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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4366

- 03/17/2022 Authored by Sundin, Vang, Klevorn, Lippert, Ecklund and others
The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy
- 04/08/2022 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 04/21/2022 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 04/25/2022 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
- 04/28/2022 Returned to the House as Amended by the Senate
Refused to concur and a Conference Committee was appointed

1.1 A bill for an act

1.2 relating to state government; establishing agriculture grant programs; making

1.3 policy and technical changes to agricultural and animal health provisions; modifying

1.4 provisions governing housing finance, housing policy, and various other

1.5 housing-related provisions; establishing housing grant and loan programs;

1.6 modifying the border-to-border broadband grant program; requiring reports;

1.7 transferring money; appropriating money; amending Minnesota Statutes 2020,

1.8 sections 17.041, subdivision 1; 17.117, subdivisions 9, 9a, 10, 11, 11a; 17.118,

1.9 subdivisions 1, 3, 4; 18B.01, by adding subdivisions; 18B.051; 18B.07, by adding

1.10 a subdivision; 18C.005, by adding subdivisions; 18C.201, by adding a subdivision;

1.11 21.81, by adding a subdivision; 21.86, subdivision 2; 28A.08, by adding a

1.12 subdivision; 28A.09, by adding a subdivision; 28A.10; 28A.21, subdivision 2;

1.13 35.155, subdivision 10; 41A.16, subdivisions 1, 2; 41A.17, subdivisions 1, 2;

1.14 41A.18, subdivisions 1, 2; 41B.047, subdivision 3; 116J.395, subdivision 7; 223.17,

1.15 subdivisions 4, 6; 363A.09, subdivisions 1, 2, by adding a subdivision; 462A.03,

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

1.17 14; 462A.201, subdivision 2; 462A.204, subdivisions 3, 8; 462A.21, subdivision

1.18 4a; 462A.22, subdivision 1; 462A.36, subdivision 4, by adding a subdivision;

1.19 462A.37, subdivisions 1, 2, 4, by adding subdivisions; 462A.38, subdivision 1;

1.20 462A.39, subdivisions 2, 5; 484.014, subdivisions 2, 3; 500.20, subdivision 2a;

1.21 504B.135; 504B.161, subdivision 1; 504B.211, subdivisions 2, 6; 504B.291;

1.22 504B.321; 504B.375, subdivision 1; 504B.381, subdivisions 1, 5, by adding a

1.23 subdivision; Minnesota Statutes 2021 Supplement, sections 41A.19; 41A.21,

1.24 subdivisions 2, 6; 462A.05, subdivision 14; 462A.37, subdivision 5; Laws 2021,

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

1.26 Session chapter 8, article 1, section 3, subdivision 11; proposing coding for new

1.27 law in Minnesota Statutes, chapters 17; 21; 462A; 504B.

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

2.2 **ARTICLE 1**

2.3 **AGRICULTURE APPROPRIATIONS**

2.4 Section 1. Laws 2021, First Special Session chapter 3, article 1, section 2, is amended to
 2.5 read:

2.6 **Sec. 2. DEPARTMENT OF AGRICULTURE**

2.7			59,303,000	59,410,000
2.8	Subdivision 1. Total Appropriation	\$	<u>63,803,000</u>	<u>\$ 107,910,000</u>

2.9	Appropriations by Fund			
2.10		2022	2023	
2.11		58,904,000	59,011,000	
2.12	General	<u>63,404,000</u>	<u>107,511,000</u>	
2.13	Remediation	399,000	399,000	

2.14 The amounts that may be spent for each
 2.15 purpose are specified in the following
 2.16 subdivisions.

2.17 **Subd. 2. Protection Services**

2.18	Appropriations by Fund			
2.19		2022	2023	
2.20			19,610,000	
2.21	General	19,384,000	<u>43,231,000</u>	
2.22	Remediation	399,000	399,000	

2.23 (a) \$399,000 the first year and \$399,000 the
 2.24 second year are from the remediation fund for
 2.25 administrative funding for the voluntary
 2.26 cleanup program.

2.27 (b) \$175,000 the first year and \$175,000 the
 2.28 second year are for compensation for
 2.29 destroyed or crippled livestock under
 2.30 Minnesota Statutes, section 3.737. The first
 2.31 year appropriation may be spent to compensate
 2.32 for livestock that were destroyed or crippled
 2.33 during fiscal year 2021. If the amount in the
 2.34 first year is insufficient, the amount in the

3.1 second year is available in the first year. The
3.2 commissioner may use up to \$5,000 each year
3.3 to reimburse expenses incurred by university
3.4 extension educators to provide fair market
3.5 values of destroyed or crippled livestock. If
3.6 the commissioner receives federal dollars to
3.7 pay claims for destroyed or crippled livestock,
3.8 an equivalent amount of this appropriation
3.9 may be used to reimburse nonlethal prevention
3.10 methods performed by federal wildlife services
3.11 staff.

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

3.28 If the commissioner determines that claims
3.29 made under Minnesota Statutes, section 3.737
3.30 or 3.7371, are unusually high, amounts
3.31 appropriated for either program may be
3.32 transferred to the appropriation for the other
3.33 program.

4.1 (d) \$225,000 the first year and \$225,000 the
4.2 second year are for additional funding for the
4.3 noxious weed and invasive plant program.

4.4 (e) \$2,000,000 the second year is for a transfer
4.5 to the noxious weed and invasive plant species
4.6 assistance account established under
4.7 Minnesota Statutes, section 18.89, for grants
4.8 to local units of government and Tribal
4.9 Nations for noxious weed detection, control,
4.10 and management. Of this amount, the
4.11 commissioner must award a onetime grant of
4.12 \$10,000 to each county to assist county
4.13 agricultural inspectors in the implementation
4.14 and enforcement of the Minnesota Noxious
4.15 Weed Law and to educate county residents
4.16 regarding agricultural topics, including but
4.17 not limited to noxious weeds. This is a onetime
4.18 appropriation.

4.19 ~~(e)~~ (f) \$50,000 the first year is for additional
4.20 funding for the industrial hemp program for
4.21 IT development. This is a onetime
4.22 appropriation and is available until June 30,
4.23 2023.

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

4.31 ~~(g)~~ (h) \$825,000 the first year and \$825,000
4.32 the second year are to replace capital
4.33 equipment in the Department of Agriculture's
4.34 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) \$100,000 the second year is to support
5.5 laboratory testing for the Minnesota meat and
5.6 poultry inspection program. The base for this
5.7 appropriation is \$50,000 in fiscal year 2024
5.8 and thereafter.

5.9 (k) \$6,500,000 the second year is for grants
5.10 to the Board of Regents of the University of
5.11 Minnesota to fund the Forever Green Initiative
5.12 and protect the state's natural resources while
5.13 increasing the efficiency, profitability, and
5.14 productivity of Minnesota farmers by
5.15 incorporating perennial and winter-annual
5.16 crops into existing agricultural practices. Of
5.17 this amount, up to \$5,000,000 is for equipment
5.18 and physical infrastructure to support breeding
5.19 and agronomic activities necessary to develop
5.20 perennial and winter-annual crops. This
5.21 appropriation is available until June 30, 2028.
5.22 The base for this appropriation is \$1,500,000
5.23 in fiscal year 2024 and thereafter.

5.24 (l) \$9,000,000 the second year is for grants to
5.25 organizations in Minnesota to develop
5.26 enterprises, supply chains, and markets for
5.27 continuous living cover crops and cropping
5.28 systems in the early stage of commercial
5.29 development, Kernza perennial grain, winter
5.30 camelina, hybrid hazelnuts, and elderberry. A
5.31 grant award must not exceed \$750,000 per
5.32 organization. A multiyear project may receive
5.33 grant dollars for up to three years. In
5.34 consultation with interested stakeholders, the
5.35 commissioner must develop a process to award

6.1 grants. At the time of application, the
6.2 commissioner must notify applicants of any
6.3 grant recipient requirements. The
6.4 commissioner must appoint a technical review
6.5 panel to review and rank eligible applicants
6.6 and give preference to applicants that are
6.7 well-positioned to expand the profitable
6.8 commercialization of the crops identified in
6.9 this paragraph. The technical review panel
6.10 must include at least one representative from
6.11 the University of Minnesota's Forever Green
6.12 Initiative and one representative from the
6.13 Agricultural Utilization Research Institute.
6.14 The commissioner must consider the
6.15 recommendations of the technical review panel
6.16 when selecting grant recipients. Beginning
6.17 February 1, 2023, and annually thereafter until
6.18 February 1, 2029, the commissioner must
6.19 submit a report on grant utilization to the
6.20 legislative committees with jurisdiction over
6.21 agriculture finance and policy. This is a
6.22 onetime appropriation and is available until
6.23 June 30, 2028.

6.24 (m) \$6,725,000 the second year is for the soil
6.25 health financial assistance program. This is a
6.26 onetime appropriation and is available until
6.27 June 30, 2027.

6.28 (n) \$2,000,000 the second year is for transfer
6.29 to the pollinator research account established
6.30 under Minnesota Statutes, section 18B.051.
6.31 This is a onetime appropriation.

6.32 (o) \$371,000 the second year is to regulate
6.33 plastic-coated fertilizer and plastic-coated
6.34 pesticide. The base for this appropriation is
6.35 \$358,000 in fiscal year 2024 and thereafter.

7.1 (p) \$100,000 is to develop and promote
 7.2 consumer guidance regarding seed treated with
 7.3 neonicotinoid pesticide under Minnesota
 7.4 Statutes, section 21.915. This is a onetime
 7.5 appropriation.

7.6 (q) \$425,000 is to analyze, develop, and plan
 7.7 a streamlined food safety regulatory program
 7.8 in Minnesota. This is a onetime appropriation
 7.9 and is available until June 30, 2025.

7.10	Subd. 3. Agricultural Marketing and		4,205,000
7.11	Development	4,200,000	<u>5,465,000</u>

7.12 (a) \$186,000 the first year and \$186,000 the
 7.13 second year are for transfer to the Minnesota
 7.14 grown account and may be used as grants for
 7.15 Minnesota grown promotion under Minnesota
 7.16 Statutes, section 17.102. Grants may be made
 7.17 for one year. Notwithstanding Minnesota
 7.18 Statutes, section 16A.28, the appropriations
 7.19 encumbered under contract on or before June
 7.20 30, 2023, for Minnesota grown grants in this
 7.21 paragraph are available until June 30, 2025.

7.22 (b) \$50,000 the first year is to expand
 7.23 international marketing opportunities for
 7.24 farmers and value-added processors, including
 7.25 in-market representation in Taiwan. This is a
 7.26 onetime appropriation and is available until
 7.27 June 30, 2023.

7.28 (c) \$634,000 the first year and \$634,000 the
 7.29 second year are for continuation of the dairy
 7.30 development and profitability enhancement
 7.31 programs including dairy profitability teams
 7.32 and dairy business planning grants under
 7.33 Minnesota Statutes, section 32D.30.

8.1 (d) \$50,000 the first year and \$50,000 the
8.2 second year are for additional funding for
8.3 mental health outreach and support to farmers
8.4 and others in the agricultural community,
8.5 including a 24-hour hotline, stigma reduction,
8.6 and educational offerings. These are onetime
8.7 appropriations.

8.8 (e) The commissioner may use funds
8.9 appropriated in this subdivision for annual
8.10 cost-share payments to resident farmers or
8.11 entities that sell, process, or package
8.12 agricultural products in this state for the costs
8.13 of organic certification. The commissioner
8.14 may allocate these funds for assistance to
8.15 persons transitioning from conventional to
8.16 organic agriculture.

8.17 (f) \$100,000 the first year and \$100,000 the
8.18 second year are for the farm safety grant and
8.19 outreach programs under Minnesota Statutes,
8.20 section 17.1195. Notwithstanding Minnesota
8.21 Statutes, section 16A.28, any unencumbered
8.22 balance does not cancel at the end of the first
8.23 year and is available in the second year. These
8.24 are onetime appropriations.

8.25 (g) \$54,000 the first year and \$109,000 the
8.26 second year are to maintain the current level
8.27 of service delivery.

8.28 (h) \$1,250,000 the second year is to create and
8.29 implement a program to support farmers
8.30 markets and direct marketing producers. Of
8.31 this amount, \$1,000,000 is for a grant to the
8.32 Minnesota Farmers' Market Association for
8.33 awards to farmers' markets not exceeding
8.34 \$5,000 per market location for equipment and
8.35 infrastructure. The Minnesota Farmers' Market

9.1 Association may use up to 6.5 percent of the
 9.2 grant awarded under this paragraph for
 9.3 administrative expenses. This is a onetime
 9.4 appropriation and is available until June 30,
 9.5 2024.

9.6 (i) \$10,000 the second year is to provide an
 9.7 interim report on the Statewide Cooperative
 9.8 Partnership for Local and Regional Markets,
 9.9 including recommendations for strengthening
 9.10 local and regional food systems. No later than
 9.11 February 1, 2023, the commissioner must
 9.12 submit the report to the legislative committees
 9.13 with jurisdiction over agriculture policy and
 9.14 finance. This is a onetime appropriation.

9.15	Subd. 4. Agriculture, Bioenergy, and Bioproduct		<u>25,357,000</u>
9.16	Advancement	25,343,000	<u>33,513,000</u>

9.17 (a) \$9,300,000 the first year and \$9,300,000
 9.18 the second year are for transfer to the
 9.19 agriculture research, education, extension, and
 9.20 technology transfer account under Minnesota
 9.21 Statutes, section 41A.14, subdivision 3. Of
 9.22 these amounts: at least \$600,000 the first year
 9.23 and \$600,000 the second year are for the
 9.24 Minnesota Agricultural Experiment Station's
 9.25 agriculture rapid response fund under
 9.26 Minnesota Statutes, section 41A.14,
 9.27 subdivision 1, clause (2); \$2,000,000 the first
 9.28 year and \$2,000,000 the second year are for
 9.29 grants to the Minnesota Agriculture Education
 9.30 Leadership Council to enhance agricultural
 9.31 education with priority given to Farm Business
 9.32 Management challenge grants; \$350,000 the
 9.33 first year and \$350,000 the second year are
 9.34 for potato breeding; and \$450,000 the first
 9.35 year and \$450,000 the second year are for the

10.1 cultivated wild rice breeding project at the
10.2 North Central Research and Outreach Center
10.3 to include a tenure track/research associate
10.4 plant breeder. The commissioner shall transfer
10.5 the remaining funds in this appropriation each
10.6 year to the Board of Regents of the University
10.7 of Minnesota for purposes of Minnesota
10.8 Statutes, section 41A.14. Of the amount
10.9 transferred to the Board of Regents, up to
10.10 \$1,000,000 each year is for research on avian
10.11 influenza, salmonella, and other turkey-related
10.12 diseases. By January 15, 2023, entities
10.13 receiving grants for potato breeding and wild
10.14 rice breeding are requested to report to the
10.15 chairs and ranking minority members of the
10.16 legislative committees with jurisdiction over
10.17 agriculture and higher education regarding the
10.18 use of the grant money and to provide an
10.19 update on the status of research and related
10.20 accomplishments.

10.21 To the extent practicable, money expended
10.22 under Minnesota Statutes, section 41A.14,
10.23 subdivision 1, clauses (1) and (2), must
10.24 supplement and not supplant existing sources
10.25 and levels of funding. The commissioner may
10.26 use up to one percent of this appropriation for
10.27 costs incurred to administer the program.

10.28 (b) \$16,028,000 the first year and ~~\$16,028,000~~
10.29 \$24,184,000 the second year are for the
10.30 agricultural growth, research, and innovation
10.31 program under Minnesota Statutes, section
10.32 41A.12. Except as provided below, the
10.33 commissioner may allocate the appropriation
10.34 each year among the following areas:
10.35 facilitating the start-up, modernization,

11.1 improvement, or expansion of livestock
11.2 operations including beginning and
11.3 transitioning livestock operations with
11.4 preference given to robotic dairy-milking
11.5 equipment; providing funding not to exceed
11.6 \$800,000 ~~each~~ the first year to develop and
11.7 enhance farm-to-school markets for Minnesota
11.8 farmers by providing more fruits, vegetables,
11.9 meat, grain, and dairy for Minnesota children
11.10 in school and child care settings including, at
11.11 the commissioner's discretion, reimbursing
11.12 schools for purchases from local farmers;
11.13 assisting value-added agricultural businesses
11.14 to begin or expand, to access new markets, or
11.15 to diversify, including plant-based foods and
11.16 aquaponics systems; providing funding not to
11.17 exceed \$600,000 ~~each~~ the first year for urban
11.18 youth agricultural education or urban
11.19 agriculture community development of which
11.20 \$10,000 ~~each year~~ is for transfer to the
11.21 emerging farmer account under Minnesota
11.22 Statutes, section 17.055, subdivision 1a;
11.23 providing funding not to exceed \$450,000
11.24 ~~each~~ the first year for the good food access
11.25 program under Minnesota Statutes, section
11.26 17.1017; facilitating the start-up,
11.27 modernization, or expansion of other
11.28 beginning and transitioning farms including
11.29 by providing loans under Minnesota Statutes,
11.30 section 41B.056; sustainable agriculture
11.31 on-farm research and demonstration;
11.32 development or expansion of food hubs and
11.33 other alternative community-based food
11.34 distribution systems; enhancing renewable
11.35 energy infrastructure and use; crop research;
11.36 Farm Business Management tuition assistance;

12.1 and good agricultural practices and good
12.2 handling practices certification assistance. The
12.3 commissioner may use up to 6.5 percent of
12.4 this appropriation for costs incurred to
12.5 administer the program.

12.6 Of the amount appropriated for the agricultural
12.7 growth, research, and innovation program
12.8 under Minnesota Statutes, section 41A.12:

12.9 (1) \$1,000,000 the first year and \$1,000,000
12.10 the second year are for distribution in equal
12.11 amounts to each of the state's county fairs to
12.12 preserve and promote Minnesota agriculture;

12.13 (2) ~~\$4,500,000~~ the first year and ~~\$4,500,000~~
12.14 \$7,500,000 the second year are for incentive
12.15 payments and paying claims not otherwise
12.16 paid under Minnesota Statutes, sections
12.17 41A.16, 41A.17, 41A.18, and 41A.20.

12.18 Notwithstanding Minnesota Statutes, section
12.19 16A.28, the first year appropriation is
12.20 available until June 30, 2023, and the second
12.21 year appropriation is available until June 30,
12.22 2024. If this appropriation exceeds the total
12.23 amount for which all producers are eligible in
12.24 a fiscal year, the balance of the appropriation
12.25 is available for other purposes under this
12.26 paragraph. The base appropriation under this
12.27 clause is \$6,500,000 in fiscal year 2024 and
12.28 thereafter;

12.29 (3) \$3,000,000 the first year and \$3,000,000
12.30 the second year are for grants that enable retail
12.31 petroleum dispensers, fuel storage tanks, and
12.32 other equipment to dispense biofuels to the
12.33 public in accordance with the biofuel
12.34 replacement goals established under
12.35 Minnesota Statutes, section 239.7911. A retail

13.1 petroleum dispenser selling petroleum for use
13.2 in spark ignition engines for vehicle model
13.3 years after 2000 is eligible for grant money
13.4 under this clause if the retail petroleum
13.5 dispenser has no more than 10 retail petroleum
13.6 dispensing sites and each site is located in
13.7 Minnesota. The grant money must be used to
13.8 replace or upgrade equipment that does not
13.9 have the ability to be certified for E25. A grant
13.10 award must not exceed 65 percent of the cost
13.11 of the appropriate technology. A grant award
13.12 must not exceed \$200,000 per station. The
13.13 commissioner must cooperate with biofuel
13.14 stakeholders in the implementation of the grant
13.15 program. The commissioner, in cooperation
13.16 with any economic or community development
13.17 financial institution and any other entity with
13.18 which it contracts, must submit a report on the
13.19 biofuels infrastructure financial assistance
13.20 program by January 15 of each year to the
13.21 chairs and ranking minority members of the
13.22 legislative committees and divisions with
13.23 jurisdiction over agriculture policy and
13.24 finance. The annual report must include but
13.25 not be limited to a summary of the following
13.26 metrics: (i) the number and types of projects
13.27 financed; (ii) the amount of dollars leveraged
13.28 or matched per project; (iii) the geographic
13.29 distribution of financed projects; (iv) any
13.30 market expansion associated with upgraded
13.31 infrastructure; (v) the demographics of the
13.32 areas served; (vi) the costs of the program;
13.33 and (vii) the number of grants to
13.34 minority-owned or female-owned businesses;
13.35 (4) ~~\$750,000~~ the first year and ~~\$750,000~~
13.36 \$3,750,000 the second year are for grants to

14.1 facilitate the start-up, modernization, or
14.2 expansion of meat, poultry, egg, and milk
14.3 processing facilities. A grant award under this
14.4 clause must not exceed \$200,000. Any
14.5 unencumbered balance at the end of the second
14.6 year does not cancel until June 30, 2024, and
14.7 may be used for other purposes under this
14.8 paragraph. The appropriations under this
14.9 clause are onetime; ~~and~~
14.10 (5) \$1,400,000 the first year and \$1,400,000
14.11 the second year are for livestock investment
14.12 grants under Minnesota Statutes, section
14.13 17.118. Any unencumbered balance at the end
14.14 of the second year does not cancel until June
14.15 30, 2024, and may be used for other purposes
14.16 under this paragraph. The appropriations under
14.17 this clause are onetime;

14.18 (6) \$300,000 the second year is for farm
14.19 business management tuition assistance with
14.20 priority to specialty crop farmers, urban
14.21 farmers, and farmers facing mediation, and
14.22 support for new urban and specialty crop
14.23 instructor positions, including translation and
14.24 outreach. Any unencumbered balance at the
14.25 end of the second year does not cancel and is
14.26 available until June 30, 2024. The
14.27 appropriation under this clause is onetime;

14.28 (7) \$1,600,000 the second year is to develop
14.29 and enhance farm-to-school markets for
14.30 Minnesota farmers by providing more fruits,
14.31 vegetables, meat, grain, and dairy for
14.32 Minnesota children in school and child care
14.33 settings, including reimbursing schools and
14.34 child care providers for purchases from local
14.35 farmers;

15.1 (8) \$1,000,000 the second year is for urban
 15.2 youth agricultural education or urban
 15.3 agriculture community development. Of this
 15.4 amount, \$10,000 is for transfer to the
 15.5 emerging farmer account under Minnesota
 15.6 Statutes, section 17.055, subdivision 1a; and

15.7 (9) \$1,000,000 the second year is for the good
 15.8 food access program under Minnesota
 15.9 Statutes, section 17.1017.

