

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

S.F. No. 4019

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DATE	D-PG	OFFICIAL STATUS
03/16/2022	5358	Introduction and first reading Referred to Agriculture and Rural Development Finance and Policy
03/31/2022	6015a	Comm report: To pass as amended and re-refer to Finance
04/05/2022	6439a	Comm report: To pass as amended
	6469	Second reading
04/07/2022	6854	Author added Draheim
04/26/2022	7514	Rule 45-amend, subst. General Orders HF4366 See HF3420

1.1 A bill for an act

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

1.3 establishing an agricultural best management practices grant program; making

1.4 policy and technical changes to agricultural provisions; requiring reports;

1.5 appropriating money; establishing the broadband line extension program; extending

1.6 use of utility easements for broadband; appropriating money for the Minnesota

1.7 Housing Finance Agency supplemental budget; amending Minnesota Statutes

1.8 2020, sections 13.643, by adding a subdivision; 17.117, subdivisions 9, 9a, 10,

1.9 11, 11a; 18E.04, subdivision 4; 40A.18, subdivision 2; 41B.025, by adding a

1.10 subdivision; 116J.396, subdivision 2; 223.17, subdivisions 4, 6; 346.155,

1.11 subdivision 7; 462A.03, subdivision 13; 462A.05, by adding subdivisions; 462A.07,

1.12 subdivisions 9, 10, 14; 462A.2035, by adding a subdivision; 462A.204, subdivision

1.13 3; 462A.21, subdivision 4a; 462A.24; 462A.33, by adding a subdivision; 462A.36,

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

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

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

1.17 subdivision 3; Minnesota Statutes 2021 Supplement, sections 35.155, subdivision

1.18 14; 41A.21, subdivision 2; 462A.05, subdivision 14a; 462A.37, subdivision 5;

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

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

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

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

1.23 2020, section 471.9996, subdivision 2.

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

1.25 **ARTICLE 1**

1.26 **AGRICULTURE APPROPRIATIONS**

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

1.28 read:

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

1.30			59,303,000	59,410,000
1.31	Subdivision 1. Total Appropriation	\$	<u>60,163,000</u>	<u>63,250,000</u>

2.1	Appropriations by Fund		
2.2		2022	2023
2.3		<u>58,904,000</u>	<u>59,011,000</u>
2.4	General	<u>59,764,000</u>	<u>62,851,000</u>
2.5	Remediation	399,000	399,000

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

2.9 **Subd. 2. Protection Services**

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

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

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

3.1 methods performed by federal wildlife services
3.2 staff.

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

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

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

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

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

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

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

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

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

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

5.18 (k) \$350,000 in the first year is for a grant to
 5.19 the Board of Regents of the University of
 5.20 Minnesota to purchase equipment for the
 5.21 Veterinary Diagnostic Laboratory to test for
 5.22 chronic wasting disease, African swine fever,
 5.23 avian influenza, and other animal diseases.
 5.24 This is a onetime appropriation.

5.25 **Subd. 3. Agricultural Marketing and**
 5.26 **Development**

4,200,000

4,205,000
4,215,000

5.27 (a) \$186,000 the first year and \$186,000 the
 5.28 second year are for transfer to the Minnesota
 5.29 grown account and may be used as grants for
 5.30 Minnesota grown promotion under Minnesota
 5.31 Statutes, section 17.102. Grants may be made
 5.32 for one year. Notwithstanding Minnesota
 5.33 Statutes, section 16A.28, the appropriations
 5.34 encumbered under contract on or before June

6.1 30, 2023, for Minnesota grown grants in this
6.2 paragraph are available until June 30, 2025.

6.3 (b) \$50,000 the first year is to expand
6.4 international marketing opportunities for
6.5 farmers and value-added processors, including
6.6 in-market representation in Taiwan. This is a
6.7 onetime appropriation and is available until
6.8 June 30, 2023.

6.9 (c) \$634,000 the first year and \$634,000 the
6.10 second year are for continuation of the dairy
6.11 development and profitability enhancement
6.12 programs including dairy profitability teams
6.13 and dairy business planning grants under
6.14 Minnesota Statutes, section 32D.30.

6.15 (d) \$50,000 the first year and \$50,000 the
6.16 second year are for additional funding for
6.17 mental health outreach and support to farmers
6.18 and others in the agricultural community,
6.19 including a 24-hour hotline, stigma reduction,
6.20 and educational offerings. These are onetime
6.21 appropriations.

6.22 (e) The commissioner may use funds
6.23 appropriated in this subdivision for annual
6.24 cost-share payments to resident farmers or
6.25 entities that sell, process, or package
6.26 agricultural products in this state for the costs
6.27 of organic certification. The commissioner
6.28 may allocate these funds for assistance to
6.29 persons transitioning from conventional to
6.30 organic agriculture.

6.31 (f) \$100,000 the first year and \$100,000 the
6.32 second year are for the farm safety grant and
6.33 outreach programs under Minnesota Statutes,
6.34 section 17.1195. Notwithstanding Minnesota

7.1 Statutes, section 16A.28, any unencumbered
 7.2 balance does not cancel at the end of the first
 7.3 year and is available in the second year. These
 7.4 are onetime appropriations.

7.5 (g) \$54,000 the first year and \$109,000 the
 7.6 second year are to maintain the current level
 7.7 of service delivery.

7.8 (h) \$10,000 the second year is appropriated
 7.9 from the general fund to the commissioner of
 7.10 agriculture to study and report on the state of
 7.11 regional and local food systems in Minnesota,
 7.12 including recommendations for strengthening
 7.13 these systems. No later than February 1, 2023,
 7.14 the commissioner must submit the report to
 7.15 the legislative committees with jurisdiction
 7.16 over agriculture policy and finance. This is a
 7.17 onetime appropriation.

7.18 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 7.19 **Advancement**

25,343,000

25,357,000
26,057,000

7.20 (a) \$9,300,000 the first year and \$9,300,000
 7.21 the second year are for transfer to the
 7.22 agriculture research, education, extension, and
 7.23 technology transfer account under Minnesota
 7.24 Statutes, section 41A.14, subdivision 3. Of
 7.25 these amounts: at least \$600,000 the first year
 7.26 and \$600,000 the second year are for the
 7.27 Minnesota Agricultural Experiment Station's
 7.28 agriculture rapid response fund under
 7.29 Minnesota Statutes, section 41A.14,
 7.30 subdivision 1, clause (2); \$2,000,000 the first
 7.31 year and \$2,000,000 the second year are for
 7.32 grants to the Minnesota Agriculture Education
 7.33 Leadership Council to enhance agricultural
 7.34 education with priority given to Farm Business
 7.35 Management challenge grants; \$350,000 the

8.1 first year and \$350,000 the second year are
8.2 for potato breeding; and \$450,000 the first
8.3 year and \$450,000 the second year are for the
8.4 cultivated wild rice breeding project at the
8.5 North Central Research and Outreach Center
8.6 to include a tenure track/research associate
8.7 plant breeder. The commissioner shall transfer
8.8 the remaining funds in this appropriation each
8.9 year to the Board of Regents of the University
8.10 of Minnesota for purposes of Minnesota
8.11 Statutes, section 41A.14. Of the amount
8.12 transferred to the Board of Regents, up to
8.13 \$1,000,000 each year is for research on avian
8.14 influenza, salmonella, and other turkey-related
8.15 diseases. By January 15, 2023, entities
8.16 receiving grants for potato breeding and wild
8.17 rice breeding are requested to report to the
8.18 chairs and ranking minority members of the
8.19 legislative committees with jurisdiction over
8.20 agriculture and higher education regarding the
8.21 use of the grant money and to provide an
8.22 update on the status of research and related
8.23 accomplishments.

