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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5056

03/20/2024

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The bill was read for the first time and referred to the Committee on Climate and Energy Finance and Policy

1.1 A bill for an act
1.2 relating to energy; establishing a program to award grants for the purchase of
1.3 electric lawn and snow removal equipment; requiring reports; appropriating money;
1.4 proposing coding for new law in Minnesota Statutes, chapter 216C.

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

1.6 Section 1. 216C.47 **LAWN AND SNOW REMOVAL EQUIPMENT**
1.7 **ELECTRIFICATION GRANT PROGRAM.**

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

1.10 (b) "Commissioner" means the commissioner of the Pollution Control Agency.

1.11 (c) "Eligible applicant" means:

1.12 (1) an individual;

1.13 (2) a small business, as defined in section 645.445, subdivision 2;

1.14 (3) a nonprofit organization that is exempt from taxation under section 501(c)(3) of the
1.15 Internal Revenue Code and is operating from a physical location in Minnesota; and

1.16 (4) a person that is otherwise eligible pursuant to any additional eligibility requirements
1.17 determined during the program design and implementation phase.

1.18 (d) "Environmental justice area" has the meaning given in section 115A.03.

1.19 (e) "Focus community" means a community in Minnesota that is underserved by clean
1.20 energy solutions, including but not limited to renewable energy, electric vehicles, or building

2.1 electrification, and is overburdened by air pollution. Focus communities may be defined
 2.2 as:

2.3 (1) meeting the definition of an environmental justice community under section 216C.441,
 2.4 subdivision 2, paragraph (i);

2.5 (2) meeting the definition of a low-income household under section 216B.2402,
 2.6 subdivision 16;

2.7 (3) residing in city-defined geographic areas identified as bearing high levels of pollution
 2.8 or racial and economic marginalization or disinvestment, including but not limited to
 2.9 Minneapolis' Green Zones; or

2.10 (4) other definitions determined by the commissioner or community input to identify
 2.11 communities underserved by clean energy solutions or overburdened by air pollution.

2.12 (f) "Lawn and snow removal equipment" means equipment that is used to perform
 2.13 landscaping or remove snow from land or building surfaces. Lawn and snow removal
 2.14 equipment includes but is not limited to a lawn mower, lawn edger, trimmer, leaf blower,
 2.15 chainsaw, snow blower, or other equipment that emits local air pollution, including small
 2.16 generators used to power community events.

2.17 (g) "Operating organization" means a third-party organization responsible for operating
 2.18 the grant program under this section, and may include community action partnerships or
 2.19 other entities capable of providing grants directly to residents.

2.20 Subd. 2. **Establishment; purpose.** A lawn and snow removal equipment electrification
 2.21 grant program is established in the Pollution Control Agency to assist eligible applicants to
 2.22 purchase lawn and snow removal equipment that operates solely by electricity. The grant
 2.23 program must (1) prioritize grant awards to individuals from focus communities, or small
 2.24 businesses operating within focus communities; (2) develop and implement an inclusive
 2.25 process to design the grant program with direct input from and influence by focus
 2.26 communities; and (3) provide public education and outreach regarding the benefits of
 2.27 electrification, including to K-12 schools, particularly within focus communities.

2.28 Subd. 3. **Program administration; program design.** (a) The commissioner, with input
 2.29 from focus communities and other interested parties, may select one or more operating
 2.30 organizations to administer and operate the grant program under this section. The program
 2.31 must be established no later than June 30, 2025.

2.32 (b) The commissioner must spend up to one year working with potential or selected
 2.33 operating organizations, focus communities, and other interested parties, including but not

3.1 limited to community organizations, nonprofits, and lawn and snow removal equipment
3.2 vendors, to design the grant program under this section to be equitable for focus communities.
3.3 To help locate decision-making within focus communities, the commissioner and focus
3.4 communities must create a community design group consisting of no less than six individuals
3.5 from focus communities.