15.10 Notwithstanding Minnesota Statutes, section
 15.11 16A.28, any unencumbered balance does not
 15.12 cancel at the end of the first year and is
 15.13 available for the second year, and
 15.14 appropriations encumbered under contract on
 15.15 or before June 30, 2023, for agricultural
 15.16 growth, research, and innovation grants are
 15.17 available until June 30, 2026.

15.18 The base amount for the agricultural growth,
 15.19 research, and innovation program is
 15.20 ~~\$16,053,000~~ \$18,995,000 in fiscal year 2024
 15.21 and ~~\$16,053,000~~ \$18,995,000 in fiscal year
 15.22 2025, and includes funding for incentive
 15.23 payments under Minnesota Statutes, sections
 15.24 41A.16, 41A.17, 41A.18, and 41A.20.

15.25 (c) \$15,000 the first year and \$29,000 the
 15.26 second year are to maintain the current level
 15.27 of service delivery.

15.28	Subd. 5. Administration and Financial	9,977,000	9,839,000
15.29	Assistance	<u>14,477,000</u>	<u>25,302,000</u>

15.30 (a) \$474,000 the first year and \$474,000 the
 15.31 second year are for payments to county and
 15.32 district agricultural societies and associations
 15.33 under Minnesota Statutes, section 38.02,
 15.34 subdivision 1. Aid payments to county and

16.1 district agricultural societies and associations
16.2 shall be disbursed no later than July 15 of each
16.3 year. These payments are the amount of aid
16.4 from the state for an annual fair held in the
16.5 previous calendar year.

16.6 (b) \$387,000 the first year and \$337,000 the
16.7 second year are for farm advocate services.
16.8 Of these amounts, \$100,000 the first year and
16.9 \$50,000 the second year are for a pilot
16.10 program creating farmland access teams to
16.11 provide technical assistance to potential
16.12 beginning farmers. The farmland access teams
16.13 must assist existing farmers and beginning
16.14 farmers on transitioning farm ownership and
16.15 operation. Services provided by teams may
16.16 include but are not limited to providing
16.17 mediation assistance, designing contracts,
16.18 financial planning, tax preparation, estate
16.19 planning, and housing assistance. Of this
16.20 amount for farm transitions, up to \$50,000 the
16.21 first year may be used to upgrade the
16.22 Minnesota FarmLink web application that
16.23 connects farmers looking for land with farmers
16.24 looking to transition their land.

16.25 (c) \$47,000 the first year and \$47,000 the
16.26 second year are for grants to the Northern
16.27 Crops Institute that may be used to purchase
16.28 equipment. These are onetime appropriations.

16.29 (d) \$238,000 the first year and ~~\$238,000~~
16.30 \$260,000 the second year are for ~~transfer to~~
16.31 ~~the Board of Trustees of the Minnesota State~~
16.32 ~~Colleges and Universities for statewide mental~~
16.33 ~~health counseling support to farm families and~~
16.34 ~~business operators through the Minnesota State~~
16.35 ~~Agricultural Centers of Excellence. South~~

17.1 ~~Central College and Central Lakes College~~
17.2 ~~shall serve as the fiscal agents. a pass-through~~
17.3 ~~grant to Region Five Development~~
17.4 ~~Commission to provide, in collaboration with~~
17.5 ~~Farm Business Management, statewide mental~~
17.6 ~~health counseling support to Minnesota farm~~
17.7 ~~operators, families, and employees, and~~
17.8 ~~individuals who work with Minnesota farmers~~
17.9 ~~in a professional capacity. Region Five~~
17.10 ~~Development Commission may use up to 6.5~~
17.11 ~~percent of the grant awarded under this~~
17.12 ~~paragraph for administration.~~

17.13 (e) \$1,700,000 the first year and \$1,700,000
17.14 the second year are for grants to Second
17.15 Harvest Heartland on behalf of Minnesota's
17.16 six Feeding America food banks for the
17.17 following:

17.18 (1) to purchase milk for distribution to
17.19 Minnesota's food shelves and other charitable
17.20 organizations that are eligible to receive food
17.21 from the food banks. Milk purchased under
17.22 the grants must be acquired from Minnesota
17.23 milk processors and based on low-cost bids.
17.24 The milk must be allocated to each Feeding
17.25 America food bank serving Minnesota
17.26 according to the formula used in the
17.27 distribution of United States Department of
17.28 Agriculture commodities under The
17.29 Emergency Food Assistance Program. Second
17.30 Harvest Heartland may enter into contracts or
17.31 agreements with food banks for shared funding
17.32 or reimbursement of the direct purchase of
17.33 milk. Each food bank that receives funding
17.34 under this clause may use up to two percent
17.35 for administrative expenses;

18.1 (2) to compensate agricultural producers and
18.2 processors for costs incurred to harvest and
18.3 package for transfer surplus fruits, vegetables,
18.4 and other agricultural commodities that would
18.5 otherwise go unharvested, be discarded, or
18.6 sold in a secondary market. Surplus
18.7 commodities must be distributed statewide to
18.8 food shelves and other charitable organizations
18.9 that are eligible to receive food from the food
18.10 banks. Surplus food acquired under this clause
18.11 must be from Minnesota producers and
18.12 processors. Second Harvest Heartland may
18.13 use up to 15 percent of each grant awarded
18.14 under this clause for administrative and
18.15 transportation expenses; and

18.16 (3) to purchase and distribute protein products,
18.17 including but not limited to pork, poultry, beef,
18.18 dry legumes, cheese, and eggs to Minnesota's
18.19 food shelves and other charitable organizations
18.20 that are eligible to receive food from the food
18.21 banks. Second Harvest Heartland may use up
18.22 to two percent of each grant awarded under
18.23 this clause for administrative expenses. Protein
18.24 products purchased under the grants must be
18.25 acquired from Minnesota processors and
18.26 producers.

18.27 Of the amount appropriated under this
18.28 paragraph, at least \$600,000 each year must
18.29 be allocated under clause (1). Notwithstanding
18.30 Minnesota Statutes, section 16A.28, any
18.31 unencumbered balance the first year does not
18.32 cancel and is available in the second year.
18.33 Second Harvest Heartland must submit
18.34 quarterly reports to the commissioner and the
18.35 chairs and ranking minority members of the

19.1 legislative committees with jurisdiction over
19.2 agriculture finance in the form prescribed by
19.3 the commissioner. The reports must include
19.4 but are not limited to information on the
19.5 expenditure of funds, the amount of milk or
19.6 other commodities purchased, and the
19.7 organizations to which this food was
19.8 distributed.

19.9 (f) \$250,000 the first year and \$250,000 the
19.10 second year are for grants to the Minnesota
19.11 Agricultural Education and Leadership
19.12 Council for programs of the council under
19.13 Minnesota Statutes, chapter 41D.

19.14 (g) \$1,437,000 the first year and \$1,437,000
19.15 the second year are for transfer to the
19.16 agricultural and environmental revolving loan
19.17 account established under Minnesota Statutes,
19.18 section 17.117, subdivision 5a, for low-interest
19.19 loans under Minnesota Statutes, section
19.20 17.117. The base for appropriations under this
19.21 paragraph in fiscal year 2024 and thereafter
19.22 is \$1,425,000. The commissioner must
19.23 examine how the department could use up to
19.24 one-third of the amount transferred to the
19.25 agricultural and environmental revolving loan
19.26 account under this paragraph to award grants
19.27 to rural landowners to replace septic systems
19.28 that inadequately protect groundwater. No
19.29 later than February 1, 2022, the commissioner
19.30 must report to the legislative committees with
19.31 jurisdiction over agriculture finance and
19.32 environment finance on the results of the
19.33 examination required under this paragraph.
19.34 The commissioner's report may include other

20.1 funding sources for septic system replacement
20.2 that are available to rural landowners.

20.3 (h) \$150,000 the first year and \$150,000 the
20.4 second year are for grants to the Center for
20.5 Rural Policy and Development. These are
20.6 onetime appropriations.

20.7 (i) \$150,000 the first year is to provide grants
20.8 to Central Lakes College for the purposes of
20.9 designing, building, and offering credentials
20.10 in the area of meat cutting and butchery that
20.11 align with industry needs as advised by local
20.12 industry advisory councils. Notwithstanding
20.13 Minnesota Statutes, section 16A.28, any
20.14 unencumbered balance does not cancel at the
20.15 end of the first year and is available for the
20.16 second year. The commissioner may only
20.17 award a grant under this paragraph if the grant
20.18 is matched by a like amount from another
20.19 funding source. The commissioner must seek
20.20 matching dollars from Minnesota State
20.21 Colleges and Universities or other entities.
20.22 The appropriation is onetime and is available
20.23 until June 30, 2024. Any money remaining on
20.24 June 30, 2024, must be transferred to the
20.25 agricultural growth, research, and innovation
20.26 program under Minnesota Statutes, section
20.27 41A.12, and is available until June 30, 2025.
20.28 Grants may be used for costs including but
20.29 not limited to:

20.30 (1) facility renovation to accommodate meat
20.31 cutting;

20.32 (2) curriculum design and approval from the
20.33 Higher Learning Commission;

20.34 (3) program operational start-up costs;

- 21.1 (4) equipment required for a meat cutting
21.2 program; and
- 21.3 (5) meat handling start-up costs in regard to
21.4 meat access and market channel building.
- 21.5 No later than January 15, 2023, Central Lakes
21.6 College must submit a report outlining the use
21.7 of grant money to the chairs and ranking
21.8 minority members of the legislative
21.9 committees and divisions with jurisdiction
21.10 over agriculture and higher education.
- 21.11 (j) \$2,000 the first year is for grants to the
21.12 Minnesota State Poultry Association. This is
21.13 a onetime appropriation. Notwithstanding
21.14 Minnesota Statutes, section 16A.28, any
21.15 unencumbered balance does not cancel at the
21.16 end of the first year and is available for the
21.17 second year.
- 21.18 (k) \$17,000 the first year and \$17,000 the
21.19 second year are for grants to the Minnesota
21.20 State Horticultural Society. These are onetime
21.21 appropriations.
- 21.22 (l) \$18,000 the first year and \$18,000 the
21.23 second year are for grants to the Minnesota
21.24 Livestock Breeders Association. These are
21.25 onetime appropriations.
- 21.26 (m) The commissioner shall continue to
21.27 increase connections with ethnic minority and
21.28 immigrant farmers to farming opportunities
21.29 and farming programs throughout the state.
- 21.30 (n) \$25,000 the first year and \$25,000 the
21.31 second year are for grants to the Southern
21.32 Minnesota Initiative Foundation to promote
21.33 local foods through an annual event that raises
21.34 public awareness of local foods and connects

22.1 local food producers and processors with
22.2 potential buyers.

22.3 (o) \$75,000 the first year and \$75,000 the
22.4 second year are for grants to Greater Mankato
22.5 Growth, Inc., for assistance to
22.6 agriculture-related businesses to promote jobs,
22.7 innovation, and synergy development. These
22.8 are onetime appropriations.

22.9 (p) \$75,000 the first year and \$75,000 the
22.10 second year are for grants to the Minnesota
22.11 Turf Seed Council for basic and applied
22.12 research. The Minnesota Turf Seed Council
22.13 may subcontract with a qualified third party
22.14 for some or all of the basic or applied research.
22.15 No later than January 15, 2023, the Minnesota
22.16 Turf Seed Council must submit a report
22.17 outlining the use of the grant money and
22.18 related accomplishments to the chairs and
22.19 ranking minority members of the legislative
22.20 committees with jurisdiction over agriculture.
22.21 ~~These are onetime appropriations.~~ Any
22.22 unencumbered balance does not cancel at the
22.23 end of the first year and is available for the
22.24 second year.

22.25 (q) \$150,000 the first year and \$150,000 the
22.26 second year are to establish an emerging
22.27 farmer office and hire a full-time emerging
22.28 farmer outreach coordinator. The emerging
22.29 farmer outreach coordinator must engage and
22.30 support emerging farmers regarding resources
22.31 and opportunities available throughout the
22.32 Department of Agriculture and the state. For
22.33 purposes of this paragraph, "emerging farmer"
22.34 has the meaning provided in Minnesota
22.35 Statutes, section 17.055, subdivision 1. Of the

23.1 amount appropriated each year, \$25,000 is for
23.2 translation services for farmers and cottage
23.3 food producers.

23.4 (r) \$222,000 the first year and \$286,000 the
23.5 second year are to maintain the current level
23.6 of service delivery.

23.7 (s) \$2,600,000 the second year is for grants to
23.8 organizations to:

23.9 (1) provide technical and culturally appropriate
23.10 services to emerging farmers and related
23.11 businesses; and

23.12 (2) help emerging farmers pay for up to two
23.13 years of coverage under the federal micro farm
23.14 insurance program.

23.15 The commissioner may use up to 6.5 percent
23.16 of this appropriation for administrative costs.

23.17 This is a onetime appropriation and is
23.18 available until June 30, 2024.

23.19 (t) \$2,000,000 the second year is to support
23.20 the IT modernization efforts, including laying
23.21 the technology foundations needed for
23.22 improving customer interactions with the
23.23 department for licensing and payments. This
23.24 is a onetime appropriation and is available
23.25 until June 30, 2025.

23.26 (u) \$4,500,000 the first year is for transfer to
23.27 the agricultural emergency account established
23.28 under Minnesota Statutes, section 17.041, for
23.29 emergency preparedness and response
23.30 activities. Of this amount, up to \$1,500,000 is
23.31 for the University of Minnesota Veterinary
23.32 Diagnostic Laboratory. This is a onetime
23.33 appropriation.

- 24.1 (v) \$3,000,000 the second year is for grants
24.2 to Second Harvest Heartland for hunger relief.
24.3 Of this amount, \$500,000 is for The Good
24.4 Acre's Local Emergency Assistance Farmer
24.5 Fund (LEAFF) program. The base for this
24.6 appropriation is \$1,350,000 in fiscal year 2024
24.7 and \$1,300,000 in fiscal year 2025, of which
24.8 \$250,000 each year is for the LEAFF program.
- 24.9 (w) \$500,000 the second year is for transfer
24.10 to the Board of Trustees of the Minnesota
24.11 State Colleges and Universities to support
24.12 livestock processing technical education at
24.13 Central Lakes College and Ridgewater
24.14 College. Money may be used for the purposes
24.15 included in paragraph (i) and for student
24.16 financial assistance and outreach to
24.17 prospective students and employers. The
24.18 commissioner may only transfer money under
24.19 this paragraph if the transferred amount is
24.20 matched by a like amount from another
24.21 funding source. This is a onetime
24.22 appropriation and is available until June 30,
24.23 2024.
- 24.24 (x) \$141,000 the second year is for additional
24.25 funding to administer the beginning farmer
24.26 tax credit. The base for this appropriation is
24.27 \$56,000 in fiscal year 2024 and \$0 in fiscal
24.28 year 2025.
- 24.29 (y) \$1,500,000 the second year is for a grant
24.30 to the Ag Innovation Campus to continue
24.31 construction of a soybean processing and
24.32 research facility. This is a onetime
24.33 appropriation.
- 24.34 (z) \$100,000 the second year is to provide
24.35 technical assistance and leadership in the

25.1 development of a comprehensive and
25.2 well-documented state aquaculture plan. The
25.3 commissioner must provide the state
25.4 aquaculture plan to the legislative committees
25.5 with jurisdiction over agriculture finance and
25.6 policy by February 15, 2024. This is a onetime
25.7 appropriation and is available until June 30,
25.8 2024.

25.9 (aa) \$3,000,000 the second year is to award
25.10 and administer down payment assistance
25.11 grants under Minnesota Statutes, section
25.12 17.133. The base for this appropriation is
25.13 \$1,000,000 in fiscal year 2024 and thereafter.

25.14 (bb) \$1,000,000 the second year is for transfer
25.15 to the Board of Regents of the University of
25.16 Minnesota to evaluate, propagate, and
25.17 maintain the genetic diversity of oilseeds,
25.18 grains, grasses, legumes, and other plants
25.19 including flax, timothy, barley, rye, triticale,
25.20 alfalfa, orchard grass, clover, and other species
25.21 and varieties that were in commercial
25.22 distribution and use in Minnesota before 1970,
25.23 excluding wild rice. This appropriation
25.24 includes funding for associated extension and
25.25 outreach to small and BIPOC farmers. This is
25.26 a onetime appropriation.

25.27 (cc) \$100,000 the second year is for grants
25.28 and other forms of financial assistance to meat
25.29 and poultry processors with no more than 50
25.30 full-time equivalent employees to reimburse
25.31 costs incurred to attend courses or trainings
25.32 or receive technical assistance during fiscal
25.33 year 2023 that support the processors'
25.34 development of sanitation standard operating
25.35 procedures, hazard analysis critical control

26.1 point plans, or business plans. This is a
26.2 onetime appropriation.

26.3 (dd) \$500,000 the second year is for grants to
26.4 secondary career and technical education
26.5 programs for the purpose of offering
26.6 instruction in meat cutting and butchery. This
26.7 is a onetime appropriation and is available
26.8 until June 30, 2025. Grant-eligible costs
26.9 include but are not limited to:

26.10 (1) equipment required for a meat cutting
26.11 program;

26.12 (2) facility renovation to accommodate meat
26.13 cutting; and

26.14 (3) training faculty to teach the fundamentals
26.15 of meat processing.

26.16 The commissioner may issue grants of up to
26.17 \$100,000 under this paragraph, of which up
26.18 to ten percent may be used for faculty training.

26.19 The commissioner may prioritize applicants
26.20 that coordinate with meat cutting and butchery
26.21 programs at the Minnesota State Colleges and
26.22 Universities system and local industry
26.23 partners.

26.24 (ee) \$1,000,000 the second year is for a grant
26.25 or other form of financial assistance to the city
26.26 of South St. Paul to provide financial
26.27 assistance to any business engaged in the meat
26.28 processing industry and currently conducting
26.29 operations in a building or buildings
26.30 constructed on or before January 1, 1947, and
26.31 located east of Concord Street, north of Grand
26.32 Avenue, and south of Hardman Avenue in
26.33 South St. Paul. Costs eligible for financial
26.34 assistance include any one or combination of

27.1 the following costs incurred by the city of
 27.2 South St. Paul or a qualified business: site
 27.3 acquisition costs or costs associated with the
 27.4 exchange or transfer of real estate; relocation
 27.5 costs; predesign; design; sewer, water, and
 27.6 stormwater infrastructure; site preparation;
 27.7 engineering; and construction costs. This is a
 27.8 onetime appropriation and is available until
 27.9 June 30, 2024.