8.24 To the extent practicable, money expended
8.25 under Minnesota Statutes, section 41A.14,
8.26 subdivision 1, clauses (1) and (2), must
8.27 supplement and not supplant existing sources
8.28 and levels of funding. The commissioner may
8.29 use up to one percent of this appropriation for
8.30 costs incurred to administer the program.

8.31 (b) ~~\$16,028,000~~ the first year and ~~\$16,028,000~~
8.32 \$16,728,000 the second year are for the
8.33 agricultural growth, research, and innovation
8.34 program under Minnesota Statutes, section
8.35 41A.12. Except as provided below, the

9.1 commissioner may allocate the appropriation
9.2 each year among the following areas:
9.3 facilitating the start-up, modernization,
9.4 improvement, or expansion of livestock
9.5 operations including beginning and
9.6 transitioning livestock operations with
9.7 preference given to robotic dairy-milking
9.8 equipment; providing funding not to exceed
9.9 \$800,000 each year to develop and enhance
9.10 farm-to-school markets for Minnesota farmers
9.11 by providing more fruits, vegetables, meat,
9.12 grain, and dairy for Minnesota children in
9.13 school and child care settings including, at the
9.14 commissioner's discretion, reimbursing
9.15 schools for purchases from local farmers;
9.16 assisting value-added agricultural businesses
9.17 to begin or expand, to access new markets, or
9.18 to diversify, including aquaponics systems;
9.19 providing funding not to exceed \$600,000
9.20 each year for urban youth agricultural
9.21 education or urban agriculture community
9.22 development of which \$10,000 each year is
9.23 for transfer to the emerging farmer account
9.24 under Minnesota Statutes, section 17.055,
9.25 subdivision 1a; providing funding not to
9.26 exceed \$450,000 each year for the good food
9.27 access program under Minnesota Statutes,
9.28 section 17.1017; facilitating the start-up,
9.29 modernization, or expansion of other
9.30 beginning and transitioning farms including
9.31 by providing loans under Minnesota Statutes,
9.32 section 41B.056; sustainable agriculture
9.33 on-farm research and demonstration;
9.34 development or expansion of food hubs and
9.35 other alternative community-based food
9.36 distribution systems; enhancing renewable

10.1 energy infrastructure and use; crop research;
10.2 Farm Business Management tuition assistance;
10.3 and good agricultural practices and good
10.4 handling practices certification assistance. The
10.5 commissioner may use up to 6.5 percent of
10.6 this appropriation for costs incurred to
10.7 administer the program.

10.8 Of the amount appropriated for the agricultural
10.9 growth, research, and innovation program
10.10 under Minnesota Statutes, section 41A.12:

10.11 (1) \$1,000,000 the first year and \$1,000,000
10.12 the second year are for distribution in equal
10.13 amounts to each of the state's county fairs to
10.14 preserve and promote Minnesota agriculture;

10.15 (2) \$4,500,000 the first year and \$4,500,000
10.16 the second year are for incentive payments
10.17 under Minnesota Statutes, sections 41A.16,
10.18 41A.17, 41A.18, and 41A.20. Notwithstanding
10.19 Minnesota Statutes, section 16A.28, the first
10.20 year appropriation is available until June 30,
10.21 2023, and the second year appropriation is
10.22 available until June 30, 2024. If this
10.23 appropriation exceeds the total amount for
10.24 which all producers are eligible in a fiscal
10.25 year, the balance of the appropriation is
10.26 available for other purposes under this
10.27 paragraph;

10.28 (3) \$3,000,000 the first year and \$3,000,000
10.29 the second year are for grants that enable retail
10.30 petroleum dispensers, fuel storage tanks, and
10.31 other equipment to dispense biofuels to the
10.32 public in accordance with the biofuel
10.33 replacement goals established under
10.34 Minnesota Statutes, section 239.7911. A retail
10.35 petroleum dispenser selling petroleum for use

11.1 in spark ignition engines for vehicle model
11.2 years after 2000 is eligible for grant money
11.3 under this clause if the retail petroleum
11.4 dispenser has no more than 10 retail petroleum
11.5 dispensing sites and each site is located in
11.6 Minnesota. The grant money must be used to
11.7 replace or upgrade equipment that does not
11.8 have the ability to be certified for E25. A grant
11.9 award must not exceed 65 percent of the cost
11.10 of the appropriate technology. A grant award
11.11 must not exceed \$200,000 per station. The
11.12 commissioner must cooperate with biofuel
11.13 stakeholders in the implementation of the grant
11.14 program. The commissioner, in cooperation
11.15 with any economic or community development
11.16 financial institution and any other entity with
11.17 which it contracts, must submit a report on the
11.18 biofuels infrastructure financial assistance
11.19 program by January 15 of each year to the
11.20 chairs and ranking minority members of the
11.21 legislative committees and divisions with
11.22 jurisdiction over agriculture policy and
11.23 finance. The annual report must include but
11.24 not be limited to a summary of the following
11.25 metrics: (i) the number and types of projects
11.26 financed; (ii) the amount of dollars leveraged
11.27 or matched per project; (iii) the geographic
11.28 distribution of financed projects; (iv) any
11.29 market expansion associated with upgraded
11.30 infrastructure; (v) the demographics of the
11.31 areas served; (vi) the costs of the program;
11.32 and (vii) the number of grants to
11.33 minority-owned or female-owned businesses;
11.34 (4) ~~\$750,000~~ the first year and ~~\$750,000~~
11.35 \$1,450,000 the second year are for grants to
11.36 facilitate the start-up, modernization, or

12.1 expansion of meat, poultry, egg, and milk
12.2 processing facilities. A grant award under this
12.3 clause must not exceed \$200,000. Any
12.4 unencumbered balance at the end of the second
12.5 year does not cancel until June 30, 2024, and
12.6 may be used for other purposes under this
12.7 paragraph. The appropriations under this
12.8 clause are onetime; and

12.9 (5) \$1,400,000 the first year and \$1,400,000
12.10 the second year are for livestock investment
12.11 grants under Minnesota Statutes, section
12.12 17.118. Any unencumbered balance at the end
12.13 of the second year does not cancel until June
12.14 30, 2024, and may be used for other purposes
12.15 under this paragraph. The appropriations under
12.16 this clause are onetime.