3.6 (c) The commissioner and the community design group, as part of the program design
3.7 phase and with input from other interested parties listed in paragraph (b), must:

3.8 (1) further define eligible applicants for the program to align with the definitions under
3.9 subdivision 1 and the purpose of the grant program stated under subdivision 2;

3.10 (2) create a grant application process that is streamlined and nonburdensome for eligible
3.11 applicants, and considers a point-of-sale option;

3.12 (3) determine grant award amounts for individual applicants and small business
3.13 applicants, including maximum amounts;

3.14 (4) determine a process to evaluate grant applications and award grants that is equitable
3.15 and inclusive, and prioritizes individuals or small businesses in focus communities;

3.16 (5) consider how to permanently retire and recycle fossil-fuel-powered lawn and snow
3.17 removal equipment that are being replaced under the program, including how to verify
3.18 retirement; and

3.19 (6) decide how focus communities provide feedback and advise on the program once
3.20 the design phase ends and the operating phase begins.

3.21 Subd. 4. **Public outreach and community engagement.** (a) Public outreach and
3.22 community engagement during the design phase must, at minimum:

3.23 (1) engage with residents across Minnesota, including within both Minneapolis and St.
3.24 Paul, and outside the Twin Cities metropolitan area;

3.25 (2) include at least three public meetings that are remotely accessible to allow focus
3.26 communities and other interested parties to provide feedback on grant program design;

3.27 (3) include a public website with updates on the grant program design phase and operating
3.28 phase; and

3.29 (4) include at least two in-person outreach events with physical materials or hand-outs,
3.30 and an option to provide feedback nonelectronically.

3.31 (b) The commissioner may consult with the community design group on other public
3.32 outreach and community engagement practices.

4.1 (c) The commissioner must act as fiscal agent for the grant program. The commissioner
4.2 must develop administrative procedures to evaluate the application, evaluation, and grant
4.3 award processes in conjunction with operating organizations and focus communities.

4.4 Subd. 5. **Account established.** A lawn and snow removal equipment electrification grant
4.5 account is established in the special revenue fund. Money received from the general fund
4.6 must be transferred to the commissioner and credited to the account. Earnings, including
4.7 interest, dividends, and any other earnings arising from the assets of the account, must be
4.8 credited to the account. Earnings remaining in the account at the end of a fiscal year do not
4.9 cancel to the general fund but remain in the account until June 30, 2030. The commissioner
4.10 must manage the account.

4.11 Subd. 6. **Appropriation; expenditures.** Money in the account established under
4.12 subdivision 5 is appropriated to the commissioner for the purposes of this section and must
4.13 be used only to:

4.14 (1) award grants made under this section;

4.15 (2) support community engagement in program design and implementation;

4.16 (3) provide public education and outreach on this grant program; and

4.17 (4) pay the reasonable costs of the agency and operating organizations to administer this
4.18 section.

4.19 Subd. 7. **Accountability and report.** (a) The commissioner must work with the
4.20 community design group and operating organizations to create a process to (1) track use of
4.21 the grant program funds across identified demographics, and (2) estimate the air and climate
4.22 pollution reduction as a result of this grant program.

4.23 (b) The commissioner must publish a publicly available and Internet-accessible annual
4.24 report no later than February 1, 2026, showing (1) how grants have been awarded across
4.25 identified demographics, and (2) the annual and cumulative estimates of air and climate
4.26 pollution reduced in a given program year.

4.27 (c) After the grant program is established and begins operating, the commissioner must
4.28 work with operating organizations to conduct regular outreach to focus communities to
4.29 gather feedback on improvements, following the additional process or recommendations
4.30 set by the community design group as part of subdivision 3, paragraph (c), clause (6). The
4.31 commissioner may elect to use a community advisory board or similar organization, new
4.32 or existing, to review grant program operations and outcomes and advise on changes needed
4.33 to reach the program's stated purpose under subdivision 2.

5.1 (d) No later than June 30, 2026, and every June 30 thereafter, the commissioner must
5.2 submit a written report to the chairs and ranking minority members of the senate and house
5.3 of representatives committees with jurisdiction over climate, energy, environment, and
5.4 natural resources summarizing the number and amount of grant awards made and the types
5.5 of equipment financed under this section.

5.6 Sec. 2. **APPROPRIATION.**

5.7 \$3,500,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
5.8 of the Pollution Control Agency for the purposes of Minnesota Statutes, section 216C.47.
5.9 This appropriation does not cancel to the general fund at the end of a fiscal year but remains
5.10 available until June 30, 2030.