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

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

27.12	Sec. 4. AGRICULTURAL UTILIZATION		4,543,000		4,043,000
27.13	RESEARCH INSTITUTE	\$	<u>4,743,000</u>	\$	<u>7,243,000</u>

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

27.16 (b) \$500,000 the first year is for grants to
 27.17 organizations to acquire, host, and operate a
 27.18 mobile slaughter unit. The mobile unit must
 27.19 coordinate with Minnesota state two-year
 27.20 colleges that have meat cutting programs to
 27.21 accommodate training as it relates to animal
 27.22 slaughter. The mobile unit may coordinate
 27.23 with livestock producers who desire to provide
 27.24 value-added meat products by utilizing the
 27.25 mobile slaughter unit. The mobile unit may
 27.26 be used for research, training outside of the
 27.27 two-year colleges, and other activities that
 27.28 align with industry needs. The Agricultural
 27.29 Utilization Research Institute may only award
 27.30 a grant under this paragraph if the grant
 27.31 amount is matched by a like amount from
 27.32 another funding source. The Agricultural
 27.33 Utilization Research Institute must seek
 27.34 matching dollars from Minnesota State

28.1 Colleges and Universities or other entities for
28.2 purposes of this paragraph. The appropriation
28.3 under this paragraph is onetime and is
28.4 available until June 30, 2024. Any money
28.5 remaining on June 30, 2024, must be
28.6 transferred to the commissioner of agriculture
28.7 for the agricultural growth, research, and
28.8 innovation program under Minnesota Statutes,
28.9 section 41A.12, and is available until June 30,
28.10 2025. By January 15, 2023, the institute must
28.11 report to the chairs and ranking minority
28.12 members of the legislative committees with
28.13 jurisdiction over agriculture regarding the
28.14 status of the project, including the status of
28.15 the use of any state or matching dollars to
28.16 complete the project.

28.17 (c) \$2,000,000 the second year is to acquire
28.18 property, construct, and equip offices and
28.19 research laboratories and related infrastructure
28.20 at the Agricultural Utilization Research
28.21 Institute's Crookston and Waseca facilities.
28.22 This is a onetime appropriation.

28.23 (d) \$1,000,000 the second year is for
28.24 equipment upgrades, equipment replacement,
28.25 installation expenses, and laboratory
28.26 infrastructure at the Agricultural Utilization
28.27 Research Institute's laboratories in Crookston,
28.28 Marshall, and Waseca. This is a onetime
28.29 appropriation and is available until June 30,
28.30 2026.

28.31 (e) \$200,000 each year is to maintain the
28.32 current level of service delivery.

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

ARTICLE 2

AGRICULTURE STATUTORY CHANGES

Section 1. Minnesota Statutes 2020, section 17.041, subdivision 1, is amended to read:

Subdivision 1. **Establishment; appropriation.** An agricultural emergency account is established in the agricultural fund. Money in the account, including interest, is appropriated to the commissioner for emergency preparedness and response activities for agricultural emergencies affecting producers of livestock, poultry, crops, or other agricultural products. Eligible uses include agency costs directly attributed to preparing for and responding to agricultural emergencies and purchasing necessary equipment and reimbursing costs incurred by local units of government that are not eligible for reimbursement from other sources.

Sec. 2. [17.1016] COOPERATIVE GRANTS.

Subdivision 1. Definitions. For purposes of this section:

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

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

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

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

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

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

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

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

30.1 (c) The commissioner may receive applications and make grants up to \$50,000 to eligible
30.2 grantees for feasibility, marketing analysis, assistance with organizational development,
30.3 financing and managing new cooperatives, product development, development of business
30.4 and marketing plans, and predesign of facilities including site analysis, development of bid
30.5 specifications, preliminary blueprints and schematics, and completion of purchase agreements
30.6 and other necessary legal documents.

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

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

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

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

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

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

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

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

30.28 (3) shall identify, develop, determine eligibility, define and approve projects, designate
30.29 maximum loan amounts for projects, and certify completion of projects implemented under
30.30 this program. In areas where no local government unit has applied for funds under this
30.31 program, the commissioner may appoint a local government unit to review and certify

31.1 projects or the commissioner may assume the authority and responsibility of the local
31.2 government unit;

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

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

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

31.11 ~~(7)~~ (6) shall report to the commissioner annually the past and intended uses of allocations
31.12 awarded; and

31.13 ~~(8)~~ (7) may request additional funds in excess of their allocation when funds are available
31.14 in the agricultural and environmental revolving accounts, as long as all other allocation
31.15 awards to the local government unit have been used or committed.

31.16 (b) If a local government unit withdraws from participation in this program, the local
31.17 government unit, or the commissioner in accordance with the priorities established under
31.18 subdivision 6a, may designate another local government unit that is eligible under subdivision
31.19 6 as the new local government unit responsible for local administration of this program.
31.20 This designated local government unit may accept responsibility and administration of
31.21 allocations awarded to the former responsible local government unit.

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

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

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

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

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

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

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

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

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

32.14 ~~(i)~~ (h) The local lender is responsible for collecting repayments from borrowers. If a
32.15 borrower defaults on a loan issued by the local lender, it is the responsibility of the local
32.16 lender to obtain repayment from the borrower. Default on the part of borrowers shall have
32.17 no effect on the local lender's responsibility to repay its obligations to the commissioner
32.18 whether or not the local lender fully recovers defaulted amounts from borrowers.

32.19 ~~(j)~~ (i) The local lender shall provide sufficient collateral or protection to the commissioner
32.20 for the funds provided to the local lender. The commissioner must approve the collateral
32.21 or protection provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33.26 Sec. 8. Minnesota Statutes 2020, section 17.118, subdivision 1, is amended to read:

33.27 Subdivision 1. **Establishment.** The commissioner may award a livestock investment
33.28 grant to a person who raises livestock in this state equal to ten percent of the first ~~\$500,000~~
33.29 \$250,000 of qualifying expenditures, provided the person makes qualifying expenditures
33.30 of at least \$4,000. The commissioner may award multiple livestock investment grants to a

34.1 person over the life of the program ~~as long as the cumulative amount does not exceed~~
34.2 ~~\$50,000.~~

34.3 Sec. 9. Minnesota Statutes 2020, section 17.118, subdivision 3, is amended to read:

34.4 Subd. 3. **Eligibility.** ~~(a)~~ To be eligible for a livestock investment grant, a person must:

34.5 (1) be a resident of Minnesota or an entity specifically defined in section 500.24,
34.6 subdivision 2, that is eligible to own farmland and operate a farm in this state under section
34.7 500.24;

34.8 (2) be the principal operator of the farm;

34.9 (3) hold a feedlot registration, if required; and

34.10 (4) apply to the commissioner on forms prescribed by the commissioner including a
34.11 statement of the qualifying expenditures made during the qualifying period along with any
34.12 proof or other documentation the commissioner may require.

34.13 ~~(b) The \$50,000 maximum grant applies at the entity level for partnerships, S~~
34.14 ~~corporations, C corporations, trusts, and estates as well as at the individual level. In the case~~
34.15 ~~of married individuals, the grant is limited to \$50,000 for a married couple.~~

34.16 Sec. 10. Minnesota Statutes 2020, section 17.118, subdivision 4, is amended to read:

34.17 Subd. 4. **Process.** The commissioner, in consultation with the chairs and ranking minority
34.18 members of the house of representatives and senate committees with jurisdiction over
34.19 agriculture finance, shall develop competitive eligibility criteria and may allocate grants on
34.20 a needs basis. ~~The commissioner shall place any eligible unfunded applications on a waiting~~
34.21 ~~list and, notwithstanding subdivision 2, paragraph (d), give them consideration during the~~
34.22 ~~next fiscal year in which program funding is available.~~ The commissioner shall notify in
34.23 writing any applicant who applies for a grant and is ineligible under the provisions of this
34.24 section as well as any applicant whose application is received or reviewed after the fiscal
34.25 year funding limit has been reached.

34.26 Sec. 11. **[17.133] FARM DOWN PAYMENT ASSISTANCE GRANTS.**

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

34.29 (b) "Eligible farmer" means an individual who at the time that the grant is awarded:

35.1 (1) is a resident of Minnesota who intends to acquire farmland located within the state
35.2 and provide the majority of the day-to-day physical labor and management of the farm;

35.3 (2) grosses no more than \$250,000 per year from the sale of farm products; and

35.4 (3) has not, and whose spouse has not, at any time had a direct or indirect ownership
35.5 interest in farmland.

35.6 (c) "Farm down payment" means an initial, partial payment required by a lender or seller
35.7 to purchase farmland.

35.8 Subd. 2. **Grants.** The commissioner must award farm down payment assistance grants
35.9 of up to \$15,000 per eligible farmer. An eligible farmer must match the grant with at least
35.10 an equivalent amount of other funding. An eligible farmer must commit to own and farm
35.11 the land purchased with assistance provided under this section for at least five years. For
35.12 each year that a grant recipient does not own and farm the land during the five-year period,
35.13 the grant recipient must pay a penalty to the commissioner equal to 20 percent of the grant
35.14 amount.

35.15 **Sec. 12. [17.994] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.**

35.16 Subdivision 1. **Establishment.** The soil health financial assistance program is established
35.17 to promote soil health practices that mitigate climate change impacts, improve water quality,
35.18 and provide related public benefits.

35.19 Subd. 2. **Financial assistance.** (a) The commissioner may provide financial assistance
35.20 to local governments, private sector providers, or farmers to cover the costs of specialized
35.21 equipment and technology necessary to implement and sustain soil health practices, including
35.22 equipment technology purchases or subscriptions, services to landowners, and other
35.23 equipment purchases or financial assistance that the commissioner considers appropriate
35.24 to promote healthy soil.

35.25 (b) The commissioner must establish costs eligible for financial assistance under this
35.26 section.

35.27 (c) The commissioner must prioritize or weigh program implementation elements based
35.28 on considerations including:

35.29 (1) support for soil health principles;

35.30 (2) supporting participants or participation in the Minnesota agricultural water quality
35.31 certification program established under Minnesota Statutes, sections 17.9891 to 17.993;

35.32 (3) reducing or avoiding greenhouse gas emissions; and

36.1 (4) other beneficial public or private programs or initiatives to achieve program results.

36.2 Sec. 13. Minnesota Statutes 2020, section 18B.01, is amended by adding a subdivision to
36.3 read:

36.4 Subd. 20b. **Plastic.** "Plastic" means an organic or petroleum derivative synthetic or a
36.5 semisynthetic organic solid that is moldable, and to which additives or other substances
36.6 may have been added. Plastic does not mean natural polymers that have not been chemically
36.7 modified.

36.8 Sec. 14. Minnesota Statutes 2020, section 18B.01, is amended by adding a subdivision to
36.9 read:

36.10 Subd. 20c. **Plastic-coated pesticide.** "Plastic-coated pesticide" means a pesticide coated
36.11 with or microencapsulated by plastic.

36.12 Sec. 15. Minnesota Statutes 2020, section 18B.051, is amended to read:

36.13 **18B.051 POLLINATOR ~~HABITAT AND~~ RESEARCH ACCOUNT.**

36.14 Subdivision 1. **Account established.** A pollinator ~~habitat and~~ research account is
36.15 established in the agricultural fund. Money in the account, including interest, is appropriated
36.16 to the Board of Regents of the University of Minnesota for pollinator research and outreach
36.17 including, but not limited to:

36.18 (1) pesticide, parasite, and climate disruption impacts;

36.19 (2) science-based best practices; and

36.20 (3) the identification and establishment of habitat beneficial to pollinators.

36.21 Subd. 2. **Expiration.** This section expires July 1, ~~2022~~ 2025.

36.22 Sec. 16. Minnesota Statutes 2020, section 18B.07, is amended by adding a subdivision to
36.23 read:

36.24 Subd. 9. **Plastic-coated pesticide prohibited.** A person may not sell, offer for sale, use,
36.25 or apply a plastic-coated pesticide.

36.26 **EFFECTIVE DATE.** This section is effective January 1, 2025, for nonagricultural
36.27 pesticide, and January 1, 2026, for agricultural pesticide.

37.1 Sec. 17. Minnesota Statutes 2020, section 18C.005, is amended by adding a subdivision
37.2 to read:

37.3 Subd. 26a. **Plastic.** "Plastic" has the meaning given in section 18B.01, subdivision 20b.

37.4 Sec. 18. Minnesota Statutes 2020, section 18C.005, is amended by adding a subdivision
37.5 to read:

37.6 Subd. 26b. **Plastic-coated fertilizer.** "Plastic-coated fertilizer" means a fertilizer coated
37.7 with or microencapsulated by plastic.

37.8 Sec. 19. Minnesota Statutes 2020, section 18C.201, is amended by adding a subdivision
37.9 to read:

37.10 Subd. 8. **Plastic-coated fertilizer prohibited.** A person may not sell, offer for sale, use,
37.11 or apply a plastic-coated fertilizer.

37.12 **EFFECTIVE DATE.** This section is effective January 1, 2025, for nonagricultural
37.13 fertilizer, and January 1, 2026, for agricultural fertilizer.

37.14 Sec. 20. Minnesota Statutes 2020, section 21.81, is amended by adding a subdivision to
37.15 read:

37.16 Subd. 5a. **Coated agricultural seed.** "Coated agricultural seed" means any seed unit
37.17 covered with a coating material.

37.18 Sec. 21. Minnesota Statutes 2020, section 21.86, subdivision 2, is amended to read:

37.19 Subd. 2. **Miscellaneous violations.** No person may:

37.20 (a) detach, alter, deface, or destroy any label required in sections 21.82 and 21.83, alter
37.21 or substitute seed in a manner that may defeat the purposes of sections 21.82 and 21.83, or
37.22 alter or falsify any seed tests, laboratory reports, records, or other documents to create a
37.23 misleading impression as to kind, variety, history, quality, or origin of the seed;

37.24 (b) hinder or obstruct in any way any authorized person in the performance of duties
37.25 under sections 21.80 to 21.92;

37.26 (c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of
37.27 any lot of seed held under a stop sale order or attached tags, except with express permission
37.28 of the enforcing officer for the purpose specified;

38.1 (d) use the word "type" in any labeling in connection with the name of any agricultural
38.2 seed variety;

38.3 (e) use the word "trace" as a substitute for any statement which is required;

38.4 (f) plant any agricultural seed which the person knows contains weed seeds or noxious
38.5 weed seeds in excess of the limits for that seed; ~~or~~

38.6 (g) advertise or sell seed containing patented, protected, or proprietary varieties used
38.7 without permission of the patent or certificate holder of the intellectual property associated
38.8 with the variety of seed; or

38.9 (h) use or sell as food, feed, oil, or ethanol feedstock any seed treated with neonicotinoid
38.10 pesticide.

38.11 Sec. 22. **[21.915] PESTICIDE TREATED SEED USE AND DISPOSAL; CONSUMER**
38.12 **GUIDANCE REQUIRED.**

38.13 (a) The commissioner, in consultation with the commissioner of the Pollution Control
38.14 Agency, must develop and maintain consumer guidance regarding the proper use and disposal
38.15 of seed treated with neonicotinoid pesticide.

38.16 (b) A person selling seed treated with neonicotinoid pesticide at retail must post in a
38.17 conspicuous location the guidance developed by the commissioner under paragraph (a).

38.18 Sec. 23. Minnesota Statutes 2020, section 28A.08, is amended by adding a subdivision to
38.19 read:

38.20 Subd. 4. **Food handler license account; appropriation.** A food handler license account
38.21 is established in the agricultural fund. The commissioner must deposit fees and penalties
38.22 paid under subdivision 3 in this account. Money in the account, including interest, is
38.23 appropriated to the commissioner for expenses relating to licensing and inspecting food
38.24 handlers under chapters 28 to 34A or rules adopted under one of those chapters.

38.25 Sec. 24. Minnesota Statutes 2020, section 28A.09, is amended by adding a subdivision to
38.26 read:

38.27 Subd. 3. **Vending machine inspection account; appropriation.** A vending machine
38.28 inspection account is established in the agricultural fund. The commissioner must deposit
38.29 fees paid under subdivision 1 in this account. Money in the account, including interest, is
38.30 appropriated to the commissioner for expenses relating to identifying and inspecting food
38.31 vending machines under chapters 28 to 34A or rules adopted under one of those chapters.

39.1 Sec. 25. Minnesota Statutes 2020, section 28A.10, is amended to read:

39.2 **28A.10 POSTING OF LICENSE; RULES.**

39.3 All such licenses shall be issued for a period of one year and shall be posted or displayed
39.4 in a conspicuous place at the place of business so licensed. Except as provided in sections
39.5 28A.08, subdivision 4; 28A.09, subdivision 3; 29.22, subdivision 4; and 31.39, all such
39.6 license fees and penalties collected by the commissioner shall be deposited into the state
39.7 treasury and credited to the general fund. The commissioner may adopt such rules in
39.8 conformity with law as the commissioner deems necessary to effectively and efficiently
39.9 carry out the provisions of sections 28A.01 to 28A.16.

39.10 Sec. 26. Minnesota Statutes 2020, section 28A.21, subdivision 2, is amended to read:

39.11 Subd. 2. **Membership.** (a) The Food Safety and Defense Task Force consists of:

39.12 (1) the commissioner of agriculture or the commissioner's designee;

39.13 (2) the commissioner of health or the commissioner's designee;

39.14 (3) a representative of the United States Food and Drug Administration;

39.15 (4) a representative of the United States Department of Agriculture;

39.16 (5) a representative of the Agricultural Utilization Research Institute;

39.17 (6) one member of the Minnesota Grocers Association;

39.18 (7) one member from the University of Minnesota knowledgeable in food and food
39.19 safety issues; and

39.20 (8) ~~nine~~ ten members appointed by the governor who are interested in food and food
39.21 safety, of whom:

39.22 (i) two persons are health or food professionals;

39.23 (ii) one person represents a statewide general farm organization;

39.24 (iii) one person represents a local food inspection agency;

39.25 (iv) one person represents a food-oriented consumer group; ~~and~~

39.26 (v) one person represents a Minnesota-based manufacturer of microbial detection
39.27 equipment and remediation products; and

39.28 (vi) one person is knowledgeable in cybersecurity.

40.1 (b) Members shall serve without compensation. Members appointed by the governor
40.2 shall serve four-year terms.

40.3 Sec. 27. Minnesota Statutes 2020, section 35.155, subdivision 10, is amended to read:

40.4 Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in
40.5 Minnesota unless the person is registered with the Board of Animal Health and meets all
40.6 the requirements for farmed Cervidae under this section. Cervidae possessed in violation
40.7 of this subdivision may be seized and destroyed by the commissioner of natural resources.

40.8 (b) A person whose registration is revoked by the board is ineligible for future registration
40.9 under this section unless the board determines that the person has undertaken measures that
40.10 make future escapes extremely unlikely.

40.11 (c) The board must not approve a new registration under this subdivision for farmed
40.12 white-tailed deer. This paragraph does not prohibit a person holding a valid registration to
40.13 possess farmed white-tailed deer from selling or transferring the person's registration to a
40.14 family member who resides in this state and is related to the person within the third degree
40.15 of kindred according to the rules of civil law. A registration to possess farmed white-tailed
40.16 deer may be sold or transferred only once under this paragraph. Before the board approves
40.17 a sale or transfer under this paragraph, the board must verify that the farmed white-tailed
40.18 deer herd is free from chronic wasting disease and the person or eligible family member
40.19 must pay a onetime transfer fee of \$500 to the board.

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

40.21 Sec. 28. Minnesota Statutes 2020, section 41A.16, subdivision 1, is amended to read:

40.22 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
40.23 source from Minnesota at least 80 percent of the biomass used to produce an advanced
40.24 biofuel, except that, if a facility is sited 50 miles or less from the state border, biomass used
40.25 to produce an advanced biofuel may be sourced from outside of Minnesota, but only if at
40.26 least 80 percent of the biomass is sourced from within a 100-mile radius of the facility or
40.27 from within Minnesota. The facility must be located in Minnesota, must begin production
40.28 at a specific location by ~~June 30, 2025~~ December 31, 2022, and must not begin operating
40.29 above 23,750 MMbtu of quarterly advanced biofuel production before July 1, 2015. Eligible
40.30 facilities include existing companies and facilities that are adding advanced biofuel
40.31 production capacity, or retrofitting existing capacity, as well as new companies and facilities.
40.32 Production of conventional corn ethanol and conventional biodiesel is not eligible. Eligible
40.33 advanced biofuel facilities must produce at least 1,500 MMbtu of advanced biofuel quarterly.