12.17 Notwithstanding Minnesota Statutes, section
12.18 16A.28, any unencumbered balance does not
12.19 cancel at the end of the first year and is
12.20 available for the second year, and
12.21 appropriations encumbered under contract on
12.22 or before June 30, 2023, for agricultural
12.23 growth, research, and innovation grants are
12.24 available until June 30, 2026.

12.25 The base amount for the agricultural growth,
12.26 research, and innovation program is
12.27 \$16,053,000 in fiscal year 2024 and
12.28 \$16,053,000 in fiscal year 2025, and includes
12.29 funding for incentive payments under
12.30 Minnesota Statutes, sections 41A.16, 41A.17,
12.31 41A.18, and 41A.20.

12.32 (c) \$15,000 the first year and \$29,000 the
12.33 second year are to maintain the current level
12.34 of service delivery.

13.1	Subd. 5. Administration and Financial	9,977,000	9,839,000
13.2	Assistance	<u>10,487,000</u>	<u>11,769,000</u>
13.3	(a) \$474,000 the first year and \$474,000 the		
13.4	second year are for payments to county and		
13.5	district agricultural societies and associations		
13.6	under Minnesota Statutes, section 38.02,		
13.7	subdivision 1. Aid payments to county and		
13.8	district agricultural societies and associations		
13.9	shall be disbursed no later than July 15 of each		
13.10	year. These payments are the amount of aid		
13.11	from the state for an annual fair held in the		
13.12	previous calendar year.		
13.13	(b) \$387,000 the first year and \$337,000 the		
13.14	second year are for farm advocate services.		
13.15	Of these amounts, \$100,000 the first year and		
13.16	\$50,000 the second year are for a pilot		
13.17	program creating farmland access teams to		
13.18	provide technical assistance to potential		
13.19	beginning farmers. The farmland access teams		
13.20	must assist existing farmers and beginning		
13.21	farmers on transitioning farm ownership and		
13.22	operation. Services provided by teams may		
13.23	include but are not limited to providing		
13.24	mediation assistance, designing contracts,		
13.25	financial planning, tax preparation, estate		
13.26	planning, and housing assistance. Of this		
13.27	amount for farm transitions, up to \$50,000 the		
13.28	first year may be used to upgrade the		
13.29	Minnesota FarmLink web application that		
13.30	connects farmers looking for land with farmers		
13.31	looking to transition their land.		
13.32	(c) \$47,000 the first year and \$47,000 the		
13.33	second year are for grants to the Northern		
13.34	Crops Institute that may be used to purchase		
13.35	equipment. These are onetime appropriations.		

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

14.17 (e) \$1,700,000 the first year and \$1,700,000
14.18 the second year are for grants to Second
14.19 Harvest Heartland on behalf of Minnesota's
14.20 six Feeding America food banks for the
14.21 following:

14.22 (1) to purchase milk for distribution to
14.23 Minnesota's food shelves and other charitable
14.24 organizations that are eligible to receive food
14.25 from the food banks. Milk purchased under
14.26 the grants must be acquired from Minnesota
14.27 milk processors and based on low-cost bids.
14.28 The milk must be allocated to each Feeding
14.29 America food bank serving Minnesota
14.30 according to the formula used in the
14.31 distribution of United States Department of
14.32 Agriculture commodities under The
14.33 Emergency Food Assistance Program. Second
14.34 Harvest Heartland may enter into contracts or
14.35 agreements with food banks for shared funding

15.1 or reimbursement of the direct purchase of
15.2 milk. Each food bank that receives funding
15.3 under this clause may use up to two percent
15.4 for administrative expenses;

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

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

15.31 Of the amount appropriated under this
15.32 paragraph, at least \$600,000 each year must
15.33 be allocated under clause (1). Notwithstanding
15.34 Minnesota Statutes, section 16A.28, any
15.35 unencumbered balance the first year does not

16.1 cancel and is available in the second year.

16.2 Second Harvest Heartland must submit

16.3 quarterly reports to the commissioner and the

16.4 chairs and ranking minority members of the

16.5 legislative committees with jurisdiction over

16.6 agriculture finance in the form prescribed by

16.7 the commissioner. The reports must include

16.8 but are not limited to information on the

16.9 expenditure of funds, the amount of milk or

16.10 other commodities purchased, and the

16.11 organizations to which this food was

16.12 distributed.

16.13 (f) \$250,000 the first year and \$250,000 the

16.14 second year are for grants to the Minnesota

16.15 Agricultural Education and Leadership

16.16 Council for programs of the council under

16.17 Minnesota Statutes, chapter 41D.

16.18 (g) \$1,437,000 the first year and \$1,437,000

16.19 the second year are for transfer to the

16.20 agricultural and environmental revolving loan

16.21 account established under Minnesota Statutes,

16.22 section 17.117, subdivision 5a, for low-interest

16.23 loans under Minnesota Statutes, section

16.24 17.117. The base for appropriations under this

16.25 paragraph in fiscal year 2024 and thereafter

16.26 is \$1,425,000. The commissioner must

16.27 examine how the department could use up to

16.28 one-third of the amount transferred to the

16.29 agricultural and environmental revolving loan

16.30 account under this paragraph to award grants

16.31 to rural landowners to replace septic systems

16.32 that inadequately protect groundwater. No

16.33 later than February 1, 2022, the commissioner

16.34 must report to the legislative committees with

16.35 jurisdiction over agriculture finance and

17.1 environment finance on the results of the
17.2 examination required under this paragraph.
17.3 The commissioner's report may include other
17.4 funding sources for septic system replacement
17.5 that are available to rural landowners.

17.6 (h) \$50,000 the second year is for the
17.7 agriculture best management practices grant
17.8 program under Minnesota Statutes, section
17.9 17.1162. This is a onetime appropriation.

17.10 (i) \$150,000 the first year and \$150,000 the
17.11 second year are for grants to the Center for
17.12 Rural Policy and Development. These are
17.13 onetime appropriations.

17.14 ~~(i)~~ (j) \$150,000 the first year is to provide
17.15 grants to Central Lakes College for the
17.16 purposes of designing, building, and offering
17.17 credentials in the area of meat cutting and
17.18 butchery that align with industry needs as
17.19 advised by local industry advisory councils.
17.20 Notwithstanding Minnesota Statutes, section
17.21 16A.28, any unencumbered balance does not
17.22 cancel at the end of the first year and is
17.23 available for the second year. The
17.24 commissioner may only award a grant under
17.25 this paragraph if the grant is matched by a like
17.26 amount from another funding source. The
17.27 commissioner must seek matching dollars
17.28 from Minnesota State Colleges and
17.29 Universities or other entities. The
17.30 appropriation is onetime and is available until
17.31 June 30, 2024. Any money remaining on June
17.32 30, 2024, must be transferred to the
17.33 agricultural growth, research, and innovation
17.34 program under Minnesota Statutes, section
17.35 41A.12, and is available until June 30, 2025.

