compliance with the requirements of this section, detect and prevent misuse of aid received and emergency rental assistance distributed under this section, and prosecute fraud related to this section.

(b) Emergency rental assistance under this section may be administered by the same entities allowed to administer family homeless prevention and assistance projects or programs under Minnesota Statutes, section 477A.30, subdivision 4, paragraph (a).

(c) Emergency rental assistance under this section may be administered by:

(1) a county;

(2) a group of contiguous counties jointly acting together;

(3) a city;

(4) a group of contiguous cities jointly acting together;

(5) a Tribal government;

(6) a group of Tribal governments; or

(7) a community-based nonprofit organization that administered family homeless prevention and assistance projects or programs under Minnesota Statutes, section 477A.30, subdivision 4, paragraph (a), at any time between January 1, 2025, and the effective date of this section.

(d) Entities that administer emergency rental assistance under this section must require an applicant to submit the documentation needed to verify that the applicant is an eligible household and to determine the amount of emergency rental assistance the applicant needs. Applicant self-attestation alone is insufficient for eligibility verification and need determination.

(e) Eligible households that include at least one minor must be prioritized in the distribution of emergency rental assistance under this section.

(f) Each eligible household may receive a total amount of emergency rental assistance under this section no greater than five times the median rent for the county or Tribal land where the household's primary residence is located.

(g) Counties and Tribal governments must spend aid received under this section by the last day of the fourth month following the month of the effective date of this section. Counties

and Tribal governments must notify the commissioner of the amount of aid not spent by the deadline imposed under this paragraph and return that amount to the commissioner within three months of the spending deadline for cancellation to the general fund. The commissioner shall prescribe the form and manner of the notification and the return of unspent aid.

(h) Counties, Tribal governments, and entities that administer the program may not retain any portion of the funds received for administrative costs.

Subd. 4. **Data privacy.** Data on applicants or eligible households collected or created pursuant to this section is private data on individuals, as defined in Minnesota Statutes, section 13.02, subdivision 12, except the data may be disseminated to verify that an applicant is an eligible household.

Subd. 5. **Emergency rental assistance not income.** Notwithstanding any other law to the contrary to the extent permitted by federal law, emergency rental assistance distributed to eligible households under this section must not be considered income, assets, or personal property for purposes of determining or recertifying eligibility for state public assistance, including but not limited to:

(1) child care assistance programs under Minnesota Statutes, chapter 142E;

(2) food support under Minnesota Statutes, chapter 142F;

(3) the Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 142G;

(4) medical assistance under Minnesota Statutes, chapter 256B;

(5) general assistance and Minnesota supplemental aid under Minnesota Statutes, chapter 256D;

(6) housing support under Minnesota Statutes, chapter 256I;

(7) MinnesotaCare under Minnesota Statutes, chapter 256L; and

(8) economic assistance programs under Minnesota Statutes, chapter 256P.

Subd. 6. **Certification and payment.** No later than 15 days after the effective date of this section, the commissioner must:

(1) pay the emergency rental assistance aid calculated under subdivision 2 to each county and Tribal government; and

(2) certify the maximum amount of emergency rental assistance each eligible household may receive in each county and Tribal land under subdivision 3.

Subd. 7. **Appropriation.** (a) $40,000,000 in fiscal year 2026 is appropriated from the general fund to the commissioner of revenue for emergency rental assistance aid under this section. This is a onetime appropriation.

(b) Of the amount appropriated in paragraph (a), $35,200,000 is for aid to counties and $4,800,000 is for aid to Tribal governments.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the commissioner may not retain any portion of the amount appropriated in paragraph (a) for administrative costs of this section.

Subd. 8. **Report.** (a) Beginning 45 days after the effective date of this section and every 30 days thereafter, each county and Tribal government that receives aid under this section must submit the following information to the commissioner in the form and manner prescribed by the commissioner for each entity that administers emergency rental assistance on behalf of the county or Tribal government:

(1) the total number of households to which emergency rental assistance was distributed;

(2) demographic characteristics of recipient households, including household size, income, and how many include at least one minor;

(3) the minimum, mean, median, and maximum amounts of emergency rental assistance distributed per recipient household;

(4) the number of households to which the maximum amount of emergency rental assistance allowed under subdivision 3 was distributed; and

(5) of the aid amount received, how much was spent and how much remains unspent.

The final submission required of each county and Tribal government is due after the county or Tribal government spends all aid received under this section or returns aid not spent to the commissioner under subdivision 3, paragraph (g).

(b) Beginning 60 days after the effective date of this section and every 30 days thereafter, the commissioner must submit the following information in a report to the legislative auditor and to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and housing, and file the report with the Legislative Reference Library in compliance with Minnesota Statutes, section 3.195:

(1) a compilation of the information received from counties and Tribal governments under paragraph (a);

(2) a list of counties and Tribal governments that did not submit the information required under paragraph (a) to the commissioner, and a list of entities that administer emergency rental assistance on behalf of a county or Tribal government that did not submit the information required under paragraph (a) to the county or Tribal government; and

(3) for the final report only, the amount of aid returned to the commissioner and canceled to the general fund under subdivision 3, paragraph (g).

The final report required of the commissioner is due after all counties and Tribal governments spend all aid received under this section or return all aid not spent to the commissioner under subdivision 3, paragraph (g).

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

Sec. 2. **RETURN OF UNUSED TAX-FORFEITED SETTLEMENT APPROPRIATION; CANCELLATION.**

Subdivision 1. **Return of funds.** Notwithstanding Laws 2024, chapter 113, section 1, subdivision 5, on June 29, 2026, the claims administrator appointed under Laws 2024, chapter 113, to settle litigation related to the state's retention of tax-forfeited lands, surplus proceeds from the sale of tax-forfeited lands, and mineral rights in those lands, must return to the commissioner of management and budget the lesser of $40,000,000 or the amount of the appropriation under Laws 2024, chapter 113, section 1, subdivision 5, that is not needed to settle claims under Laws 2024, chapter 113.

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

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

Sec. 3. **EXTENSION OF TIME PERIOD TO CORRECT RENT DELINQUENCY.**

(a) Notwithstanding Minnesota Statutes, section 504B.321, subdivision 1a, paragraph (a), clause (6), and paragraph (c), if the residential tenant fails to correct the rent delinquency within 30 days of the delivery or mailing of the notice, or the number of days required by a local government rule or law if the notice period prior to an eviction required by the local government is longer than 30 days, or fails to vacate, then the landlord may bring an eviction

action under Minnesota Statutes, section 504B.321, subdivision 1, based on nonpayment of rent.

(b) The landlord must provide the following statement in the notice required under Minnesota Statutes, section 504B.321, subdivision 1a, paragraph (a): "Your landlord can file an eviction case if you do not pay the total amount due or move out within 30 days from the date of this notice. Some local governments may have an eviction notice period longer than 30 days. The law requiring a notice of 30 days expires when funding for the emergency rental assistance payments expires. Upon expiration of the law, the current law notice of 14 days under Minnesota Statutes, section 504B.321, subdivision 1a, applies, unless a local government has provided a longer notice period.

(c) This section expires on the last day of the fourth month following the month of the effective date of this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to eviction actions filed on or after that date.