41.1 (b) No payments shall be made for advanced biofuel production that occurs after June
41.2 30, 2035, for those eligible biofuel producers under paragraph (a), provided that an eligible
41.3 producer may continue to receive payments equal to the difference between the claims for
41.4 payment filed under subdivision 6 and the pro rata amount received as of June 30, 2035,
41.5 until the full amounts of the original claims are paid.

41.6 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility
41.7 for payments under this section to an advanced biofuel facility at a different location.

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

41.10 (e) Renewable chemical production for which payment has been received under section
41.11 41A.17, and biomass thermal production for which payment has been received under section
41.12 41A.18, are not eligible for payment under this section.

41.13 (f) Biobutanol is eligible under this section.

41.14 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
41.15 applies to claims filed after January 1, 2020.

41.16 Sec. 29. Minnesota Statutes 2020, section 41A.16, subdivision 2, is amended to read:

41.17 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to
41.18 eligible producers of advanced biofuel. The amount of the payment for each eligible
41.19 producer's annual production is \$2.1053 per MMbtu for advanced biofuel production from
41.20 cellulosic biomass, and \$1.053 per MMbtu for advanced biofuel production from sugar,
41.21 starch, oil, or animal fat at a specific location for ten years after the start of production.

41.22 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may
41.23 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments
41.24 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
41.25 necessary for 17,100,000 MMbtu of biofuel production. If the total amount for which all
41.26 producers are eligible in a quarter exceeds the amount available for payments, the
41.27 commissioner shall make the payments on a pro rata basis. An eligible producer may reapply
41.28 for payment of the difference between the claim for payment filed under subdivision 6 and
41.29 the pro rata amount received:

41.30 (1) until the full amount of the original claim is paid; and

41.31 (2) subject to available money appropriated for the express purpose of paying claims
41.32 not otherwise paid.

42.1 (c) For purposes of this section, an entity that holds a controlling interest in more than
42.2 one advanced biofuel facility is considered a single eligible producer.

42.3 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
42.4 applies to claims filed after January 1, 2020.

42.5 Sec. 30. Minnesota Statutes 2020, section 41A.17, subdivision 1, is amended to read:

42.6 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
42.7 source from Minnesota at least 80 percent of the biomass used to produce a renewable
42.8 chemical, except that, if a facility is sited 50 miles or less from the state border, biomass
42.9 used to produce a renewable chemical may be sourced from outside of Minnesota, but only
42.10 if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility
42.11 or from within Minnesota. The facility must be located in Minnesota, must begin production
42.12 at a specific location by ~~June 30, 2025~~ December 31, 2022, and must not begin production
42.13 of 250,000 pounds of chemicals quarterly before January 1, 2015. Eligible facilities include
42.14 existing companies and facilities that are adding production capacity, or retrofitting existing
42.15 capacity, as well as new companies and facilities. Eligible renewable chemical facilities
42.16 must produce at least 250,000 pounds of renewable chemicals quarterly. Renewable
42.17 chemicals produced through processes that are fully commercial before January 1, 2000,
42.18 are not eligible.

42.19 (b) No payments shall be made for renewable chemical production that occurs after June
42.20 30, 2035, for those eligible renewable chemical producers under paragraph (a), provided
42.21 that an eligible producer may continue to receive payments equal to the difference between
42.22 the claims for payment filed under subdivision 5 and the pro rata amount received as of
42.23 June 30, 2035, until the full amounts of the original claims are paid.

42.24 (c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility
42.25 for payments under this section to a renewable chemical facility at a different location.

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

42.28 (e) Advanced biofuel production for which payment has been received under section
42.29 41A.16, and biomass thermal production for which payment has been received under section
42.30 41A.18, are not eligible for payment under this section.

42.31 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
42.32 applies to claims filed after January 1, 2020.

43.1 Sec. 31. Minnesota Statutes 2020, section 41A.17, subdivision 2, is amended to read:

43.2 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments
43.3 to eligible producers of renewable chemicals located in the state. The amount of the payment
43.4 for each producer's annual production is \$0.03 per pound of sugar-derived renewable
43.5 chemical, \$0.03 per pound of cellulosic sugar, starch, oil, or animal fat, and \$0.06 per pound
43.6 of cellulosic-derived renewable chemical produced at a specific location for ten years after
43.7 the start of production.

43.8 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
43.9 biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural
43.10 biomass that is derived from perennial crop or cover crop biomass.

43.11 (c) Total payments under this section to an eligible renewable chemical producer in a
43.12 fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
43.13 chemical production. Total payments under this section to all eligible renewable chemical
43.14 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
43.15 renewable chemical production. If the total amount for which all producers are eligible in
43.16 a quarter exceeds the amount available for payments, the commissioner shall make the
43.17 payments on a pro rata basis. An eligible producer may reapply for payment of the difference
43.18 between the claim for payment filed under subdivision 5 and the pro rata amount received:

43.19 (1) until the full amount of the original claim is paid; and

43.20 (2) subject to available money appropriated for the express purpose of paying claims
43.21 not otherwise paid.

43.22 (d) An eligible facility may blend renewable chemicals with other chemicals that are
43.23 not renewable chemicals, but only the percentage attributable to renewable chemicals in
43.24 the blended product is eligible to receive payment.

43.25 (e) For purposes of this section, an entity that holds a controlling interest in more than
43.26 one renewable chemical production facility is considered a single eligible producer.

43.27 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
43.28 applies to claims filed after January 1, 2020.

43.29 Sec. 32. Minnesota Statutes 2020, section 41A.18, subdivision 1, is amended to read:

43.30 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
43.31 source from Minnesota at least 80 percent of the biomass used for biomass thermal
43.32 production, except that, if a facility is sited 50 miles or less from the state border, biomass

44.1 used for biomass thermal production may be sourced from outside of Minnesota, but only
44.2 if at least 80 percent of the biomass is sourced from within a 100-mile radius of the facility,
44.3 or from within Minnesota. Biomass must be from agricultural or forestry sources. The
44.4 facility must be located in Minnesota, must have begun production at a specific location by
44.5 ~~June 30, 2025~~ December 31, 2022, and must not begin before July 1, 2015. Eligible facilities
44.6 include existing companies and facilities that are adding production capacity, or retrofitting
44.7 existing capacity, as well as new companies and facilities. Eligible biomass thermal
44.8 production facilities must produce at least 250 MMbtu of biomass thermal quarterly.

44.9 (b) No payments shall be made for biomass thermal production that occurs after June
44.10 30, 2035, for those eligible biomass thermal producers under paragraph (a), provided that
44.11 an eligible producer may continue to receive payments equal to the difference between the
44.12 claims for payment filed under subdivision 5 and the pro rata amount received as of June
44.13 30, 2035, until the full amounts of the original claims are paid.

44.14 (c) An eligible producer of biomass thermal production shall not transfer the producer's
44.15 eligibility for payments under this section to a biomass thermal production facility at a
44.16 different location.

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

44.19 (e) Biofuel production for which payment has been received under section 41A.16, and
44.20 renewable chemical production for which payment has been received under section 41A.17,
44.21 are not eligible for payment under this section.

44.22 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
44.23 applies to claims filed after January 1, 2020.

44.24 Sec. 33. Minnesota Statutes 2020, section 41A.18, subdivision 2, is amended to read:

44.25 Subd. 2. **Payment amounts; bonus; limits; blending.** (a) The commissioner shall make
44.26 payments to eligible producers of biomass thermal located in the state. The amount of the
44.27 payment for each producer's annual production is \$5.00 per MMbtu of biomass thermal
44.28 production produced at a specific location for ten years after the start of production.

44.29 (b) An eligible facility producing biomass thermal using agricultural cellulosic biomass
44.30 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural
44.31 biomass that is derived from perennial crop or cover crop biomass.

44.32 (c) Total payments under this section to an eligible thermal producer in a fiscal year
44.33 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total

45.1 payments under this section to all eligible thermal producers in a fiscal year may not exceed
45.2 the amount necessary for 150,000 MMbtu of total thermal production. If the total amount
45.3 for which all producers are eligible in a quarter exceeds the amount available for payments,
45.4 the commissioner shall make the payments on a pro rata basis. An eligible producer may
45.5 reapply for payment of the difference between the claim for payment filed under subdivision
45.6 5 and the pro rata amount received:

45.7 (1) until the full amount of the original claim is paid; and

45.8 (2) subject to available money appropriated for the express purpose of paying claims
45.9 not otherwise paid.

45.10 (d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass
45.11 thermal production facility, but only the percentage attributable to biomass meeting the
45.12 cellulosic forestry biomass requirements or agricultural cellulosic biomass sourcing plan is
45.13 eligible to receive payment.

45.14 (e) When a facility is eligible due to adding production capacity or retrofitting existing
45.15 capacity, the entire amount of biomass meeting the cellulosic forestry biomass requirements
45.16 or agricultural cellulosic biomass sourcing plan is assumed to have been used for the biomass
45.17 thermal production from the added or retrofitted production capacity.

45.18 (f) For purposes of this section, an entity that holds a controlling interest in more than
45.19 one biomass thermal production facility is considered a single eligible producer.

45.20 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2020, and
45.21 applies to claims filed after January 1, 2020.

45.22 Sec. 34. Minnesota Statutes 2021 Supplement, section 41A.19, is amended to read:

45.23 **41A.19 REPORT; INCENTIVE PROGRAMS.**

45.24 By January 15 each year, the commissioner shall report on the incentive programs under
45.25 sections 41A.16, 41A.17, 41A.18, 41A.20, and 41A.21 to the legislative committees with
45.26 jurisdiction over environment policy and finance and agriculture policy and finance. The
45.27 report shall include information on production and incentive expenditures under the
45.28 programs, as well as the following information that the commissioner must require of each
45.29 producer who receives a payment during the reporting period:

45.30 (1) the producer's business structure;

45.31 (2) the name and address of the producer's parent company, if any;

45.32 (3) a cumulative list of all financial assistance received from all grantors for the project;

46.1 (4) goals for the number of jobs created and progress in achieving these goals, which
 46.2 may include separate goals for the number of part-time or full-time jobs, or, in cases where
 46.3 job loss is specific and demonstrable, goals for the number of jobs retained;

46.4 (5) equity hiring goals and progress in achieving these goals;

46.5 (6) wage goals and progress in achieving these goals for all jobs created or maintained
 46.6 by the producer;

46.7 (7) board member and executive compensation;

46.8 (8) evidence of compliance with environmental permits;

46.9 (9) the producer's intended and actual use of payments received from the commissioner;

46.10 and

46.11 (10) if applicable, the latest financial audit opinion statement produced by a certified
 46.12 public accountant in accordance with standards established by the American Institute of
 46.13 Certified Public Accountants.

46.14 Sec. 35. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 2, is amended
 46.15 to read:

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

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

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

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

47.1 Sec. 36. Minnesota Statutes 2021 Supplement, section 41A.21, subdivision 6, is amended
47.2 to read:

47.3 Subd. 6. **Appropriation.** (a) In fiscal year 2025, a sum sufficient to make the payments
47.4 required by this section, not to exceed \$1,500,000, is appropriated from the general fund to
47.5 the commissioner. This is a onetime appropriation.

47.6 (b) From fiscal year 2026 through fiscal year 2034, a sum sufficient to make the payments
47.7 required by this section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated
47.8 from the general fund to the commissioner.

47.9 (c) The commissioner may use up to 6.5 percent of this appropriation for costs incurred
47.10 to administer the program.

47.11 Sec. 37. Minnesota Statutes 2020, section 41B.047, subdivision 3, is amended to read:

47.12 Subd. 3. **Eligibility.** To be eligible for this program, a borrower must:

47.13 (1) meet the requirements of section 41B.03, subdivision 1;

47.14 (2) certify that the damage or loss was (i) sustained within a county that was the subject
47.15 of a state or federal disaster declaration; (ii) due to the confirmed presence of a highly
47.16 contagious animal disease in Minnesota; (iii) due to an infectious human disease for which
47.17 the governor has declared a peacetime emergency; or (iv) due to an emergency as determined
47.18 by the authority;

47.19 (3) demonstrate an ability to repay the loan; and

47.20 (4) have received at least ~~50~~ 20 percent of ~~average~~ annual gross income from farming
47.21 ~~for~~ in the past three years year.

47.22 Sec. 38. Minnesota Statutes 2020, section 223.17, subdivision 4, is amended to read:

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

47.26 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

47.27 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but
47.28 not more than \$750,000;

47.29 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but
47.30 not more than \$1,500,000;

48.1 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000
48.2 but not more than \$3,000,000;

48.3 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000
48.4 but not more than \$6,000,000;

48.5 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000
48.6 but not more than \$12,000,000;

48.7 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000
48.8 but not more than \$24,000,000; and

48.9 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

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

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

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

48.19 (e) A grain buyer who purchases grain immediately upon delivery solely with cash; a
48.20 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
48.21 this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$250,000 or less.

48.22 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
48.23 90 days' written notice of the bond's termination date to the licensee and the commissioner.

48.24 Sec. 39. Minnesota Statutes 2020, section 223.17, subdivision 6, is amended to read:

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

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

48.30 (i) a balance sheet;

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

49.1 (iii) a statement of retained earnings;

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

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

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

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

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

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

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

49.25 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a
49.26 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
49.27 this subdivision if the grain buyer's gross annual purchases are ~~\$100,000~~ \$250,000 or less.

49.28 (d) The commissioner shall annually provide information on a person's fiduciary duties
49.29 to each licensee. To the extent practicable, the commissioner must direct each licensee to
49.30 provide this information to all persons required to certify the licensee's financial statement
49.31 under paragraph (a), clause (3).

50.1 **Sec. 40. REVISOR INSTRUCTION.**

50.2 The revisor of statutes must renumber the subdivisions in Minnesota Statutes, section
 50.3 18B.01, so the defined terms are in alphabetical order and adjust any cross-references
 50.4 accordingly.

50.5 **ARTICLE 3**

50.6 **HOUSING APPROPRIATIONS**

50.7 **Section 1. APPROPRIATIONS.**

50.8 The sums shown in the columns marked "Appropriations" are added to the appropriations
 50.9 in Laws 2021, First Special Session chapter 8, or other law, to specified agencies. The
 50.10 appropriations are from the general fund, or another named fund, and are available for the
 50.11 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article
 50.12 mean that the appropriations listed under them are available for the fiscal year ending June
 50.13 30, 2022, or June 30, 2023, respectively.

50.14	<u>APPROPRIATIONS</u>	
50.15	<u>Available for the Year</u>	
50.16	<u>Ending June 30</u>	
50.17	<u>2022</u>	<u>2023</u>

50.18 **Sec. 2. HOUSING FINANCE AGENCY**

50.19	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 229,617,000</u>
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50.20 The amounts that may be spent for each
 50.21 purpose are specified in the following
 50.22 subdivisions.

50.23	<u>Subd. 2. Challenge Program</u>	<u>20,000,000</u>
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50.24 (a) This appropriation is for the economic
 50.25 development and housing challenge program
 50.26 under Minnesota Statutes, sections 462A.07,
 50.27 subdivision 14, and 462A.33.

50.28 (b) In fiscal years 2024 and 2025, \$17,117,000
 50.29 is added to the agency's base.

50.30	<u>Subd. 3. Housing Trust Fund</u>	<u>10,000,000</u>
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50.31 This appropriation is for deposit in the housing
 50.32 trust fund account created under Minnesota
 50.33 Statutes, section 462A.201, and may be used

51.1 for the purposes provided in that section. In
 51.2 fiscal years 2024 and 2025, \$10,000,000 is
 51.3 added to the agency's base.

51.4 **Subd. 4. Homework Starts with Home** 10,000,000

51.5 (a) This appropriation is for the homework
 51.6 starts with home program under Minnesota
 51.7 Statutes, sections 462A.201, subdivision 2,
 51.8 paragraph (a), clause (4), and 462A.204,
 51.9 subdivision 8, to provide assistance to
 51.10 homeless or highly mobile families with minor
 51.11 children or with adult children eligible for
 51.12 enrollment in an academic program through
 51.13 grade 12. Funding must prioritize families
 51.14 with younger children not yet in school who
 51.15 are identified as being at risk of homelessness
 51.16 or experiencing homelessness.

51.17 (b) In fiscal years 2024 and 2025, \$10,000,000
 51.18 is added to the agency's base.

51.19 **Subd. 5. Family Homeless Prevention** 14,000,000

51.20 (a) This appropriation is for the family
 51.21 homeless prevention and assistance programs
 51.22 under Minnesota Statutes, section 462A.204.

51.23 (b) In fiscal years 2024 and 2025, \$10,000,000
 51.24 is added to the agency's base.

51.25 **Subd. 6. Community Stabilization** 100,000,000

51.26 (a) This appropriation is for the community
 51.27 stabilization program under Minnesota
 51.28 Statutes, section 462A.41, to finance
 51.29 improvements for naturally occurring
 51.30 affordable housing.

51.31 (b) In fiscal years 2024 and 2025, \$40,000,000
 51.32 is added to the agency's base.

52.1	<u>Subd. 7. Flexible Financing for Capital Costs</u>	<u>5,000,000</u>
52.2	<u>This appropriation is to provide gap financing</u>	
52.3	<u>to rental housing developments financed by</u>	
52.4	<u>the agency. This is a onetime appropriation.</u>	
52.5	<u>Subd. 8. Strengthening Supportive Housing</u>	
52.6	<u>Model</u>	<u>5,000,000</u>
52.7	<u>This appropriation is for the strengthening</u>	
52.8	<u>supportive housing model program under</u>	
52.9	<u>Minnesota Statutes, section 462A.42, to</u>	
52.10	<u>provide funding to strengthen supportive</u>	
52.11	<u>housing for individuals and families who are</u>	
52.12	<u>at risk of homelessness or have experienced</u>	
52.13	<u>homelessness. In fiscal years 2024 and 2025,</u>	
52.14	<u>\$5,000,000 is added to the agency's base.</u>	
52.15	<u>Subd. 9. Lead-Safe Homes</u>	<u>2,000,000</u>
52.16	<u>This appropriation is for the lead-safe homes</u>	
52.17	<u>grant program under Minnesota Statutes,</u>	
52.18	<u>section 462A.2095. This is a onetime</u>	
52.19	<u>appropriation.</u>	
52.20	<u>Subd. 10. Stable Housing Mediation</u>	<u>425,000</u>
52.21	<u>This appropriation is for the housing mediation</u>	
52.22	<u>grant program for grants to mediation facilities</u>	
52.23	<u>certified by the state under Minnesota Statutes,</u>	
52.24	<u>section 494.015. This is a onetime</u>	
52.25	<u>appropriation.</u>	
52.26	<u>Subd. 11. Homeownership Education,</u>	
52.27	<u>Counseling, and Training Program</u>	<u>1,000,000</u>
52.28	<u>This appropriation is for the homeownership</u>	
52.29	<u>education, counseling, and training program</u>	
52.30	<u>under Minnesota Statutes, section 462A.209.</u>	
52.31	<u>This is a onetime appropriation.</u>	

53.1 **Subd. 12. First-Generation Homebuyers Down**
 53.2 **Payment Assistance Fund** 50,000,000

53.3 This appropriation is for a grant to Midwest
 53.4 Minnesota Community Development
 53.5 Corporation (MMCDC) for a first-generation
 53.6 homebuyers down payment assistance fund.
 53.7 This is a onetime appropriation and is
 53.8 available until June 30, 2025.

53.9 **Subd. 13. Local Housing Trust Fund Grants** 7,000,000

53.10 This appropriation is for the local housing trust
 53.11 fund grant program. This is a onetime
 53.12 appropriation.

53.13 **Subd. 14. Manufactured Home Park Cooperative**
 53.14 **Purchase Program** 5,192,000

53.15 This appropriation is for the manufactured
 53.16 home park cooperative purchase program. This
 53.17 is a onetime appropriation.

53.18 **Sec. 3. DEPARTMENT OF HUMAN RIGHTS** \$ 383,000

53.19 (a) \$383,000 in fiscal year 2023 is to the
 53.20 commissioner of human rights for increased
 53.21 capacity and associated costs to investigate
 53.22 sources of income discrimination cases in
 53.23 housing.