18.1 Grants may be used for costs including but
18.2 not limited to:

18.3 (1) facility renovation to accommodate meat
18.4 cutting;

18.5 (2) curriculum design and approval from the
18.6 Higher Learning Commission;

18.7 (3) program operational start-up costs;

18.8 (4) equipment required for a meat cutting
18.9 program; and

18.10 (5) meat handling start-up costs in regard to
18.11 meat access and market channel building.

18.12 No later than January 15, 2023, Central Lakes
18.13 College must submit a report outlining the use
18.14 of grant money to the chairs and ranking
18.15 minority members of the legislative
18.16 committees and divisions with jurisdiction
18.17 over agriculture and higher education.

18.18 ~~(j)~~ (k) \$2,000 the first year is for grants to the
18.19 Minnesota State Poultry Association. This is
18.20 a onetime appropriation. Notwithstanding
18.21 Minnesota Statutes, section 16A.28, any
18.22 unencumbered balance does not cancel at the
18.23 end of the first year and is available for the
18.24 second year.

18.25 ~~(k)~~ (l) \$17,000 the first year and \$17,000 the
18.26 second year are for grants to the Minnesota
18.27 State Horticultural Society. These are onetime
18.28 appropriations.

18.29 ~~(l)~~ (m) \$18,000 the first year and \$18,000 the
18.30 second year are for grants to the Minnesota
18.31 Livestock Breeders Association. These are
18.32 onetime appropriations.

19.1 ~~(m)~~ (n) The commissioner shall continue to
19.2 increase connections with ethnic minority and
19.3 immigrant farmers to farming opportunities
19.4 and farming programs throughout the state.

19.5 ~~(n)~~ (o) \$25,000 the first year and \$25,000 the
19.6 second year are for grants to the Southern
19.7 Minnesota Initiative Foundation to promote
19.8 local foods through an annual event that raises
19.9 public awareness of local foods and connects
19.10 local food producers and processors with
19.11 potential buyers.

19.12 ~~(o)~~ (p) \$75,000 the first year and \$75,000 the
19.13 second year are for grants to Greater Mankato
19.14 Growth, Inc., for assistance to
19.15 agriculture-related businesses to promote jobs,
19.16 innovation, and synergy development. These
19.17 are onetime appropriations.

19.18 ~~(p)~~ (q) \$75,000 the first year and \$75,000 the
19.19 second year are for grants to the Minnesota
19.20 Turf Seed Council for basic and applied
19.21 research. The Minnesota Turf Seed Council
19.22 may subcontract with a qualified third party
19.23 for some or all of the basic or applied research.
19.24 No later than January 15, 2023, the Minnesota
19.25 Turf Seed Council must submit a report
19.26 outlining the use of the grant money and
19.27 related accomplishments to the chairs and
19.28 ranking minority members of the legislative
19.29 committees with jurisdiction over agriculture.
19.30 These are onetime appropriations. Any
19.31 unencumbered balance does not cancel at the
19.32 end of the first year and is available for the
19.33 second year.

19.34 ~~(q)~~ (r) \$150,000 the first year and \$150,000
19.35 the second year are to establish an emerging

20.1 farmer office and hire a full-time emerging
20.2 farmer outreach coordinator. The emerging
20.3 farmer outreach coordinator must engage and
20.4 support emerging farmers regarding resources
20.5 and opportunities available throughout the
20.6 Department of Agriculture and the state. For
20.7 purposes of this paragraph, "emerging farmer"
20.8 has the meaning provided in Minnesota
20.9 Statutes, section 17.055, subdivision 1. Of the
20.10 amount appropriated each year, \$25,000 is for
20.11 translation services for farmers and cottage
20.12 food producers.

20.13 ~~(r)~~ (s) \$222,000 the first year and \$286,000
20.14 the second year are to maintain the current
20.15 level of service delivery.

20.16 (t) \$1,000,000 the second year is to provide
20.17 grants to secondary career and technical
20.18 education programs for the purpose of offering
20.19 instruction in meat cutting and butchery. This
20.20 is a onetime appropriation. Grants may be used
20.21 for costs, including but not limited to:

20.22 (1) equipment required for a meat cutting
20.23 program;

20.24 (2) facility renovation to accommodate meat
20.25 cutting; and

20.26 (3) training faculty to teach the fundamentals
20.27 of meat processing.

20.28 The commissioner may receive applications
20.29 from eligible programs and make grants of up
20.30 to \$100,000, up to ten percent of which may
20.31 be used for training faculty.

20.32 Priority may be given to applicants who are
20.33 coordinating with meat cutting and butchery
20.34 programs at Minnesota State Colleges and

21.1 Universities system and local industry
21.2 partners.

21.3 (u) \$50,000 the second year is for grants to
21.4 organizations in Minnesota to develop
21.5 enterprises, supply chains, markets for
21.6 continuous living cover crops and cropping
21.7 systems in the early stage of commercial
21.8 development, Kernza perennial grain, winter
21.9 camelina, hybrid hazelnuts, and elderberry. A
21.10 multiyear project may receive grant money
21.11 for up to three years. This is a onetime
21.12 appropriation and is available until June 30,
21.13 2027.

21.14 In consultation with interested stakeholders,
21.15 the commissioner must develop a process to
21.16 award grants. At the time of application, the
21.17 commissioner must provide to the applicant
21.18 information about requirements for grant
21.19 recipients. The commissioner must appoint a
21.20 technical review panel to review and rank
21.21 eligible applicants and give preference to
21.22 applicants that are well-positioned to expand
21.23 the profitable commercialization of the Kernza
21.24 perennial grain, winter camelina, hybrid
21.25 hazelnuts, and elderberry. The technical
21.26 review panel must include at least one
21.27 representative from the Forever Green
21.28 Initiative and one representative from the
21.29 Agricultural Utilization Research Institute.
21.30 The commissioner must consider the technical
21.31 review panel recommendations when selecting
21.32 grant recipients.