53.24 (b) In fiscal years 2024 and 2025, \$383,000
 53.25 is added to the department's base.

53.26 **ARTICLE 4**
 53.27 **HOUSING FINANCE GRANT PROGRAMS AND POLICY**

53.28 Section 1. Minnesota Statutes 2020, section 462A.201, subdivision 2, is amended to read:

53.29 Subd. 2. **Low-income housing.** (a) The agency may use money from the housing trust
 53.30 fund account to provide loans or grants for:

54.1 (1) projects for the development, construction, acquisition, preservation, and rehabilitation
54.2 of low-income rental and limited equity cooperative housing units, including temporary
54.3 and transitional housing;

54.4 (2) the costs of operating rental housing, as determined by the agency, that are unique
54.5 to the operation of low-income rental housing or supportive housing;

54.6 (3) rental assistance, either project-based or tenant-based; and

54.7 (4) programs to secure stable housing for families with minor children eligible for
54.8 enrollment in a prekindergarten through grade 12 academic program or with adult children
54.9 eligible for enrollment in an academic program through grade 12.

54.10 For purposes of this section, "transitional housing" has the meaning given by the United
54.11 States Department of Housing and Urban Development. Loans or grants for residential
54.12 housing for migrant farmworkers may be made under this section.

54.13 (b) The housing trust fund account must be used for the benefit of persons and families
54.14 whose income, at the time of initial occupancy, does not exceed 60 percent of median income
54.15 as determined by the United States Department of Housing and Urban Development for the
54.16 metropolitan area. At least 75 percent of the funds in the housing trust fund account must
54.17 be used for the benefit of persons and families whose income, at the time of initial occupancy,
54.18 does not exceed 30 percent of the median family income for the metropolitan area as defined
54.19 in section 473.121, subdivision 2. For purposes of this section, a household with a housing
54.20 assistance voucher under Section 8 of the United States Housing Act of 1937, as amended,
54.21 is deemed to meet the income requirements of this section.

54.22 The median family income may be adjusted for families of five or more.

54.23 (c) Rental assistance under this section must be provided by governmental units which
54.24 administer housing assistance supplements or by for-profit or nonprofit organizations
54.25 experienced in housing management. Rental assistance shall be limited to households whose
54.26 income at the time of initial receipt of rental assistance does not exceed 60 percent of median
54.27 income, as determined by the United States Department of Housing and Urban Development
54.28 for the metropolitan area. Priority among comparable applications for tenant-based rental
54.29 assistance will be given to proposals that will serve households whose income at the time
54.30 of initial application for rental assistance does not exceed 30 percent of median income, as
54.31 determined by the United States Department of Housing and Urban Development for the
54.32 metropolitan area. Rental assistance must be terminated when it is determined that 30 percent
54.33 of a household's monthly income for four consecutive months equals or exceeds the market
54.34 rent for the unit in which the household resides plus utilities for which the tenant is

55.1 responsible. Rental assistance may only be used for rental housing units that meet the housing
55.2 maintenance code of the local unit of government in which the unit is located, if such a code
55.3 has been adopted, or the housing quality standards adopted by the United States Department
55.4 of Housing and Urban Development, if no local housing maintenance code has been adopted.

55.5 (d) In making the loans or grants, the agency shall determine the terms and conditions
55.6 of repayment and the appropriate security, if any, should repayment be required. To promote
55.7 the geographic distribution of grants and loans, the agency may designate a portion of the
55.8 grant or loan awards to be set aside for projects located in specified congressional districts
55.9 or other geographical regions specified by the agency. The agency may adopt rules for
55.10 awarding grants and loans under this subdivision.

55.11 Sec. 2. Minnesota Statutes 2020, section 462A.204, subdivision 8, is amended to read:

55.12 Subd. 8. **School Stability for learning and development.** (a) The agency in consultation
55.13 with the Interagency Council on Homelessness may establish a ~~school~~ stability for learning
55.14 and development project under the family homeless prevention and assistance program.
55.15 The purpose of the project is to secure stable housing for families with ~~school-age~~ minor
55.16 children who have moved frequently, for families with adult children eligible for enrollment
55.17 in an academic program through grade 12 who have moved frequently, and for
55.18 unaccompanied youth. For purposes of this subdivision, "unaccompanied youth" are minors
55.19 who are leaving foster care or juvenile correctional facilities, or minors who meet the
55.20 definition of a child in need of services or protection under section 260C.007, subdivision
55.21 6, but for whom no court finding has been made pursuant to that statute.

55.22 (b) The agency shall make grants to family homeless prevention and assistance projects
55.23 in communities with a school or schools that have a significant degree of student mobility
55.24 or in communities with a significant degree of homelessness among families with minor
55.25 children.

55.26 (c) Each project must be designed to reduce school absenteeism; stabilize children in
55.27 one home setting or, at a minimum, in one school setting; and reduce shelter usage. Each
55.28 project must include plans for the following:

55.29 (1) targeting of families with minor children who are eligible for a prekindergarten
55.30 through grade 12 academic program and or with adult children eligible for enrollment in
55.31 an academic program through grade 12 if those families are living in overcrowded conditions
55.32 in their current housing; are paying more than 50 percent of their income for rent; or who
55.33 lack a fixed, regular, and adequate nighttime residence;

56.1 (2) targeting of unaccompanied youth in need of an alternative residential setting;

56.2 (3) connecting families with the social services necessary to maintain the families'
56.3 stability in their home, including but not limited to housing navigation, legal representation,
56.4 and family outreach; and

56.5 (4) one or more of the following:

56.6 (i) provision of rental assistance for a specified period of time, which may exceed 24
56.7 months; or

56.8 (ii) provision of support and case management services to improve housing stability,
56.9 including but not limited to housing navigation and family outreach.

56.10 (d) In selecting projects for funding under this subdivision, preference shall be given to
56.11 organizations granted funding under section 462A.201, subdivision 2, paragraph (a), clause
56.12 (4).

56.13 (e) No grantee under this subdivision is required to have an advisory committee as
56.14 described in subdivision 6.

56.15 Sec. 3. **[462A.2095] LEAD-SAFE HOMES GRANT PROGRAM.**

56.16 **Subdivision 1. Establishment.** The Housing Finance Agency shall establish a lead-safe
56.17 homes grant program to provide grants to increase lead testing and make residential rental
56.18 units lead safe. The initial pilot program shall provide one grant to a project serving an area
56.19 in a metropolitan county, as defined in section 473.121, subdivision 4, and one grant to a
56.20 project serving an area outside a metropolitan county with a priority for targeting grant
56.21 resources to landlords and tenants where there are high concentrations of lead poisoning in
56.22 children based on information provided by the commissioner of health.

56.23 **Subd. 2. Eligibility.** (a) Eligible grantees must be a nonprofit or political subdivision
56.24 capable of providing funding and services to a defined geographic area. The grant programs
56.25 receiving funding under this section must provide lead risk assessments completed by a
56.26 lead inspector or a lead risk assessor licensed by the commissioner of health pursuant to
56.27 section 144.9505 for properties built before 1978 to determine the presence of lead hazards
56.28 and to provide interim controls to reduce lead health hazards. The grant program must
56.29 provide funding for testing and lead hazard reduction to:

56.30 (1) landlords of residential buildings with 11 units or less where the tenant's income
56.31 does not exceed 60 percent of area median income;

57.1 (2) landlords of residential buildings with 12 units or more where at least 50 percent of
57.2 the tenants are below 60 percent of the median income; and

57.3 (3) a tenant with an income that does not exceed 60 percent of area median income.

57.4 (b) A landlord or tenant must first access other available state and federal funding related
57.5 to lead testing and lead hazard reduction for which they are eligible.

57.6 (c) Up to ten percent of a grant award to a nonprofit or political subdivision may be used
57.7 to administer the grant and provide education and outreach about lead health hazards.

57.8 Subd. 3. **Short title.** This section shall be known as the "Dustin Luke Shields Act."

57.9 Sec. 4. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

57.10 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
57.11 principal amount of housing infrastructure bonds in one or more series to which the payment
57.12 made under this section may be pledged. The housing infrastructure bonds authorized in
57.13 this subdivision may be issued to fund loans, or grants for the purposes of clause (4), on
57.14 terms and conditions the agency deems appropriate, made for one or more of the following
57.15 purposes:

57.16 (1) to finance the costs of the construction, acquisition, and rehabilitation of supportive
57.17 housing for individuals and families who are without a permanent residence;

57.18 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
57.19 housing to be used for affordable rental housing and the costs of new construction of rental
57.20 housing on abandoned or foreclosed property where the existing structures will be demolished
57.21 or removed;

57.22 (3) to finance that portion of the costs of acquisition of property that is attributable to
57.23 the land to be leased by community land trusts to low- and moderate-income home buyers;

57.24 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
57.25 parks under section 462A.2035, subdivision 1b;

57.26 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
57.27 of senior housing, with up to 20 percent of the units serving low-income individuals of any
57.28 age;

57.29 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental
57.30 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
57.31 of federally assisted rental housing, including providing funds to refund, in whole or in part,

58.1 outstanding bonds previously issued by the agency or another government unit to finance
58.2 or refinance such costs; ~~and~~

58.3 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
58.4 of single-family housing-; and

58.5 (8) to finance the costs of construction, acquisition, and rehabilitation of permanent
58.6 housing that is affordable to households with incomes at or below 50 percent of the area
58.7 median income for the applicable county or metropolitan area as published by the Department
58.8 of Housing and Urban Development, as adjusted for household size.

58.9 (b) Among comparable proposals for permanent supportive housing, preference shall
58.10 be given to permanent supportive housing for veterans and other individuals or families
58.11 who:

58.12 (1) either have been without a permanent residence for at least 12 months or at least four
58.13 times in the last three years; or

58.14 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
58.15 times in the last three years.

58.16 (c) Among comparable proposals for senior housing, the agency must give priority to
58.17 requests for projects that:

58.18 (1) demonstrate a commitment to maintaining the housing financed as affordable to
58.19 seniors;

58.20 (2) leverage other sources of funding to finance the project, including the use of
58.21 low-income housing tax credits;

58.22 (3) provide access to services to residents and demonstrate the ability to increase physical
58.23 supports and support services as residents age and experience increasing levels of disability;

58.24 (4) provide a service plan containing the elements of clause (3) reviewed by the housing
58.25 authority, economic development authority, public housing authority, or community
58.26 development agency that has an area of operation for the jurisdiction in which the project
58.27 is located; and

58.28 (5) include households with incomes that do not exceed 30 percent of the median
58.29 household income for the metropolitan area.

58.30 (d) To the extent practicable, the agency shall balance the loans made between projects
58.31 in the metropolitan area and projects outside the metropolitan area. Of the loans made to
58.32 projects outside the metropolitan area, the agency shall, to the extent practicable, balance

59.1 the loans made between projects in counties or cities with a population of 20,000 or less,
59.2 as established by the most recent decennial census, and projects in counties or cities with
59.3 populations in excess of 20,000.

59.4 (e) Among comparable proposals for permanent housing, the agency must give preference
59.5 to projects that will provide housing that is affordable to households at or below 30 percent
59.6 of area median income.

59.7 (f) If a loan recipient uses the loan for any of the purposes in paragraph (a) on a building
59.8 containing more than four units, the recipient must construct, convert, or otherwise adapt
59.9 the building to include:

59.10 (1) the greater of at least one unit or at least five percent of units that are accessible units,
59.11 as defined by section 1002 of the current State Building Code Accessibility Provisions for
59.12 Dwelling Units in Minnesota, and include at least one roll-in shower; and

59.13 (2) the greater of at least one unit or at least five percent of units that are
59.14 sensory-accessible units that include:

59.15 (i) soundproofing between shared walls for first and second floor units;

59.16 (ii) no florescent lighting in units and common areas;

59.17 (iii) low-fume paint;

59.18 (iv) low-chemical carpet; and

59.19 (v) low-chemical carpet glue in units and common areas.

59.20 Nothing in this paragraph relieves projects being funded by these loans from meeting other
59.21 applicable accessibility requirements.

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

59.23 Sec. 5. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision to
59.24 read:

59.25 Subd. 2i. **Additional authorization.** In addition to the amount authorized in subdivisions
59.26 2 to 2h, the agency may issue up to \$400,000,000 in housing infrastructure bonds in one or
59.27 more series to which the payments under this section may be pledged.

59.28 **EFFECTIVE DATE.** This section is effective the day following final enactment. If the
59.29 authorization in this section is enacted more than once in the 2022 legislative session, the
59.30 authorization must be given effect only once.

60.1 Sec. 6. **[462A.41] COMMUNITY STABILIZATION PROGRAM.**

60.2 **Subdivision 1. Establishment.** The agency shall establish a community stabilization
60.3 program for the purpose of providing grants or loans for the preservation of naturally
60.4 occurring affordable housing through acquisition or rehabilitation.

60.5 **Subd. 2. Definitions.** For the purposes of this section, "naturally occurring affordable
60.6 housing" means:

60.7 (1) multiunit rental housing that:

60.8 (i) is at least 20 years old; and

60.9 (ii) has rents in a majority of units that are affordable to households at or below 60
60.10 percent of the greater of state or area median income as determined by the United States
60.11 Department of Housing and Urban Development; or

60.12 (2) owner-occupied housing located in communities where market pressures or significant
60.13 deferred rehabilitation needs, as defined by the agency, are creating opportunities for
60.14 displacement or the loss of owner-occupied housing affordable to households at or below
60.15 115 percent of the greater of state or area median income as determined by the United States
60.16 Department of Housing and Urban Development.

60.17 **Subd. 3. Eligible recipients.** (a) Grants or loans may be made to a local unit of
60.18 government; a federally recognized American Indian tribe located in Minnesota or its
60.19 Tribally Designated Housing Entity; a private developer; limited equity cooperatives;
60.20 cooperatives created under chapter 308A or 308B; community land trusts created for the
60.21 purposes outlined in section 462A.31, subdivision 1; or a nonprofit organization.

60.22 (b) The agency shall make a grant to a statewide intermediary to facilitate the acquisition
60.23 and associated rehabilitation of existing multiunit rental housing and may use an intermediary
60.24 or intermediaries for the acquisition and associated rehabilitation of owner-occupied housing.

60.25 **Subd. 4. Eligible uses.** The program shall provide grants or loans for the purpose of
60.26 acquisition, rehabilitation, interest rate reduction, or gap financing of housing to support
60.27 the preservation of naturally occurring affordable housing. Priority in funding shall be given
60.28 to proposals that serve lower incomes and maintain longer periods of affordability.

60.29 **Subd. 5. Owner-occupied housing income limits.** Households served through grants
60.30 or loans related to owner-occupied housing must have, at initial occupancy, income that is
60.31 at or below 115 percent of the greater of state or area median income as determined by the
60.32 United States Department of Housing and Urban Development.

61.1 Subd. 6. **Multifamily housing rent limits.** Multifamily housing financed through grants
61.2 or loans under this section must remain affordable to low-income or moderate-income
61.3 households as defined by the agency.

61.4 Subd. 7. **Application.** (a) The agency shall develop forms and procedures for soliciting
61.5 and reviewing applications for loans or grants under this section. The agency shall consult
61.6 with interested stakeholders when developing the guidelines and procedures for the program.

61.7 (b) Notwithstanding any other applicable law, the agency may accept applications on a
61.8 noncompetitive, rolling basis in order to provide funds for eligible properties as they become
61.9 available.

61.10 Subd. 8. **Voucher requirement for multifamily properties.** Rental properties that
61.11 receive funds must accept rental subsidies, including but not limited to vouchers under
61.12 Section 8 of the United States Housing Act of 1937, as amended.

61.13 Sec. 7. **[462A.42] STRENGTHENING SUPPORTIVE HOUSING MODEL.**

61.14 Subdivision 1. **Establishment.** The agency shall establish a strengthening supportive
61.15 housing model program for the purpose of providing funding to strengthen supportive
61.16 housing for individuals and families who are at risk of homelessness or have experienced
61.17 homelessness.

61.18 Subd. 2. **Definition.** For the purposes of this section, "supportive housing" means housing
61.19 that is not time-limited and provides or coordinates with linkages to services necessary for
61.20 residents to maintain housing stability and maximize opportunities for education and
61.21 employment.

61.22 Subd. 3. **Eligible recipients.** Funding may be made to a local unit of government, a
61.23 federally recognized American Indian Tribe or its Tribally Designated Housing Entity
61.24 located in Minnesota, a private developer, or a nonprofit organization.

61.25 Subd. 4. **Eligible uses.** (a) Funds shall be used to cover costs needed for supportive
61.26 housing to operate effectively that are not covered by other federal or state resources. Costs
61.27 may include but are not limited to building operating expenses such as front desk, tenant
61.28 service coordination, revenue shortfall, and security costs.

61.29 (b) Funds shall be used to create partnerships with the health care sector and other sectors
61.30 to demonstrate sustainable ways to provide services for supportive housing residents, improve
61.31 access to health care, and reduce the use of expensive emergency and institutional care.
61.32 This may be done in partnership with other state agencies, including the Department of
61.33 Health and the Department of Human Services.

62.1 Subd. 5. **Application.** The commissioner shall develop forms and procedures for soliciting
62.2 and reviewing applications for funding under this section. The commissioner shall consult
62.3 with interested stakeholders when developing the guidelines and procedures for the program.

62.4 Sec. 8. Minnesota Statutes 2020, section 500.20, subdivision 2a, is amended to read:

62.5 Subd. 2a. **Restriction of duration of condition.** Except for any right to reenter or to
62.6 repossess as provided in subdivision 3, all private covenants, conditions, or restrictions
62.7 created by which the title or use of real property is affected, cease to be valid and operative
62.8 30 years after the date of the deed, or other instrument, or the date of the probate of the will,
62.9 creating them, and may be disregarded.

62.10 This subdivision does not apply to covenants, conditions, or restrictions:

62.11 (1) that were created before August 1, 1959, under which a person who owns or has an
62.12 interest in real property against which the covenants, conditions, or restrictions have been
62.13 filed claims a benefit of the covenant, condition, or restriction if the person records in the
62.14 office of the county recorder or files in the office of the registrar of titles in the county in
62.15 which the real estate affected is located, on or before March 30, 1989, a notice sworn to by
62.16 the claimant or the claimant's agent or attorney: setting forth the name of the claimant;
62.17 describing the real estate affected; describing the deed, instrument, or will creating the
62.18 covenant, condition, or restriction; and stating that the covenant, condition, or restriction is
62.19 not nominal and may not be disregarded under subdivision 1;

62.20 (2) that are created by the declaration, bylaws, floor plans, or condominium plat of a
62.21 condominium created before August 1, 1980, under chapter 515, or created on or after
62.22 August 1, 1980, under chapter 515A or 515B, or by any amendments of the declaration,
62.23 bylaws, floor plans, or condominium plat;

62.24 (3) that are created by the articles of incorporation, bylaws, or proprietary leases of a
62.25 cooperative association formed under chapter 308A;

62.26 (4) that are created by a declaration or other instrument that authorizes and empowers
62.27 a corporation of which the qualification for being a stockholder or member is ownership of
62.28 certain parcels of real estate, to hold title to common real estate for the benefit of the parcels;

62.29 (5) that are created by a deed, declaration, reservation, or other instrument by which one
62.30 or more portions of a building, set of connecting or adjacent buildings, or complex or project
62.31 of related buildings and structures share support, structural components, ingress and egress,
62.32 or utility access with another portion or portions;

63.1 (6) that were created after July 31, 1959, under which a person who owns or has an
63.2 interest in real estate against which covenants, conditions, or restrictions have been filed
63.3 claims a benefit of the covenants, conditions, or restrictions if the person records in the
63.4 office of the county recorder or files in the office of the registrar of titles in the county in
63.5 which the real estate affected is located during the period commencing on the 28th
63.6 anniversary of the date of the deed or instrument, or the date of the probate of the will,
63.7 creating them and ending on the 30th anniversary, a notice as described in clause (1); ~~or~~

63.8 (7) that are created by a declaration or bylaws of a common interest community created
63.9 under or governed by chapter 515B, or by any amendments thereto; or

63.10 (8) that are created by a declaration or other instrument required by a government entity
63.11 related to affordable housing.

63.12 A notice filed in accordance with clause (1) or (6) delays application of this subdivision
63.13 to the covenants, conditions, or restrictions for a period ending on the later of seven years
63.14 after the date of filing of the notice, or until final judgment is entered in an action to determine
63.15 the validity of the covenants, conditions, or restrictions, provided in the case of an action
63.16 the summons and complaint must be served and a notice of lis pendens must be recorded
63.17 in the office of the county recorder or filed in the office of the registrar of titles in each
63.18 county in which the real estate affected is located within seven years after the date of
63.19 recording or filing of the notice under clause (1) or (6).

63.20 County recorders and registrars of titles shall accept for recording or filing a notice
63.21 conforming with this subdivision and charge a fee corresponding with the fee charged for
63.22 filing a notice of lis pendens of similar length. The notice may be discharged in the same
63.23 manner as a notice of lis pendens and when discharged, together with the information
63.24 included with it, ceases to constitute either actual or constructive notice.

63.25 **Sec. 9. MINNESOTA STABLE HOUSING MEDIATION GRANT PROGRAM.**

63.26 The commissioner of the Housing Finance Agency shall establish a housing mediation
63.27 grant program to increase access to voluntary housing mediation services for renters and
63.28 homeowners. The grant program shall provide funding to mediation facilities certified by
63.29 the state under Minnesota Statutes, section 494.015, that can increase access to housing
63.30 mediation throughout the state, increase the availability of culturally specific dispute
63.31 resolution programs, reduce the need for court actions, and bring stability in housing. The
63.32 grant funding must be used to:

64.1 (1) provide mediation services to benefit renters, property owners, households, utility
 64.2 providers, and homeowners statewide and increase awareness of access to mediation services
 64.3 and expand statewide mediation services;

64.4 (2) provide eviction prevention services including access to mediation services that
 64.5 prevent eviction court costs and reduce negative consequences to families, schools,
 64.6 employers, neighborhoods, and communities;

64.7 (3) partner with culturally specific dispute resolution programs to provide training and
 64.8 assist in providing mediation services virtually and in person;

64.9 (4) increase mediation services for seniors and tenants with disabilities and illnesses
 64.10 who face housing instability;

64.11 (5) increase the diversity of the housing mediator roster;

64.12 (6) integrate existing and future housing mediation services with legal assistance and
 64.13 court services programs; and

64.14 (7) develop and administer evaluation tools in order to design, modify, and replicate
 64.15 effective program outcomes.

64.16 Sec. 10. **FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE**
 64.17 **FUND.**

64.18 Subdivision 1. **Establishment.** A first-generation homebuyers down payment assistance
 64.19 fund is established as a pilot project under the administration of the Midwest Minnesota
 64.20 Community Development Corporation (MMCDC), a community development financial
 64.21 institution (CDFI) as defined under the Riegle Community Development and Regulatory
 64.22 Improvement Act of 1994, to provide targeted assistance to eligible first-generation
 64.23 homebuyers.

64.24 Subd. 2. **Eligible homebuyer.** For purposes of this section, "eligible first-generation
 64.25 homebuyer" means an individual:

64.26 (1) whose income is at or below 100 percent of the area median income at the time of
 64.27 purchase;

64.28 (2) who is a first-time homebuyer as defined under Code of Federal Regulations, title
 64.29 24, section 92.2;

64.30 (3) who is preapproved for a first mortgage loan; and

65.1 (4) whose parent or prior legal guardian does not, or did not at the time of their death,
65.2 own a home.

65.3 An eligible homebuyer must complete an approved homebuyer education course prior to
65.4 signing a purchase agreement and, following the purchase of the home, must occupy it as
65.5 the homebuyer's primary residence. The home must be purchased within the maximum loan
65.6 amount established by the federal Housing Finance Agency, and the eligible homebuyer
65.7 must contribute a minimum of \$1,000 to down payment or closing costs.

65.8 Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the
65.9 purchase price of a home, not to exceed \$30,000 per eligible first-generation homebuyer.
65.10 The assistance must be provided in the form of a loan that is forgivable at a rate of 20 percent
65.11 per year on the day after the anniversary date of the note. The prorated balance due is
65.12 repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible
65.13 refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed
65.14 foreclosure action within the five-year loan term. Recapture can be waived in the event of
65.15 financial or personal hardship. The loan may be reserved and used for closing costs, down
65.16 payment, or principal reduction. The loan must be used in conjunction with a conforming
65.17 first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage
65.18 or meets the minimum standards for exemption under Code of Federal Regulations, title
65.19 12, section 1026.43. The loan may be used in conjunction with funds from other programs
65.20 for which the eligible homebuyer may qualify and the loan may be placed in any priority
65.21 position.

65.22 Subd. 4. **Administration.** The first-generation homebuyers down payment assistance
65.23 fund is available statewide and shall be administered by MMCDC, the designated central
65.24 CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities,
65.25 and nonprofit organizations administering down payment assistance to reserve, originate,
65.26 fund, and service funds for eligible first-generation homebuyers. Administrative costs must
65.27 not exceed \$3,000 per loan. Any funds made available due to early resale of a home must
65.28 be returned to MMCDC for redistribution to eligible first-generation homebuyers.

65.29 Subd. 5. **Legislative auditor.** The first-generation homebuyers down payment assistance
65.30 fund is subject to audit by the legislative auditor. MMCDC and participating CDFIs must
65.31 cooperate with the audit.

65.32 Subd. 6. **Creditor immunity for reliance on borrower self-attestations.** No creditor
65.33 shall be subject to liability, including monetary penalties or requirements to indemnify a
65.34 federal or state agency or repurchase a loan that has been sold or securitized, for the provision

66.1 of down payment assistance under this section to a borrower who does not meet the eligibility
66.2 requirements if the creditor does so in good faith reliance on borrower attestations of
66.3 eligibility required by this section or regulation.

66.4 Subd. 7. **Report to legislature.** By January 15 each year, the fund administrator,
66.5 MMCDC, must report to the chairs and ranking minority members of the legislative
66.6 committees with jurisdiction over housing with the following information:

66.7 (1) the number and amount of loans closed;

66.8 (2) the median loan amount;

66.9 (3) the number and amount of loans issued by race or ethnic categories;

66.10 (4) the median home purchase price;

66.11 (5) the type of mortgage;

66.12 (6) the total amount returned to the fund; and

66.13 (7) the number and amount of loans issued by county.

66.14 Subd. 8. **Sunset.** This section sunsets June 30, 2025.

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

66.16 **Sec. 11. MANUFACTURED HOME PARK COOPERATIVE PURCHASE**
66.17 **PROGRAM.**

66.18 (a) The Housing Finance Agency shall establish a manufactured home park cooperative
66.19 purchase program for grants to nonprofit organizations to assist manufactured home park
66.20 residents in organizing and purchasing manufactured home parks, and for grants to provide
66.21 down payment assistance to residents to purchase manufactured home parks.

66.22 (b) The agency may develop criteria for grant requests under this section. Within 90
66.23 days of final enactment, the commissioner shall develop the forms, applications, and reporting
66.24 requirements for use by eligible organizations. In developing these materials, the
66.25 commissioner shall consult with manufactured housing cooperatives, resident-owned
66.26 manufactured home communities, and nonprofit organizations working with manufactured
66.27 housing cooperatives and resident-owned communities.

66.28 (c) Grantees must use funds to assist in the creation and preservation of housing that is
66.29 affordable to households with incomes at or below 80 percent of the greater of state or area
66.30 median income.

67.1 (d) A deed purchased with a grant under this section must contain a covenant running
67.2 with the land requiring that the land be used as a manufactured home park for 30 years from
67.3 the date of purchase.

67.4 (e) For purposes of this section, "manufactured home," "manufactured home park," "park
67.5 owner," "representative acting on behalf of residents," "resident," and "resident association"
67.6 have the meanings given in Minnesota Statutes, section 327C.01.

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

67.8 **Sec. 12. LOCAL HOUSING TRUST FUND GRANTS.**

67.9 (a) As provided in this section, the Housing Finance Agency shall award grants to local
67.10 housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize
67.11 local funding.

67.12 (b) A grantee is eligible to receive a grant amount equal to 100 percent of the public
67.13 revenue committed to the local housing trust fund from any source other than the state or
67.14 federal government, up to \$150,000, and in addition, an amount equal to 50 percent of the
67.15 public revenue committed to the local housing trust fund from any source other than the
67.16 state or federal government that is more than \$150,000 but not more than \$300,000.

67.17 (c) \$100,000 of the appropriation in paragraph (b) is for technical assistance grants to
67.18 local and regional housing trust funds. A housing trust fund may apply for a technical
67.19 assistance grant at the time and in the manner and form required by the agency. The agency
67.20 shall make grants on a first-come, first-served basis. A technical assistance grant must not
67.21 exceed \$5,000.

67.22 (d) A grantee must use grant funds within eight years of receipt for purposes (1)
67.23 authorized under Minnesota Statutes, section 462C.16, subdivision 3, and (2) benefiting
67.24 households with incomes at or below 115 percent of the state median income. A grantee
67.25 must return any grant funds not used for these purposes within eight years of receipt to the
67.26 commissioner of the Housing Finance Agency for deposit into the housing development
67.27 fund.

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

68.1 **ARTICLE 5**68.2 **HOUSING FINANCE TECHNICAL CHANGES**

68.3 Section 1. Minnesota Statutes 2020, section 462A.03, subdivision 13, is amended to read:

68.4 Subd. 13. **Eligible mortgagor.** "Eligible mortgagor" means a nonprofit or cooperative
68.5 housing corporation; the Department of Administration for the purpose of developing
68.6 community-based programs as defined in section 252.50; a limited profit entity or a builder
68.7 as defined by the agency in its rules, which sponsors or constructs residential housing as
68.8 defined in subdivision 7; or a natural person of low or moderate income, except that the
68.9 return to a limited dividend entity shall not exceed 15 percent of the capital contribution of
68.10 the investors or such lesser percentage as the agency shall establish in its rules, provided
68.11 that residual receipts funds of a limited dividend entity may be used for agency-approved,
68.12 housing-related investments owned by the limited dividend entity without regard to the
68.13 limitation on returns. Owners of existing residential housing occupied by renters shall be
68.14 eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner
68.15 agrees to conditions established by the agency in its rules relating to rental or other matters
68.16 that will ~~insure~~ ensure that the housing will be occupied by persons and families of low or
68.17 moderate income. The agency shall require by rules that the owner give preference to those
68.18 persons of low or moderate income who occupied the residential housing at the time of
68.19 application for the loan.

68.20 Sec. 2. Minnesota Statutes 2021 Supplement, section 462A.05, subdivision 14, is amended
68.21 to read:

68.22 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
68.23 in the making, and may enter into commitments for the purchase, making, or participation
68.24 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
68.25 deems advisable, to persons and families of low and moderate income, and to owners of
68.26 existing residential housing for occupancy by such persons and families, for the rehabilitation
68.27 of existing residential housing owned by them. Rehabilitation may include the addition or
68.28 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured
68.29 and may be made with security, or may be unsecured, as the agency deems advisable. The
68.30 loans may be in addition to or in combination with long-term eligible mortgage loans under
68.31 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
68.32 secured by the property, if refinancing is determined by the agency to be necessary to permit
68.33 the owner to meet the owner's housing cost without expending an unreasonable portion of
68.34 the owner's income thereon. No loan for rehabilitation shall be made unless the agency

69.1 determines that the loan will be used primarily to make the housing more desirable to live
69.2 in, to increase the market value of the housing, for compliance with state, county or municipal
69.3 building, housing maintenance, fire, health or similar codes and standards applicable to
69.4 housing, or to accomplish energy conservation related improvements. In unincorporated
69.5 areas and municipalities not having codes and standards, the agency may, solely for the
69.6 purpose of administering the provisions of this chapter, establish codes and standards. No
69.7 loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied
69.8 solely because the loan will not be used for placing the owner-occupied residential housing
69.9 in full compliance with all state, county, or municipal building, housing maintenance, fire,
69.10 health, or similar codes and standards applicable to housing. Rehabilitation loans shall be
69.11 made only when the agency determines that financing is not otherwise available, in whole
69.12 or in part, from private lenders upon equivalent terms and conditions. Accessibility
69.13 rehabilitation loans authorized under this subdivision may be made to eligible persons and
69.14 families without limitations relating to the maximum incomes of the borrowers if:

69.15 (1) the borrower or a member of the borrower's family requires a level of care provided
69.16 in a hospital, skilled nursing facility, or intermediate care facility for persons with
69.17 developmental disabilities;

69.18 (2) home care is appropriate; and

69.19 (3) the improvement will enable the borrower or a member of the borrower's family to
69.20 reside in the housing.

69.21 The agency may waive any requirement that the housing units in a residential housing
69.22 development be rented to persons of low and moderate income if the development consists
69.23 of four or less dwelling units, one of which is occupied by the owner.

69.24 Sec. 3. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to
69.25 read:

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

70.1 Sec. 4. Minnesota Statutes 2020, section 462A.05, is amended by adding a subdivision to
70.2 read:

70.3 Subd. 43. **Housing disparities.** The agency must prioritize its use of appropriations for
70.4 any program under this chapter to serve households most affected by housing disparities.

70.5 Sec. 5. Minnesota Statutes 2020, section 462A.07, subdivision 9, is amended to read:

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

70.10 Sec. 6. Minnesota Statutes 2020, section 462A.07, subdivision 10, is amended to read:

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

70.18 Sec. 7. Minnesota Statutes 2020, section 462A.07, subdivision 14, is amended to read:

70.19 Subd. 14. **American Indians.** (a) It may engage in housing programs for low- and
70.20 moderate-income American Indians developed and administered separately or in combination
70.21 by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux
70.22 communities as determined by such tribe, band, or communities. In furtherance of the policy
70.23 of economic integration stated in section 462A.02, subdivision 6, it may engage in housing
70.24 programs for American Indians who intend to reside on reservations and who are not persons
70.25 of low and moderate income, provided that the aggregate dollar amount of the loans for
70.26 persons who are not of low- or moderate-income closed in each lender's fiscal year shall
70.27 not exceed an amount equal to 25 percent of the total dollar amount of all loans closed by
70.28 that lender during the same fiscal year. In developing such housing programs, the tribe,
70.29 band, or communities shall take into account the housing needs of all American Indians
70.30 residing both on and off reservations within the state. A plan for each such program, which
70.31 specifically describes the program content, utilization of funds, administration, operation,
70.32 implementation and other matter, as determined by the agency, must be submitted to the

71.1 agency for its review and approval prior to the making of eligible loans pursuant to section
71.2 462A.21. All such programs must conform to rules promulgated by the agency concerning
71.3 program administration, including but not limited to rules concerning costs of administration;
71.4 the quality of housing; interest rates, fees, and charges in connection with making eligible
71.5 loans; and other matters determined by the agency to be necessary in order to effectuate the
71.6 purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs
71.7 must provide for a reasonable balance in the distribution of funds appropriated for the
71.8 purpose of this section between American Indians residing on and off reservations within
71.9 the state. Nothing in this section shall preclude such tribe, band, or communities from
71.10 requesting and receiving cooperation, advice, and assistance from the agency as regards
71.11 program development, operation, delivery, financing, or administration. As a condition to
71.12 the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of
71.13 Chippewa Indians, and the Sioux communities shall:

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

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

71.20 The agency shall submit a biennial report concerning the various housing programs for
71.21 American Indians, and related receipts and expenditures as provided in section 462A.22,
71.22 subdivision 9, and such tribe, band, or communities to the extent that they administer such
71.23 programs, shall be responsible for any costs and expenses related to such administration
71.24 provided, however, they shall be eligible for payment for costs, expenses, and services
71.25 pursuant to subdivision 12 and section 462A.21. The agency may provide or cause to be
71.26 provided essential general technical services as set forth in subdivision 2, and general
71.27 consultative project assistance services, including, but not limited to, management training,
71.28 and home ownership counseling as set forth in subdivision 3. Members of boards,
71.29 committees, or other governing bodies of the tribe, band, and communities administering
71.30 the programs authorized by this subdivision must be compensated for those services as
71.31 provided in section 15.0575.

71.32 (b) The agency may engage in demonstration projects to encourage the participation of
71.33 financial institutions or other leveraging sources in providing housing opportunities for
71.34 American Indians. The agency shall consult with the Minnesota Chippewa tribe, the Red
71.35 Lake band of Chippewa Indians, and the Sioux communities in developing the demonstration

72.1 projects. The income limits specified in paragraph (a) do not apply to the demonstration
72.2 projects.

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

72.5 Sec. 8. Minnesota Statutes 2020, section 462A.204, subdivision 3, is amended to read:

72.6 Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of the
72.7 metropolitan area. A county, a group of contiguous counties jointly acting together, a Tribe,
72.8 a group of Tribes, or a community-based nonprofit organization ~~with a sponsoring resolution~~
72.9 ~~from each of the county boards of the counties located within its operating jurisdiction~~ may
72.10 apply for and receive grants ~~for areas located outside the metropolitan area.~~

72.11 Sec. 9. Minnesota Statutes 2020, section 462A.21, subdivision 4a, is amended to read:

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

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

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

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

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

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

73.1 Sec. 10. Minnesota Statutes 2020, section 462A.22, subdivision 1, is amended to read:

73.2 Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds
73.3 and notes which are outstanding at any time, excluding the principal amount of any bonds
73.4 and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of
73.5 \$5,000,000,000.

73.6 Sec. 11. Minnesota Statutes 2020, section 462A.36, is amended by adding a subdivision
73.7 to read:

73.8 Subd. 2a. Refunding bonds. (a) The agency may issue nonprofit housing bonds in one
73.9 or more series to refund bonds authorized in subdivision 2. The amount of refunding nonprofit
73.10 housing bonds that may be issued from time to time will not be subject to the dollar limitation
73.11 contained in subdivision 2 nor will those bonds be included in computing the amount of
73.12 bonds that may be issued within that dollar limitation.

73.13 (b) In the refunding of nonprofit housing bonds, each bond must be called for redemption
73.14 prior to its maturity in accordance with its terms no later than the earliest date on which it
73.15 may be redeemed. No refunding bonds may be issued unless as of the date of the refunding
73.16 bonds the present value of the dollar amount of the debt service on the refunding bonds,
73.17 computed to their stated maturity dates, is lower than the present value of the dollar amount
73.18 of debt service on all nonprofit housing bonds refunded computed to their stated maturity
73.19 dates. For purposes of this subdivision, "present value of the dollar amount of debt service"
73.20 means the dollar amount of debt service to be paid, discounted to the nominal date of the
73.21 refunding bonds at a rate equal to the yield on the refunding bonds.

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

73.27 Sec. 12. Minnesota Statutes 2020, section 462A.36, subdivision 4, is amended to read:

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

73.31 (b) Each July 15, beginning in 2009 and through 2031, if any nonprofit housing bonds
73.32 issued under subdivision 2, or nonprofit housing bonds issued to refund those bonds, remain

74.1 outstanding, the commissioner of management and budget must transfer to the nonprofit
 74.2 housing bond account established under section 462A.21, subdivision 32, the amount
 74.3 certified under paragraph (a), not to exceed \$2,400,000 annually. The amounts necessary
 74.4 to make the transfers are appropriated from the general fund to the commissioner of
 74.5 management and budget.

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

74.8 Sec. 13. Minnesota Statutes 2020, section 462A.37, subdivision 1, is amended to read:

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

74.11 (b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

74.12 (c) "Community land trust" means an entity that meets the requirements of section
 74.13 462A.31, subdivisions 1 and 2.

74.14 (d) "Debt service" means the amount payable in any fiscal year of principal, premium,
 74.15 if any, and interest on housing infrastructure bonds and the fees, charges, and expenses
 74.16 related to the bonds.

74.17 (e) "Foreclosed property" means residential property where foreclosure proceedings
 74.18 have been initiated or have been completed and title transferred or where title is transferred
 74.19 in lieu of foreclosure.

74.20 (f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter
 74.21 that:

74.22 (1) are qualified 501(c)(3) bonds, within the meaning of section 145(a) of the Internal
 74.23 Revenue Code;

74.24 (2) finance qualified residential rental projects within the meaning of section 142(d) of
 74.25 the Internal Revenue Code; or

74.26 ~~(3) finance the construction or rehabilitation of single-family houses that qualify for~~
 74.27 ~~mortgage financing within the meaning of section 143 of the Internal Revenue Code; or~~

74.28 ~~(4)~~ (3) are tax-exempt bonds that are not private activity bonds, within the meaning of
 74.29 section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing
 74.30 affordable housing authorized under this chapter.