21.33 Beginning February 1, 2023, and annually
21.34 thereafter until February 1, 2028, the
21.35 commissioner shall submit a report on the

- 22.1 utilization of the grants to the chairs and
22.2 ranking minority members of the legislative
22.3 committees and divisions with jurisdiction
22.4 over agriculture policy and finance.
- 22.5 (v) \$10,000 the first year is to provide
22.6 technical assistance and leadership in the
22.7 development of a comprehensive and
22.8 well-documented state aquaculture plan. The
22.9 commissioner must provide the state
22.10 aquaculture plan to the legislative committees
22.11 with jurisdiction over agriculture finance and
22.12 policy by February 15, 2023. This is a onetime
22.13 appropriation.
- 22.14 (w) \$500,000 the second year is for continuing
22.15 construction of the soybean processing and
22.16 research facility at the Ag Innovation Campus.
22.17 This is a onetime appropriation and is
22.18 available until December 31, 2026.
- 22.19 (x) \$30,000 the second year is for grants or
22.20 other forms of financial assistance to meat and
22.21 poultry processors for reimbursing the cost of
22.22 attending courses or training and receiving
22.23 technical assistance in fiscal year 2023 that
22.24 support developing sanitation standard
22.25 operating procedures, hazard analysis and
22.26 critical control points plans, or business plans.
22.27 A meat processor with 50 full-time equivalent
22.28 employees or less is eligible for grant money
22.29 under this paragraph. This is a onetime
22.30 appropriation.
- 22.31 (y) \$500,000 the first year is for transfer to the
22.32 agricultural emergency account established
22.33 under Minnesota Statutes, section 17.041.

23.1 Notwithstanding Minnesota Statutes, section
 23.2 17.041, the commissioner may spend money
 23.3 from the agricultural emergency account for
 23.4 the purposes of avian influenza testing
 23.5 supplies, including but not limited to poultry
 23.6 drinking water tests. This paragraph expires
 23.7 on December 31, 2022.

23.8 (z) \$300,000 the second year is for grants to
 23.9 organizations to provide technical assistance
 23.10 and culturally appropriate services to emerging
 23.11 farmers with preference given to organizations
 23.12 that serve African immigrants and refugees
 23.13 and African-American populations. This is a
 23.14 onetime appropriation. No later than January
 23.15 15, 2024, the commissioner must report grant
 23.16 activity and outcomes to the legislative
 23.17 committees with jurisdiction over agriculture
 23.18 finance.

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

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

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

23.24 (b) \$500,000 the first year is for grants to
 23.25 organizations to acquire, host, and operate a
 23.26 mobile slaughter unit. The mobile unit must
 23.27 coordinate with Minnesota state two-year
 23.28 colleges that have meat cutting programs to
 23.29 accommodate training as it relates to animal
 23.30 slaughter. The mobile unit may coordinate
 23.31 with livestock producers who desire to provide
 23.32 value-added meat products by utilizing the
 23.33 mobile slaughter unit. The mobile unit may
 23.34 be used for research, training outside of the

24.1 two-year colleges, and other activities that
24.2 align with industry needs. The Agricultural
24.3 Utilization Research Institute may only award
24.4 a grant under this paragraph if the grant
24.5 amount is matched by a like amount from
24.6 another funding source. The Agricultural
24.7 Utilization Research Institute must seek
24.8 matching dollars from Minnesota State
24.9 Colleges and Universities or other entities for
24.10 purposes of this paragraph. The appropriation
24.11 under this paragraph is onetime and is
24.12 available until June 30, 2024. Any money
24.13 remaining on June 30, 2024, must be
24.14 transferred to the commissioner of agriculture
24.15 for the agricultural growth, research, and
24.16 innovation program under Minnesota Statutes,
24.17 section 41A.12, and is available until June 30,
24.18 2025. By January 15, 2023, the institute must
24.19 report to the chairs and ranking minority
24.20 members of the legislative committees with
24.21 jurisdiction over agriculture regarding the
24.22 status of the project, including the status of
24.23 the use of any state or matching dollars to
24.24 complete the project.

24.25 (c) \$300,000 the second year is for equipment
24.26 upgrades, equipment replacement, installation
24.27 expenses, and laboratory infrastructure at
24.28 laboratories in Crookston, Marshall, and
24.29 Waseca, Minnesota. This is a onetime
24.30 appropriation and is available until June 30,
24.31 2026.

ARTICLE 2

BROADBAND APPROPRIATIONS

25.1
25.2
25.3 Section 1. Laws 2021, First Special Session chapter 10, article 1, section 7, is amended
25.4 to read:

25.5 **Sec. 7. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
25.6 **FUNDING; APPROPRIATION.**

25.7 (a) The commissioner of employment and economic development must prepare and
25.8 submit an application to the United States Department of the Treasury requesting that
25.9 \$70,000,000 of Minnesota's capital projects fund allocation under Public Law 117-2 be
25.10 awarded to the state. The commissioner must submit the application required under this
25.11 paragraph by the later of September 30, 2021, or 90 days after the date on which the United
25.12 States Department of the Treasury begins accepting capital projects fund applications. The
25.13 commissioner must specify in the application that the award will be used for grants ~~and~~ that
25.14 satisfy the purposes specified under Minnesota Statutes, section 116J.395.

25.15 (b) Of the amount awarded to the state of Minnesota pursuant to the application required
25.16 in paragraph (a), notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, 50 percent
25.17 in fiscal year 2022 and 50 percent in fiscal year 2023 are appropriated to the commissioner
25.18 of employment and economic development. This is a onetime appropriation and must be
25.19 used for grants ~~and~~ that satisfy the purposes specified under Minnesota Statutes, section
25.20 116J.395. All money awarded under this section must be spent by December 31, 2026.

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

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

25.25 (a) The commissioner of employment and economic development must establish a pilot
25.26 program to provide broadband service to unserved and underserved areas, as defined in
25.27 Minnesota Statutes, section 116J.394, of the state where a 50 percent match formula is not
25.28 adequate to make a business case for the extension of broadband facilities. Grants awarded
25.29 under this section shall adhere to all other requirements of Minnesota Statutes, section
25.30 116J.395, subdivisions 1 to 6, and may fund up to 75 percent of the total cost of a project,
25.31 notwithstanding Minnesota Statutes section 116J.395, subdivision 7. Grants awarded to a
25.32 single project under this section may not exceed \$5,000,000.

26.1 (b) The commissioner of employment and economic development may use up to
 26.2 \$15,000,000 from the appropriations in sections 3 and 4 for the lower population density
 26.3 pilot program under paragraph (a).

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

26.5 **Sec. 3. BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
 26.6 **FUNDING; APPROPRIATION.**

26.7 (a) The commissioner of employment and economic development must prepare and
 26.8 submit a grant plan application to the United States Department of the Treasury requesting
 26.9 that \$110,703,000 of Minnesota's capital projects fund allocation under Public Law 117-2
 26.10 be used for grants that satisfy the purposes specified under Minnesota Statutes, section
 26.11 116J.395, and sections 2, 5, and 6 of this article. The commissioner must submit the
 26.12 application required under this paragraph by September 24, 2022.

26.13 (b) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, the amount awarded
 26.14 to Minnesota pursuant to the application required in paragraph (a) is appropriated to the
 26.15 commissioner of employment and economic development. This appropriation (1) must be
 26.16 used only for grants that satisfy the purposes specified under Minnesota Statutes, section
 26.17 116J.395, and sections 2, 5, and 6 of this article, and (2) is available until December 31,
 26.18 2026.

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

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

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

26.25 (a) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, if Minnesota receives
 26.26 federal money for broadband development under Public Law 117-58, the Infrastructure
 26.27 Investment and Jobs Act, the money is appropriated to the commissioner of economic
 26.28 development for grants that satisfy the purposes specified under Minnesota Statutes, section
 26.29 116J.395, and sections 2, 5, and 6 of this article.

26.30 (b) The commissioner of employment and economic development may temporarily
 26.31 modify program standards under Minnesota Statutes, section 116J.395, and sections 2, 5,

27.1 and 6 of this article to the extent necessary to comply with federal standards that apply to
 27.2 funding received under this section.

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

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

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

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

27.9 Sec. 6. **BROADBAND; MAPPING.**

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

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

27.15 **ARTICLE 3**

27.16 **AGRICULTURE AND RURAL DEVELOPMENT POLICY**

27.17 Section 1. Minnesota Statutes 2020, section 13.643, is amended by adding a subdivision
 27.18 to read:

27.19 Subd. 8. **Mental or behavioral health data.** (a) The following data collected and
 27.20 maintained by the Department of Agriculture, Minnesota State Colleges and Universities,
 27.21 and any other pass-through recipients about any individual who seeks assistance with a
 27.22 mental or behavioral health issue or who contacts the Minnesota Farm and Rural Helpline
 27.23 are private or nonpublic data:

27.24 (1) data that identify the individual; and

27.25 (2) data provided by the individual identifying another person.

27.26 (b) The Department of Agriculture, Minnesota State Colleges and Universities, and any
 27.27 other pass-through recipients may release data collected under this subdivision to appropriate
 27.28 parties in connection with an emergency if knowledge of the data is necessary to protect
 27.29 the health or safety of any person.

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

28.1 Sec. 2. [17.1016] COOPERATIVE GRANTS.

28.2 Subdivision 1. Definitions. For the purposes of this section:

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

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

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

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

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

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

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

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

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

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

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

29.1 Sec. 3. [17.1162] AGRICULTURE BEST MANAGEMENT PRACTICES GRANT
29.2 PROGRAM.

29.3 Subdivision 1. Establishment. The commissioner of agriculture must establish and
29.4 administer a grant program to support healthy soil management practices in accordance
29.5 with this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31.4 Sec. 5. Minnesota Statutes 2020, section 17.117, subdivision 9a, is amended to read:

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

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

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

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

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

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

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

31.24 ~~(7)~~ (6) shall report to the commissioner annually the past and intended uses of allocations
31.25 awarded; and

31.26 ~~(8)~~ (7) may request additional funds in excess of their allocation when funds are available
31.27 in the agricultural and environmental revolving accounts, as long as all other allocation
31.28 awards to the local government unit have been used or committed.

31.29 (b) If a local government unit withdraws from participation in this program, the local
31.30 government unit, or the commissioner in accordance with the priorities established under
31.31 subdivision 6a, may designate another local government unit that is eligible under subdivision
31.32 6 as the new local government unit responsible for local administration of this program.

32.1 This designated local government unit may accept responsibility and administration of
 32.2 allocations awarded to the former responsible local government unit.

32.3 Sec. 6. Minnesota Statutes 2020, section 17.117, subdivision 10, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33.25 Sec. 8. Minnesota Statutes 2020, section 17.117, subdivision 11a, is amended to read:

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

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

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

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

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

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

34.9 Sec. 9. Minnesota Statutes 2020, section 18E.04, subdivision 4, is amended to read:

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

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

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

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

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

34.25 (1) were not reported at the time of release but were discovered and reported after July
34.26 1, 1989; and

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

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

35.1 (g) Except for an emergency incident, the board may not reimburse or pay for more than
 35.2 60 percent of the corrective action costs of an eligible person or for an incident within five
 35.3 years of a previous incident at a single site resulting from a site recontamination.

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

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

35.10 Subd. 14. **Concurrent authority; regulating farmed white-tailed deer.** ~~(a)~~ The
 35.11 commissioner of natural resources ~~and, in conjunction with~~ the Board of Animal Health,
 35.12 possess concurrent authority to regulate farmed white-tailed deer under this section, sections
 35.13 35.92 to 35.96, and any administrative rules adopted pursuant to this section or sections
 35.14 35.92 to 35.96. This does not confer to the commissioner any additional authorities under
 35.15 chapter 35, other than those set forth in sections 35.155 and 35.92 to 35.96, and any
 35.16 administrative rules adopted thereto. Neither entity may issue an emergency order restricting
 35.17 the movement of farmed white-tailed deer without the concurrence of the other.

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

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

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

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

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

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

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

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

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

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

36.8 (4) wireless communication installments and related equipment and structure capable
 36.9 of providing technology potentially beneficial to farming activities. A property owner who
 36.10 installs wireless communication equipment does not violate a covenant made prior to January
 36.11 1, 2018, under section 40A.10, subdivision 1-; and

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

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

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

36.17 Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source
 36.18 at least 80 percent of its forest resources raw materials from Minnesota. The facility must
 36.19 be located in Minnesota; must begin construction activities by December 31, 2022, for a
 36.20 specific location; ~~must begin production~~ have produced at least one OSB square foot on a
 36.21 3/8-inch nominal basis at a specific location by June 30, 2025; and must not begin operating
 36.22 before January 1, 2022. Eligible facilities must be new OSB construction sites with total
 36.23 capital investment in excess of \$250,000,000. Eligible OSB production facilities must
 36.24 produce at least ~~200,000,000~~ 50,000,000 OSB square feet on a 3/8-inch nominal basis of
 36.25 OSB each ~~year~~ quarter. At least one product produced at the facility should be a wood-based
 36.26 wall or roof structural sheathing panel that has an integrated, cellulose-based paper overlay
 36.27 that serves as a water resistive barrier.

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

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

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

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

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

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

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

37.11 (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

37.12 (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but
37.13 not more than \$750,000;

37.14 (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but
37.15 not more than \$1,500,000;

37.16 (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000
37.17 but not more than \$3,000,000;

37.18 (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000
37.19 but not more than \$6,000,000;

37.20 (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000
37.21 but not more than \$12,000,000;

37.22 (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000
37.23 but not more than \$24,000,000; and

37.24 (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

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

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

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

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

38.7 (f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide
38.8 90 days' written notice of the bond's termination date to the licensee and the commissioner.