74.31 (g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

75.1 (h) "Senior" means a person 55 years of age or older ~~with an annual income not greater~~
 75.2 ~~than 50 percent of:~~

75.3 ~~(1) the metropolitan area median income for persons in the metropolitan area; or~~

75.4 ~~(2) the statewide median income for persons outside the metropolitan area.~~

75.5 (i) "Senior household" means a household with one or more senior members and with
 75.6 an annual combined income not greater than 50 percent of:

75.7 (1) the metropolitan area median income for persons in the metropolitan area; or

75.8 (2) the statewide median income for persons outside the metropolitan area.

75.9 ~~(j)~~ (j) "Senior housing" means housing intended and operated for occupancy by ~~at least~~
 75.10 ~~one senior per unit~~ senior households with at least 80 percent of the units occupied by ~~at~~
 75.11 ~~least one senior per unit~~ senior households, and for which there is publication of, and
 75.12 adherence to, policies and procedures that demonstrate an intent by the owner or manager
 75.13 to provide housing for seniors. Senior housing may be developed in conjunction with and
 75.14 as a distinct portion of mixed-income senior housing developments that use a variety of
 75.15 public or private financing sources.

75.16 ~~(k)~~ (k) "Supportive housing" means housing that is not time-limited and provides or
 75.17 coordinates with linkages to services necessary for residents to maintain housing stability
 75.18 and maximize opportunities for education and employment.

75.19 Sec. 14. Minnesota Statutes 2020, section 462A.37, subdivision 2, is amended to read:

75.20 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
 75.21 principal amount of housing infrastructure bonds in one or more series to which the payment
 75.22 made under this section may be pledged. The housing infrastructure bonds authorized in
 75.23 this subdivision may be issued to fund loans, or grants for the purposes of clause (4), on
 75.24 terms and conditions the agency deems appropriate, made for one or more of the following
 75.25 purposes:

75.26 (1) to finance the costs of the construction, acquisition, and rehabilitation of supportive
 75.27 housing for individuals and families who are without a permanent residence;

75.28 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
 75.29 housing to be used for affordable rental housing and the costs of new construction of rental
 75.30 housing on abandoned or foreclosed property where the existing structures will be demolished
 75.31 or removed;

76.1 (3) to finance that portion of the costs of acquisition of property that is attributable to
76.2 the land to be leased by community land trusts to low- and moderate-income home buyers;

76.3 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
76.4 parks under section 462A.2035, subdivision 1b;

76.5 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
76.6 of senior housing;

76.7 (6) to finance the costs of acquisition ~~and~~ rehabilitation, and replacement of federally
76.8 assisted rental housing and for the refinancing of costs of the construction, acquisition, and
76.9 rehabilitation of federally assisted rental housing, including providing funds to refund, in
76.10 whole or in part, outstanding bonds previously issued by the agency or another government
76.11 unit to finance or refinance such costs; and

76.12 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
76.13 of single-family housing.

76.14 (b) Among comparable proposals for permanent supportive housing, preference shall
76.15 be given to permanent supportive housing for veterans and other individuals or families
76.16 who:

76.17 (1) either have been without a permanent residence for at least 12 months or at least four
76.18 times in the last three years; or

76.19 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
76.20 times in the last three years.

76.21 (c) Among comparable proposals for senior housing, the agency must give priority to
76.22 requests for projects that:

76.23 (1) demonstrate a commitment to maintaining the housing financed as affordable to
76.24 ~~seniors~~ senior households;

76.25 (2) leverage other sources of funding to finance the project, including the use of
76.26 low-income housing tax credits;

76.27 (3) provide access to services to residents and demonstrate the ability to increase physical
76.28 supports and support services as residents age and experience increasing levels of disability;
76.29 and

76.30 ~~(4) provide a service plan containing the elements of clause (3) reviewed by the housing~~
76.31 ~~authority, economic development authority, public housing authority, or community~~

77.1 ~~development agency that has an area of operation for the jurisdiction in which the project~~
77.2 ~~is located; and~~

77.3 ~~(5)~~ (4) include households with incomes that do not exceed 30 percent of the median
77.4 household income for the metropolitan area.

77.5 To the extent practicable, the agency shall balance the loans made between projects in the
77.6 metropolitan area and projects outside the metropolitan area. Of the loans made to projects
77.7 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans
77.8 made between projects in counties or cities with a population of 20,000 or less, as established
77.9 by the most recent decennial census, and projects in counties or cities with populations in
77.10 excess of 20,000.

77.11 Sec. 15. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision
77.12 to read:

77.13 Subd. 2j. Refunding bonds. (a) The agency may issue housing infrastructure bonds in
77.14 one or more series to refund bonds authorized in this section. The amount of refunding
77.15 housing infrastructure bonds that may be issued from time to time will not be subject to the
77.16 dollar limitation contained in any of the authorizations in this section nor will those bonds
77.17 be included in computing the amount of bonds that may be issued within those dollar
77.18 limitations.

77.19 (b) In the refunding of housing infrastructure bonds, each bond must be called for
77.20 redemption prior to its maturity in accordance with its terms no later than the earliest date
77.21 on which it may be redeemed. No refunding bonds may be issued unless as of the date of
77.22 the refunding bonds the present value of the dollar amount of the debt service on the
77.23 refunding bonds, computed to their stated maturity dates, is lower than the present value of
77.24 the dollar amount of debt service on all housing infrastructure bonds refunded computed to
77.25 their stated maturity dates. For purposes of this subdivision, "present value of the dollar
77.26 amount of debt service" means the dollar amount of debt service to be paid, discounted to
77.27 the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

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

78.1 Sec. 16. Minnesota Statutes 2020, section 462A.37, subdivision 4, is amended to read:

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

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

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

78.14 Sec. 17. Minnesota Statutes 2021 Supplement, section 462A.37, subdivision 5, is amended
78.15 to read:

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

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

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

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

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

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

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

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

79.32 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
79.33 bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those
79.34 bonds, remain outstanding, the commissioner of management and budget must transfer to

80.1 the housing infrastructure bond account established under section 462A.21, subdivision 33,
80.2 the amount certified under paragraph (a). The amounts necessary to make the transfers are
80.3 appropriated from the general fund to the commissioner of management and budget.

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

80.6 Sec. 18. Minnesota Statutes 2020, section 462A.38, subdivision 1, is amended to read:

80.7 Subdivision 1. **Establishment.** A workforce and affordable homeownership development
80.8 program is established to award homeownership development grants to cities, counties,
80.9 Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or
80.10 308B, and community land trusts created for the purposes outlined in section 462A.31,
80.11 subdivision 1, for development of workforce and affordable homeownership projects. The
80.12 purpose of the program is to increase the supply of workforce and affordable, owner-occupied
80.13 multifamily or single-family housing throughout Minnesota.

80.14 Sec. 19. Minnesota Statutes 2020, section 462A.39, subdivision 2, is amended to read:

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

80.17 (b) "Eligible project area" means a home rule charter or statutory city located outside
80.18 of ~~the~~ a metropolitan area county as defined in section 473.121, subdivision ~~2~~ 4, with a
80.19 population exceeding 500; a community that has a combined population of 1,500 residents
80.20 located within 15 miles of a home rule charter or statutory city located outside ~~the~~ a
80.21 metropolitan ~~area~~ county as defined in section 473.121, subdivision ~~2~~ 4; federally recognized
80.22 Tribal reservations; or an area served by a joint county-city economic development authority.

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

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

80.30 (e) "Qualified expenditure" means expenditures for market rate residential rental
80.31 properties including acquisition of property; construction of improvements; and provisions

81.1 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing
 81.2 costs.

81.3 Sec. 20. Minnesota Statutes 2020, section 462A.39, subdivision 5, is amended to read:

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

81.10 Sec. 21. Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11,
 81.11 is amended to read:

81.12 **Subd. 11. Affordable Rental Investment Fund** 4,218,000 4,218,000

81.13 (a) This appropriation is for the affordable
 81.14 rental investment fund program under
 81.15 Minnesota Statutes, section 462A.21,
 81.16 subdivision 8b, to finance the acquisition,
 81.17 rehabilitation, replacement, and debt
 81.18 restructuring of federally assisted rental
 81.19 property and for making equity take-out loans
 81.20 under Minnesota Statutes, section 462A.05,
 81.21 subdivision 39.

81.22 (b) The owner of federally assisted rental
 81.23 property must agree to participate in the
 81.24 applicable federally assisted housing program
 81.25 and to extend any existing low-income
 81.26 affordability restrictions on the housing for
 81.27 the maximum term permitted.

81.28 (c) The appropriation also may be used to
 81.29 finance the acquisition, rehabilitation, and debt
 81.30 restructuring of existing supportive housing
 81.31 properties and naturally occurring affordable
 81.32 housing as determined by the commissioner.
 81.33 For purposes of this paragraph, "supportive

82.1 housing" means affordable rental housing with
82.2 links to services necessary for individuals,
82.3 youth, and families with children to maintain
82.4 housing stability.

82.5 ARTICLE 6

82.6 LANDLORD TENANT LAW

82.7 Section 1. Minnesota Statutes 2020, section 363A.09, subdivision 1, is amended to read:

82.8 Subdivision 1. **Real property interest; action by owner, lessee, and others.** It is an
82.9 unfair discriminatory practice for an owner, lessee, sublessee, assignee, or managing agent
82.10 of, or other person having the right to sell, rent or lease any real property, or any agent of
82.11 any of these:

82.12 (1) to refuse to sell, rent, or lease or otherwise deny to or withhold from any person or
82.13 group of persons any real property because of race, color, creed, religion, national origin,
82.14 sex, marital status, status with regard to public assistance, participation in or requirements
82.15 of a public assistance program, disability, sexual orientation, or familial status; or

82.16 (2) to discriminate against any person or group of persons because of race, color, creed,
82.17 religion, national origin, sex, marital status, status with regard to public assistance,
82.18 participation in or requirements of a public assistance program, disability, sexual orientation,
82.19 or familial status in the terms, conditions or privileges of the sale, rental or lease of any real
82.20 property or in the furnishing of facilities or services in connection therewith, except that
82.21 nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended
82.22 to protect the safety of minors in their use of the real property or any facilities or services
82.23 furnished in connection therewith; or

82.24 (3) in any transaction involving real property, to print, circulate or post or cause to be
82.25 printed, circulated, or posted any advertisement or sign, or use any form of application for
82.26 the purchase, rental or lease of real property, or make any record or inquiry in connection
82.27 with the prospective purchase, rental, or lease of real property which expresses, directly or
82.28 indirectly, any limitation, specification, or discrimination as to race, color, creed, religion,
82.29 national origin, sex, marital status, status with regard to public assistance, participation in
82.30 or requirements of a public assistance program, disability, sexual orientation, or familial
82.31 status, or any intent to make any such limitation, specification, or discrimination except that
82.32 nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as
82.33 available to adults-only if the person placing the advertisement reasonably believes that the

83.1 provisions of this section prohibiting discrimination because of familial status do not apply
83.2 to the dwelling unit.

83.3 Sec. 2. Minnesota Statutes 2020, section 363A.09, subdivision 2, is amended to read:

83.4 Subd. 2. **Real property interest; action by brokers, agents, and others.** It is an unfair
83.5 discriminatory practice for a real estate broker, real estate salesperson, or employee, or agent
83.6 thereof:

83.7 (1) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property
83.8 to any person or group of persons or to negotiate for the sale, rental, or lease of any real
83.9 property to any person or group of persons because of race, color, creed, religion, national
83.10 origin, sex, marital status, status with regard to public assistance, participation in or
83.11 requirements of a public assistance program, disability, sexual orientation, or familial status
83.12 or represent that real property is not available for inspection, sale, rental, or lease when in
83.13 fact it is so available, or otherwise deny or withhold any real property or any facilities of
83.14 real property to or from any person or group of persons because of race, color, creed, religion,
83.15 national origin, sex, marital status, status with regard to public assistance, participation in
83.16 or requirements of a public assistance program, disability, sexual orientation, or familial
83.17 status; or

83.18 (2) to discriminate against any person because of race, color, creed, religion, national
83.19 origin, sex, marital status, status with regard to public assistance, participation in or
83.20 requirements of a public assistance program, disability, sexual orientation, or familial status
83.21 in the terms, conditions or privileges of the sale, rental or lease of real property or in the
83.22 furnishing of facilities or services in connection therewith; or

83.23 (3) to print, circulate, or post or cause to be printed, circulated, or posted any
83.24 advertisement or sign, or use any form of application for the purchase, rental, or lease of
83.25 any real property or make any record or inquiry in connection with the prospective purchase,
83.26 rental or lease of any real property, which expresses directly or indirectly, any limitation,
83.27 specification or discrimination as to race, color, creed, religion, national origin, sex, marital
83.28 status, status with regard to public assistance, participation in or requirements of a public
83.29 assistance program, disability, sexual orientation, or familial status or any intent to make
83.30 any such limitation, specification, or discrimination except that nothing in this clause shall
83.31 be construed to prohibit the advertisement of a dwelling unit as available to adults-only if
83.32 the person placing the advertisement reasonably believes that the provisions of this section
83.33 prohibiting discrimination because of familial status do not apply to the dwelling unit.

84.1 Sec. 3. Minnesota Statutes 2020, section 363A.09, is amended by adding a subdivision to
84.2 read:

84.3 Subd. 2a. **Definition; public assistance program.** For purposes of this section, "public
84.4 assistance program" means federal, state, or local assistance, including but not limited to
84.5 rental assistance, rent supplements, and housing choice vouchers.

84.6 Sec. 4. Minnesota Statutes 2020, section 484.014, subdivision 2, is amended to read:

84.7 Subd. 2. **Discretionary expungement.** The court may order expungement of an eviction
84.8 case court file ~~only upon motion of a defendant and decision by the court, if the court finds~~
84.9 ~~that the plaintiff's case is sufficiently without basis in fact or law, which may include lack~~
84.10 ~~of jurisdiction over the case, that~~ if the court makes the following findings: (1) the eviction
84.11 case court file is no longer a reasonable predictor of future tenant behavior; and (2) the
84.12 expungement is clearly in the interests of justice and those interests are not outweighed by
84.13 the public's interest in knowing about the record.

84.14 Sec. 5. Minnesota Statutes 2020, section 484.014, subdivision 3, is amended to read:

84.15 Subd. 3. **Mandatory expungement.** The court shall order expungement of an eviction
84.16 case:

84.17 (1) commenced solely on the grounds provided in section 504B.285, subdivision 1,
84.18 clause (1), if the court finds that the defendant occupied real property that was subject to
84.19 contract for deed cancellation or mortgage foreclosure and:

84.20 ~~(1)~~ (i) the time for contract cancellation or foreclosure redemption has expired and the
84.21 defendant vacated the property prior to commencement of the eviction action; or

84.22 ~~(2)~~ (ii) the defendant was a tenant during the contract cancellation or foreclosure
84.23 redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b,
84.24 or 1c, to vacate on a date prior to commencement of the eviction case;

84.25 (2) if the defendant prevailed on the merits;

84.26 (3) if the court dismissed the plaintiff's complaint for any reason;

84.27 (4) if the parties to the action have agreed to an expungement;

84.28 (5) if the court finds an eviction was ordered at least three years before the date the
84.29 expungement was filed; or

84.30 (6) upon motion of a defendant, if the case is settled and the defendant fulfills the terms
84.31 of the settlement.

85.1 Sec. 6. **[504B.120] PROHIBITED FEES.**

85.2 **Subdivision 1. Prohibited fees.** Except for actual services rendered for an optional
85.3 service offered by the landlord, a landlord shall not charge a tenant any nonrefundable fee
85.4 in relation to a residential tenancy.

85.5 **Subd. 2. Penalties.** A landlord who violates this section is liable to the residential tenant
85.6 for each unenforceable fee for three times the amount of each fee imposed that was not for
85.7 an actual optional service or \$500, whichever is greater, and the court may award the tenant
85.8 reasonable attorney fees.

85.9 **EFFECTIVE DATE.** This section applies to leases signed before, on, or after August
85.10 1, 2022.

85.11 Sec. 7. Minnesota Statutes 2020, section 504B.135, is amended to read:

85.12 **504B.135 TERMINATING TENANCY AT WILL.**

85.13 ~~(a)~~ A tenancy at will may be terminated by either party by giving notice in writing. The
85.14 time of the notice must be at least as long as the interval between the time rent is due or
85.15 three months, whichever is less.

85.16 ~~(b) If a tenant neglects or refuses to pay rent due on a tenancy at will, the landlord may~~
85.17 ~~terminate the tenancy by giving the tenant 14 days notice to quit in writing.~~

85.18 Sec. 8. Minnesota Statutes 2020, section 504B.161, subdivision 1, is amended to read:

85.19 **Subdivision 1. Requirements.** (a) In every lease or license of residential premises, the
85.20 landlord or licensor covenants:

85.21 (1) that the premises and all common areas are fit for the use intended by the parties;

85.22 (2) to keep the premises in reasonable repair during the term of the lease or license,
85.23 except when the disrepair has been caused by the willful, malicious, or irresponsible conduct
85.24 of the tenant or licensee or a person under the direction or control of the tenant or licensee;

85.25 (3) to make the premises reasonably energy efficient by installing weatherstripping,
85.26 caulking, storm windows, and storm doors when any such measure will result in energy
85.27 procurement cost savings, based on current and projected average residential energy costs
85.28 in Minnesota, that will exceed the cost of implementing that measure, including interest,
85.29 amortized over the ten-year period following the incurring of the cost; ~~and~~

85.30 (4) to maintain the premises in compliance with the applicable health and safety laws
85.31 of the state, and of the local units of government where the premises are located during the

86.1 term of the lease or license, except when violation of the health and safety laws has been
86.2 caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a
86.3 person under the direction or control of the tenant or licensee; and

86.4 (5) to supply or furnish heat at a minimum temperature of at least 68 degrees Fahrenheit,
86.5 measured at a distance of 36 inches above floor level, and not closer than 36 inches from
86.6 any wall, from October 1 through April 30.

86.7 (b) The parties to a lease or license of residential premises may not waive or modify the
86.8 covenants imposed by this section.

86.9 Sec. 9. Minnesota Statutes 2020, section 504B.211, subdivision 2, is amended to read:

86.10 Subd. 2. **Entry by landlord.** Except as provided in subdivision 4, a landlord may enter
86.11 the premises rented by a residential tenant without the residential tenant's permission only
86.12 for a reasonable business purpose and after making a good faith effort to give the residential
86.13 tenant reasonable notice under the circumstances of not less than 24 hours in advance of
86.14 the intent to enter. The notice must specify a time of entry that does not exceed four hours
86.15 and the landlord may only enter between the hours of 8:00 a.m. and 8:00 p.m. A tenant may
86.16 withdraw the tenant's permission at any time. A residential tenant may not waive and the
86.17 landlord may not require the residential tenant to waive the residential tenant's right to prior
86.18 notice of entry under this section as a condition of entering into or maintaining the lease.

86.19 Sec. 10. Minnesota Statutes 2020, section 504B.211, subdivision 6, is amended to read:

86.20 Subd. 6. **Penalty.** If a landlord ~~substantially violates subdivision 2~~ this section, the
86.21 residential tenant is entitled to a penalty which may include a rent reduction up to full
86.22 rescission of the lease, recovery of any damage deposit less any amount retained under
86.23 section 504B.178, and ~~up to a \$100 civil penalty for each violation. If a landlord violates~~
86.24 ~~subdivision 5, the residential tenant is entitled to up to a \$100 civil penalty for each violation~~
86.25 damages not less than an amount equal to one month's rent and reasonable attorney fees. A
86.26 residential tenant ~~shall~~ may follow the procedures in sections 504B.381, 504B.385, and
86.27 504B.395 to 504B.471 to enforce the provisions of this section. A violation of this section
86.28 by the landlord is a violation of section 504B.161.

86.29 **EFFECTIVE DATE.** This section applies to matters commenced on or after August
86.30 1, 2022.

87.1 Sec. 11. **[504B.266] TERMINATION OF LEASE UPON INFIRMITY OF TENANT.**

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

87.4 (b) "Authorized representative" means a person acting as an attorney-in-fact under a
87.5 power of attorney under section 523.24 or a court-appointed conservator or guardian under
87.6 chapter 524.

87.7 (c) "Disability" means any condition or characteristic that is a physical, sensory, or
87.8 mental impairment that materially limits one or more major life activity.