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

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

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

38.15 (i) a balance sheet;

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

38.17 (iii) a statement of retained earnings;

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

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

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

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

38.29 (4) for grain buyers purchasing under ~~\$5,000,000~~ \$7,500,000 of grain annually, be
38.30 reviewed by a certified public accountant in accordance with standards established by the

39.1 American Institute of Certified Public Accountants, and must show that the financial
39.2 statements are free from material misstatements; and

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

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

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

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

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

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

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

39.21 (2) a wildlife sanctuary;

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

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

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

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

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

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

40.5 **ARTICLE 4**

40.6 **BROADBAND POLICY**

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

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

40.12 Subd. 2. **Portal.** No later than November 1, 2022, the department must develop and
 40.13 implement a portal on the department's website that allows a person to report (1) that
 40.14 broadband service is unavailable at the physical address of the person's residence or business,
 40.15 and (2) any additional information that the department deems necessary to ensure that the
 40.16 broadband line extension grant program functions effectively. The department must develop
 40.17 a form that allows the information identified in this subdivision to be submitted on paper.

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

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

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

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

41.1 Subd. 4. Reverse auction process. (a) No later than ten days after the date that the notice
41.2 requirement in subdivision 3, paragraph (b), expires, the department must notify each
41.3 broadband service provider that the broadband service provider may participate in the reverse
41.4 auction process under this subdivision. Within 60 days of the date that the notification is
41.5 received, a broadband service provider may submit a bid to the department to extend the
41.6 broadband service provider's existing broadband infrastructure to a location where broadband
41.7 service is currently unavailable.

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

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

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

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

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

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

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

41.24 Subd. 5. Line extension agreement. The department must enter into a line extension
41.25 agreement with each winning bidder identified under subdivision 4, except that the
41.26 department may not enter into a line extension agreement to serve any customer located
41.27 within an area that will be served by a grant already awarded by the department under section
41.28 116J.395.

41.29 Subd. 6. Contents of agreement. A line extension agreement under subdivision 5 must
41.30 contain the following terms:

41.31 (1) the broadband service provider agrees to extend broadband infrastructure to support
41.32 broadband service scalable to speeds of at least 100 megabits per second download and 100

42.1 megabits per second upload to each address included in the broadband service provider's
 42.2 winning bid;

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

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

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

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

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

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

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

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

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

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

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

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

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

42.27 Subd. 2. **Use of existing easements for broadband services.** (a) A provider, provider's
 42.28 affiliate, or another entity that has entered into an agreement with a provider, may use the
 42.29 provider, affiliate, or entity's existing or subsequently acquired easements to install broadband

43.1 infrastructure and provide broadband service, which may include an agreement to lease
43.2 fiber capacity.

43.3 (b) Before exercising rights granted under this subdivision, a provider must provide
43.4 notice to the property owner on which the easement is located, as described in subdivision
43.5 3.

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

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

43.18 (b) The notice must include:

43.19 (1) the provider's name and mailing address;

43.20 (2) a narrative describing the nature and purpose of the intended easement use;

43.21 (3) a description of any trenching or other underground work expected to result from
43.22 the intended use, and the anticipated time frame for the work;

43.23 (4) a phone number for an employee of the provider that the property owner may contact
43.24 regarding the easement; and

43.25 (5) the following statement, in bold red lettering: "It is important to make any challenge
43.26 by the deadline to preserve any legal rights you may have."

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

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

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

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

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

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

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

44.13 **Subd. 5. Deposit and hearing required.** (a) If a property owner files a complaint
 44.14 challenging a provider's right to use an easement to install broadband infrastructure and
 44.15 provide broadband service, after the provider answers the complaint, the district court must
 44.16 promptly hold a hearing on the complaint. If the district court denies the property owner's
 44.17 complaint, the provider may proceed to use the easement to install broadband infrastructure
 44.18 and provide broadband service, unless the complaint also seeks damages. If the complaint
 44.19 seeks damages, the provider may proceed under paragraph (b).

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

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

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

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

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

45.4 (b) Any fees or costs incurred as a result of an action under this subdivision must be
 45.5 paid by the party that incurred the fees or costs, except that a provider is responsible for a
 45.6 property owner's attorney fees if the final judgment or award of damages by the court exceeds
 45.7 140 percent of the provider's damage deposit made under subdivision 5, if applicable.

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

45.10 Subd. 8. **Local governmental right-of-way management preserved.** The placement
 45.11 of broadband infrastructure to provide broadband service under subdivisions 2 to 7 is subject
 45.12 to local government permitting and right-of-way management authority under section
 45.13 237.163, and must be coordinated with the relevant local government unit in order to
 45.14 minimize potential future relocations. The provider must notify a local government unit
 45.15 prior to placing infrastructure for broadband service in an easement that is in or adjacent to
 45.16 the local government unit's public right-of-way.

45.17 Subd. 9. **Railroad rights-of-way crossing.** The placement of broadband infrastructure
 45.18 for use to provide broadband service under subdivisions 1 to 7 or section 308A.201,
 45.19 subdivision 12, in any portion of an existing easement located in a railroad right-of-way is
 45.20 subject to sections 237.04 and 237.045.

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

45.22 **ARTICLE 5**

45.23 **HOUSING APPROPRIATIONS**

45.24 Section 1. **APPROPRIATIONS.**

45.25 The sums shown in the columns marked "Appropriations" are added to the appropriations
 45.26 in Laws 2021, First Special Session chapter 8, or other law, to specified agencies. The
 45.27 appropriations are from the general fund, or another named fund, and are available for the
 45.28 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article
 45.29 mean that the appropriations listed under them are available for the fiscal year ending June
 45.30 30, 2022, or June 30, 2023, respectively.

45.31
 45.32
 45.33
 45.34

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2022</u>	<u>2023</u>

46.1 **Sec. 2. HOUSING FINANCE AGENCY**46.2 **Subdivision 1. Total Appropriation** **\$ 50,000,000**46.3 (a) The amounts that may be spent for each
46.4 purpose are specified in the following
46.5 subdivisions.46.6 (b) Unless otherwise specified, this
46.7 appropriation is for transfer to the housing
46.8 development fund for the programs specified
46.9 in this section.46.10 **Subd. 2. Workforce Homeownership Program** **10,000,000**46.11 This appropriation is for the workforce
46.12 homeownership program under Minnesota
46.13 Statutes, section 462A.38. This is a onetime
46.14 appropriation.46.15 **Subd. 3. Homeownership Investment Grants** **35,000,000**46.16 This appropriation is for homeownership
46.17 investment grants under section 4. This is a
46.18 onetime appropriation.46.19 **Subd. 4. Targeted Loan Pool** **5,000,000**46.20 This appropriation is for a grant to Build
46.21 Wealth Minnesota to establish the 9,000
46.22 Equities Fund, a targeted loan pool, to provide
46.23 affordable first mortgages or equivalent
46.24 financing opportunities to households
46.25 struggling to access mortgages in underserved
46.26 communities of color. The goal for this
46.27 appropriation for Build Wealth Minnesota and
46.28 the 9,000 Equities Fund is to create at least
46.29 4,500 new homeownership opportunities and
46.30 to close the homeownership disparity gap by
46.31 eight percent in the Twin Cities metropolitan
46.32 area in five years. By February 15, 2023, and
46.33 for the next eight years, Build Wealth

47.1 Minnesota shall report to the Minnesota
47.2 Housing Finance Agency and the legislature
47.3 on activities and expenditures of the 9,000
47.4 Equities Fund and its homeownership
47.5 outcomes. Up to ten percent of the
47.6 appropriation may be used by Build Wealth
47.7 Minnesota to administer the target loan pool.
47.8 This is a onetime appropriation.