87.9 (d) "Medical care facility" means:

87.10 (1) a nursing home, as defined in section 144A.01, subdivision 5;

87.11 (2) hospice care, as defined in section 144A.75, subdivision 8;

87.12 (3) a residential hospice facility, as defined in section 144A.75, subdivision 13;

87.13 (4) a boarding care home, as licensed under chapter 144 and regulated by the Department
87.14 of Health under Minnesota Rules, chapter 4655;

87.15 (5) a supervised living facility, as licensed under chapter 144;

87.16 (6) a facility providing assisted living, as defined in section 144G.08, subdivision 7;

87.17 (7) an accessible unit, as defined in section 363A.40, subdivision 1, paragraph (b);

87.18 (8) a state facility, as defined in section 246.50, subdivision 3;

87.19 (9) a facility providing a foster care for adults program, as defined in section 245A.02,
87.20 subdivision 6c; or

87.21 (10) a facility providing intensive residential treatment services, as defined in section
87.22 245I.23.

87.23 (e) "Medical professional" means:

87.24 (1) a physician who is currently licensed to practice medicine under section 147.02,
87.25 subdivision 1;

87.26 (2) an advanced practice registered nurse, as defined in section 148.171, subdivision 3;

87.27 or

87.28 (3) a mental health professional, as defined in section 245I.04, subdivision 2.

87.29 **Subd. 2. Termination of lease upon infirmity of tenant.** (a) A tenant or the authorized
87.30 representative of the tenant may terminate the lease before the expiration of the lease in the

88.1 manner provided in subdivision 3 if the tenant has, or if there is more than one tenant, all
88.2 the tenants have, been found by a medical professional to need to move into a medical care
88.3 facility and:

88.4 (1) require assistance with instrumental activities of daily living or personal activities
88.5 of daily living due to medical reasons or a disability;

88.6 (2) meet one of the nursing facility level of care criteria under section 144.0724,
88.7 subdivision 11; or

88.8 (3) have a disability or functional impairment in three or more of the areas listed in
88.9 section 245.462, subdivision 11a, so that self-sufficiency is markedly reduced because of
88.10 a mental illness.

88.11 (b) If a tenant requires an accessible unit as defined in section 363A.40, subdivision 1,
88.12 and the landlord can provide an accessible unit in the same complex where the tenant
88.13 currently resides that is available within two months of the request, then the provisions of
88.14 this section do not apply and the tenant may not terminate the lease.

88.15 Subd. 3. **Notice.** If the conditions in subdivision 2 have been met, the tenant or the
88.16 tenant's authorized representative may terminate the lease by providing at least two months'
88.17 written notice to be effective on the last day of a calendar month. The notice must be either
88.18 hand delivered or mailed by postage prepaid, first class United States mail. The notice must
88.19 include: (1) a copy of the medical professional's written documentation of the infirmity;
88.20 and (2) documentation showing that the tenant has been accepted as a resident or has a
88.21 pending application at a location where the medical professional has indicated that the tenant
88.22 needs to move. The termination of a lease under this section shall not relieve the eligible
88.23 tenant from liability either for the payment of rent or other sums owed prior to or during
88.24 the notice period, or for the payment of amounts necessary to restore the premises to the
88.25 condition at the beginning of the tenancy, ordinary wear and tear excepted.

88.26 Subd. 4. **Waiver prohibited.** Any waiver of the rights of termination provided by this
88.27 section, including lease provisions or other agreements that require a longer notice period
88.28 than those provided for in this section, shall be void and unenforceable.

88.29 Subd. 5. **Other laws.** Nothing in this section affects the rights or remedies available in
88.30 this chapter or other law, including but not limited to chapter 363A.

88.31 **EFFECTIVE DATE.** This section is effective January 1, 2023, and applies to leases
88.32 entered into or renewed on or after January 1, 2023. For purposes of this section, estates at
88.33 will shall be deemed to be renewed at the beginning of each rental period.

89.1 Sec. 12. Minnesota Statutes 2020, section 504B.291, is amended to read:

89.2 **504B.291 EVICTION ACTION FOR NONPAYMENT; REDEMPTION; OTHER**
89.3 **RIGHTS.**

89.4 Subdivision 1. **Action to recover.** (a) Subject to subdivision 1a, a landlord may bring
89.5 an eviction action for nonpayment of rent irrespective of whether the lease contains a right
89.6 of reentry clause. Such an eviction action is equivalent to a demand for the rent. There is a
89.7 rebuttable presumption that the rent has been paid if the tenant produces a copy or copies
89.8 of one or more money orders or produces one or more original receipt stubs evidencing the
89.9 purchase of a money order, if the documents: (i) total the amount of the rent; (ii) include a
89.10 date or dates approximately corresponding with the date rent was due; and (iii) in the case
89.11 of copies of money orders, are made payable to the landlord. This presumption is rebutted
89.12 if the landlord produces a business record that shows that the tenant has not paid the rent.
89.13 The landlord is not precluded from introducing other evidence that rebuts this presumption.
89.14 In such an action, unless the landlord has also sought to evict the tenant by alleging a material
89.15 violation of the lease under section 504B.285, subdivision 5, the tenant may, at any time
89.16 before possession has been delivered, redeem the tenancy and be restored to possession by
89.17 paying to the landlord or bringing to court the amount of the rent that is in arrears, with
89.18 interest, costs of the action, and an attorney's fee not to exceed \$5, and by performing any
89.19 other covenants of the lease.

89.20 (b) If the tenant has paid to the landlord or brought into court the amount of rent in
89.21 arrears but is unable to pay the interest, costs of the action, and attorney's fees required by
89.22 paragraph (a), the court may permit the tenant to pay these amounts into court and be restored
89.23 to possession within the same period of time, if any, for which the court stays the issuance
89.24 of the order to vacate under section 504B.345.

89.25 (c) Prior to or after commencement of an action to recover possession for nonpayment
89.26 of rent, the parties may agree only in writing that partial payment of rent in arrears which
89.27 is accepted by the landlord prior to issuance of the order granting restitution of the premises
89.28 pursuant to section 504B.345 may be applied to the balance due and does not waive the
89.29 landlord's action to recover possession of the premises for nonpayment of rent.

89.30 (d) Rental payments under this subdivision must first be applied to rent claimed as due
89.31 in the complaint from prior rental periods before applying any payment toward rent claimed
89.32 in the complaint for the current rental period, unless the court finds that under the
89.33 circumstances the claim for rent from prior rental periods has been waived.

90.1 Subd. 1a. **Eviction prohibited pending rental assistance application determination.** A
90.2 landlord may not bring an eviction action for the nonpayment of rent against a tenant, or
90.3 proceed with an eviction action for nonpayment of rent if one has already been filed, if the
90.4 tenant demonstrates the tenant has a pending application for rental assistance with a federal
90.5 agency, state agency, local unit of government, or nonprofit corporation incorporated under
90.6 chapter 317A. A landlord may bring an eviction action or proceed on a previously filed
90.7 eviction action if the tenant has been denied rental assistance, or within 45 days of notice
90.8 by the tenant of a pending application for rental assistance, whichever comes first. A landlord
90.9 who is notified that rental assistance for the tenant has been approved shall not file or proceed
90.10 with an eviction action for 15 business days pending distribution of the funds awarded. For
90.11 purposes of this section, "rental assistance" means funds distributed to provide direct
90.12 assistance for the payment of rent:

90.13 (1) under chapters 256D, 256I, and 256J;

90.14 (2) under sections 116L.17, 245.99, 256.484, 256K.45, 462A.204, 462C.16, and 477A.30;

90.15 (3) distributed by or through a county or municipal government;

90.16 (4) provided by a federal agency to be administered and distributed by the state or local
90.17 government; or

90.18 (5) distributed by a nonprofit that has been funded by the federal, state, or local
90.19 government when the funding was provided for the purpose of providing rental assistance.

90.20 **Subd. 2. Lease greater than 20 years.** (a) If the lease under which an action is brought
90.21 under subdivision 1 is for a term of more than 20 years, the action may not begin until the
90.22 landlord serves a written notice on the tenant and on all creditors with legal or equitable
90.23 recorded liens on the property. The notice must state: (1) the lease will be canceled unless
90.24 the amounts, agreements, and legal obligations in default are paid or performed within 30
90.25 days, or a longer specified period; and (2) if the amounts, agreements, and legal obligations
90.26 are not paid or performed within that period, then the landlord may evict the tenant at the
90.27 expiration of the period.

90.28 (b) If the lease provides that the landlord must give more than the 30 days' notice provided
90.29 in paragraph (a), then notice must be the same as that provided in the lease.

90.30 (c) The tenant may be restored to possession of the property under the terms of the
90.31 original lease if, before the expiration of six months after the landlord obtains possession
90.32 due to the tenant's abandonment or surrender of the property or the landlord prevails in the
90.33 action, the tenant or a creditor holding a legal or equitable lien on the property: (1) pays to

91.1 the landlord or brings into court the amount of rent then in arrears, with interest and the
91.2 costs of the action; and (2) performs the other agreements or legal obligations that are in
91.3 default.

91.4 Subd. 3. **Recording of eviction or ejectment actions.** Upon recovery of possession by
91.5 the landlord in the action, a certified copy of the judgment shall, upon presentation, be
91.6 recorded in the office of the county recorder of the county where the land is situated if
91.7 unregistered land or in the office of the registrar of titles of the county if registered land and
91.8 upon recovery of possession by the landlord by abandonment or surrender by the tenant an
91.9 affidavit by the landlord or the landlord's attorney setting forth the fact shall be recorded in
91.10 a like manner and the recorded certified copy of the judgment or the recorded affidavit shall
91.11 be prima facie evidence of the facts stated therein in reference to the recovery of possession
91.12 by the landlord.

91.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and
91.14 applies to evictions filed on or after that date and evictions pending but not yet adjudicated
91.15 on the date of final enactment.

91.16 Sec. 13. Minnesota Statutes 2020, section 504B.321, is amended to read:

91.17 **504B.321 COMPLAINT AND SUMMONS.**

91.18 Subdivision 1. **Procedure.** (a) To bring an eviction action, the person complaining shall
91.19 file a complaint with the court, stating the full name and date of birth of the person against
91.20 whom the complaint is made, unless it is not known, describing the premises of which
91.21 possession is claimed, stating the facts which authorize the recovery of possession, and
91.22 asking for recovery thereof.

91.23 (b) The lack of the full name and date of birth of the person against whom the complaint
91.24 is made does not deprive the court of jurisdiction or make the complaint invalid.

91.25 (c) The court shall issue a summons, commanding the person against whom the complaint
91.26 is made to appear before the court on a day and at a place stated in the summons.

91.27 (d) The appearance shall be not less than seven nor more than 14 days from the day of
91.28 issuing the summons, except as provided by subdivision 2.

91.29 (e) A copy of the complaint shall be attached to the summons, which shall state that the
91.30 copy is attached and that the original has been filed.

91.31 (f) If applicable, the person filing a complaint must attach a copy of the written notice
91.32 described in subdivision 1a. The court shall dismiss an action without prejudice for failure

92.1 to provide a notice as described in subdivision 1a and grant an expungement of the eviction
92.2 case court file.

92.3 Subd. 1a. **Written notice.** (a) Before bringing an eviction action alleging nonpayment
92.4 of rent, a landlord must provide written notice to the residential tenant specifying the basis
92.5 for a future eviction action.

92.6 (b) For an allegation of nonpayment of rent or other unpaid financial obligations in
92.7 violation of the lease, the landlord must include the following in a written notice:

92.8 (1) the total amount due;

92.9 (2) a specific accounting of the amount of the total due that is comprised of unpaid rents,
92.10 late fees, or other charges under the lease; and

92.11 (3) the name and address of the person authorized to receive rent and fees on behalf of
92.12 the landlord.

92.13 (c) A notice provided under this section must:

92.14 (1) provide a disclaimer that a low-income tenant may be eligible for financial assistance
92.15 from the county;

92.16 (2) provide a description on how to access legal and financial assistance through the
92.17 "Law Help" website at www.lawhelpmn.org and "Minnesota 211" through its website
92.18 www.211unitedway.org or by calling 211; and

92.19 (3) state that the landlord may bring an eviction action following expiration of the 14-day
92.20 notice period if the tenant fails to pay the total amount due or fails to vacate.

92.21 (d) The landlord or an agent of the landlord must deliver the notice personally or by first
92.22 class mail to the residential tenant at the address of the leased premises.

92.23 (e) If the tenant fails to correct the rent delinquency within 14 days of the delivery or
92.24 mailing of the notice or fails to vacate, the landlord may bring an eviction action under
92.25 subdivision 1 based on the nonpayment of rent.

92.26 (f) Receipt of a notice under this section is an emergency situation under section 256D.06,
92.27 subdivision 2, and Minnesota Rules, chapter 9500. For purposes of chapter 256J and
92.28 Minnesota Rules, chapter 9500, a county agency verifies an emergency situation by receiving
92.29 and reviewing a notice under this section. If a residential tenant applies for financial
92.30 assistance from the county, the landlord must cooperate with the application process by:

92.31 (1) supplying all information and documentation requested by the tenant or the county;
92.32 and

93.1 (2) accepting or placing into escrow partial rent payments where necessary to establish
93.2 a tenant's eligibility for assistance.

93.3 Subd. 2. **Expedited procedure.** (a) In an eviction action brought under section 504B.171
93.4 or on the basis that the residential tenant is causing a nuisance or other illegal behavior that
93.5 seriously endangers the safety of other residents, their property, or the landlord's property,
93.6 the person filing the complaint shall file an affidavit stating specific facts and instances in
93.7 support of why an expedited hearing is required.

93.8 (b) The complaint and affidavit shall be reviewed by a referee or judge and scheduled
93.9 for an expedited hearing only if sufficient supporting facts are stated and they meet the
93.10 requirements of this paragraph.

93.11 (c) The appearance in an expedited hearing shall be not less than five days nor more
93.12 than seven days from the date the summons is issued. The summons, in an expedited hearing,
93.13 shall be served upon the residential tenant within 24 hours of issuance unless the court
93.14 orders otherwise for good cause shown.

93.15 (d) If the court determines that the person seeking an expedited hearing did so without
93.16 sufficient basis under the requirements of this subdivision, the court shall impose a civil
93.17 penalty of up to \$500 for abuse of the expedited hearing process.

93.18 **Subd. 3. Nonpublic record.** An eviction action is not accessible to the public until the
93.19 court enters a final judgment.

93.20 Sec. 14. Minnesota Statutes 2020, section 504B.375, subdivision 1, is amended to read:

93.21 Subdivision 1. **Unlawful exclusion or removal.** (a) This section applies to actual or
93.22 constructive removal or exclusion of a residential tenant which may include the termination
93.23 of utilities or the removal of doors, windows, or locks. A residential tenant to whom this
93.24 section applies may recover possession of the premises as described in paragraphs (b) to
93.25 (e).

93.26 (b) The residential tenant shall present a verified petition to the district court of the
93.27 judicial district of the county in which the premises are located that:

93.28 (1) describes the premises and the landlord;

93.29 (2) specifically states the facts and grounds that demonstrate that the exclusion or removal
93.30 was unlawful, including a statement that no writ of recovery of the premises and order to
93.31 vacate has been issued under section 504B.345 in favor of the landlord and against the
93.32 residential tenant and executed in accordance with section 504B.365; and

94.1 (3) asks for possession.

94.2 (c) If it clearly appears from the specific grounds and facts stated in the verified petition
94.3 or by separate affidavit of the residential tenant or the residential tenant's attorney or agent
94.4 that the exclusion or removal was unlawful, the court shall immediately order that the
94.5 residential tenant have possession of the premises.

94.6 (d) The residential tenant shall furnish security, if any, that the court finds is appropriate
94.7 under the circumstances for payment of all costs and damages the landlord may sustain if
94.8 the order is subsequently found to have been obtained wrongfully. In determining the
94.9 appropriateness of security, the court shall consider the residential tenant's ability to afford
94.10 monetary security.

94.11 (e) The court shall direct the order to the sheriff of the county in which the premises are
94.12 located and the sheriff shall execute the order immediately by making a demand for
94.13 possession on the landlord, if found, or the landlord's agent or other person in charge of the
94.14 premises. If the landlord fails to comply with the demand, the officer shall take whatever
94.15 assistance may be necessary and immediately place the residential tenant in possession of
94.16 the premises. If the landlord, the landlord's agent, or other person in control of the premises
94.17 cannot be found and if there is no person in charge, the officer shall immediately enter into
94.18 and place the residential tenant in possession of the premises. The officer shall also serve
94.19 the order and verified petition or affidavit immediately upon the landlord or agent, in the
94.20 same manner as a summons is required to be served in a civil action in district court.

94.21 (f) The court administrator may charge a filing fee in the amount set for complaints and
94.22 counterclaims in conciliation court, subject to the filing of an inability to pay affidavit.

94.23 Sec. 15. Minnesota Statutes 2020, section 504B.381, subdivision 1, is amended to read:

94.24 Subdivision 1. **Petition.** A person authorized to bring an action under section 504B.395,
94.25 subdivision 1, may petition the court for relief ~~in cases of emergency involving the loss of~~
94.26 ~~running water, hot water, heat, electricity, sanitary facilities, or other essential services or~~
94.27 ~~facilities that the landlord is responsible for providing.;~~

94.28 (1) when a unit of government has issued a condemnation order or a notice of intent to
94.29 condemn; or

94.30 (2) in cases of emergency involving the following services and facilities when the landlord
94.31 is responsible for providing them:

94.32 (i) a serious infestation;

- 95.1 (ii) the loss of running water;
- 95.2 (iii) the loss of hot water;
- 95.3 (iv) the loss of heat;
- 95.4 (v) the loss of electricity;
- 95.5 (vi) the loss of sanitary facilities;
- 95.6 (vii) a nonfunctioning refrigerator;
- 95.7 (viii) if included in the lease, a nonfunctioning air conditioner;
- 95.8 (iv) if included in the lease, no functioning elevator;
- 95.9 (x) any conditions, services, or facilities that pose a serious and negative impact on
- 95.10 health or safety; or
- 95.11 (xi) other essential services or facilities.

95.12 Sec. 16. Minnesota Statutes 2020, section 504B.381, subdivision 5, is amended to read:

95.13 Subd. 5. **Relief; service of petition and order.** Provided proof that the petitioner has

95.14 given the notice required in subdivision 4 to the landlord, if the court finds based on the

95.15 petitioner's emergency ex parte motion for relief, affidavit, and other evidence presented

95.16 that the landlord violated subdivision 1, then the court shall order that the landlord

95.17 immediately begin to remedy the violation and may order relief as provided in section

95.18 504B.425. The court and petitioner shall serve the petition and order on the landlord

95.19 personally or by mail as soon as practicable. The court shall include notice of a hearing and,

95.20 at the hearing, shall consider evidence of alleged violations, defenses, compliance with the

95.21 order, and any additional relief available under section 504B.425. The court and petitioner

95.22 shall serve the notice of hearing on the ex parte petition and emergency order personally or

95.23 by mail as soon as practicable.

95.24 Sec. 17. Minnesota Statutes 2020, section 504B.381, is amended by adding a subdivision

95.25 to read:

95.26 Subd. 8. **Filing fee.** The court administrator may charge a filing fee in the amount set

95.27 for complaints and counterclaims in conciliation court, subject to the filing of an inability

95.28 to pay affidavit.

96.1

ARTICLE 7

96.2

BROADBAND

96.3 Section 1. Minnesota Statutes 2020, section 116J.395, subdivision 7, is amended to read:

96.4 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than ~~50~~

96.5 75 percent of the total cost of a project.

96.6 (b) Grants awarded to a single project under this section must not exceed ~~\$5,000,000~~

96.7 \$10,000,000.

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

96.9 Sec. 2. **REPORT; GRANT AWARD CHANGES.**

96.10 No later than December 31, 2022, the Office of Broadband Development must submit

96.11 a report to the chairs and ranking minority members of the senate and house of representatives

96.12 committees with primary jurisdiction over broadband policy and finance analyzing the

96.13 impacts of the statutory changes made in section 1 of this act on the number and amounts

96.14 of grants awarded under Minnesota Statutes, section 116J.395.

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

96.16 Sec. 3. **TRANSFER.**

96.17 \$25,000,000 in fiscal year 2023 is transferred from the general fund to the

96.18 border-to-border broadband fund account established in Minnesota Statutes, section 116J.396.

96.19 This is a onetime transfer and remains available until expended.

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