47.9 **Sec. 3. HOUSING AFFORDABILITY FUND; FISCAL YEAR 2023 ALLOCATION.**

47.10 (a) \$10,000,000 of the allocations from the Housing Finance Agency's housing
47.11 affordability fund, or Pool 3, in fiscal year 2023 shall be for a revolving loan fund under
47.12 Minnesota Statutes, section 462A.05, subdivision 35, to provide loans with a two percent
47.13 interest rate for residents of manufactured home parks to purchase the manufactured home
47.14 park in which they reside for the purpose of conversion of the manufactured home park to
47.15 cooperative ownership. Repayments of principal and interest from loans issued under this
47.16 section must be used for the purposes of this section. The commissioner must make a
47.17 determination regarding the issuance of a loan under this section and disburse the funds
47.18 within 90 days of receiving a completed application. No money from the allocation under
47.19 this paragraph may be used to administer this program. The commissioner must not supplant
47.20 other homeownership programs out of Pool 3 to capitalize this revolving loan fund.

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

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

48.6 (d) Nothing in this section shall impair the obligation of the agency to use funds in Pool
 48.7 3 to satisfy the agency's obligations to holders of bonds secured by the general obligation
 48.8 pledge of the agency to suggested use of agency resources.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

49.10 Subd. 4. Commissioner duties. (a) The commissioner shall consult with eligible
 49.11 organizations and develop forms, applications, and reporting requirements for use by eligible
 49.12 organizations. All organizations applying for a grant must include as part of their application
 49.13 a plan to create new affordable home ownership and home preservation opportunities for
 49.14 targeted areas. The commissioner shall develop a grant award scoring system that ensures
 49.15 a distribution of awards throughout the state based on population and eligible households
 49.16 and communities.

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

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

49.22 **ARTICLE 6**

49.23 **HOUSING POLICY**

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

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

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

50.2 Sec. 2. **[462.3575] LIMITING REGULATIONS ON RESIDENTIAL**
 50.3 **DEVELOPMENT.**

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

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

50.10 (b) A planned unit development agreement must be made available to the public by
 50.11 posting the agreement on the website of the municipality at least seven days before the
 50.12 governing body's review of the agreement. If the municipality does not have a website, a
 50.13 copy of the planned unit development agreement must be available for review at the city
 50.14 hall building of the municipality. If the agreement is approved by the governing body, the
 50.15 agreement cannot be modified unless all parties to the agreement concur.

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

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

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

50.25 Subd. 13. **Eligible mortgagor.** "Eligible mortgagor" means a nonprofit or cooperative
 50.26 housing corporation; the Department of Administration for the purpose of developing
 50.27 community-based programs as defined in section 252.50; a limited profit entity or a builder
 50.28 as defined by the agency in its rules, which sponsors or constructs residential housing as
 50.29 defined in subdivision 7; or a natural person of low or moderate income, except that the
 50.30 return to a limited dividend entity shall not exceed 15 percent of the capital contribution of
 50.31 the investors or such lesser percentage as the agency shall establish in its rules, provided
 50.32 that residual receipts funds of a limited dividend entity may be used for agency-approved,

51.1 housing-related investments owned by the limited dividend entity without regard to the
 51.2 limitation on returns. Owners of existing residential housing occupied by renters shall be
 51.3 eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner
 51.4 agrees to conditions established by the agency in its rules relating to rental or other matters
 51.5 that will ~~insure~~ ensure that the housing will be occupied by persons and families of low or
 51.6 moderate income. The agency shall require by rules that the owner give preference to those
 51.7 persons of low or moderate income who occupied the residential housing at the time of
 51.8 application for the loan.

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

51.11 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may
 51.12 make loans to persons and families of low and moderate income to rehabilitate or to assist
 51.13 in rehabilitating existing residential housing owned and occupied by those persons or
 51.14 families. Rehabilitation may include replacement of manufactured homes. No loan shall be
 51.15 made unless the agency determines that the loan will be used primarily for rehabilitation
 51.16 work necessary for health or safety, essential accessibility improvements, or to improve the
 51.17 energy efficiency of the dwelling. No loan for rehabilitation of owner-occupied residential
 51.18 housing shall be denied solely because the loan will not be used for placing the residential
 51.19 housing in full compliance with all state, county or municipal building, housing maintenance,
 51.20 fire, health or similar codes and standards applicable to housing. The amount of any loan
 51.21 shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted
 51.22 by the agency not to exceed ~~\$37,500~~ \$40,000, or (b) the actual cost of the work performed,
 51.23 or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise
 51.24 be paid by the person or family without the expenditure of an unreasonable portion of the
 51.25 income of the person or family. Loans made in whole or in part with federal funds may
 51.26 exceed the maximum loan amount to the extent necessary to comply with federal lead
 51.27 abatement requirements prescribed by the funding source. In making loans, the agency shall
 51.28 determine the circumstances under which and the terms and conditions under which all or
 51.29 any portion of the loan will be repaid and shall determine the appropriate security for the
 51.30 repayment of the loan. Loans pursuant to this subdivision may be made with or without
 51.31 interest or periodic payments.

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

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

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

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

52.8 (2) the total number of loans and total amount of outstanding rehabilitation loans per
52.9 program;

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

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

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

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

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

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

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

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

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

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

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

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

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

53.15 Subd. 14. **American Indians.** (a) It may engage in housing programs for low- and
53.16 moderate-income American Indians developed and administered separately or in combination
53.17 by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux
53.18 communities as determined by such tribe, band, or communities. In furtherance of the policy
53.19 of economic integration stated in section 462A.02, subdivision 6, it may engage in housing
53.20 programs for American Indians who intend to reside on reservations and who are not persons
53.21 of low and moderate income, provided that the aggregate dollar amount of the loans for
53.22 persons who are not of low- or moderate-income closed in each lender's fiscal year shall
53.23 not exceed an amount equal to 25 percent of the total dollar amount of all loans closed by
53.24 that lender during the same fiscal year. In developing such housing programs, the tribe,
53.25 band, or communities shall take into account the housing needs of all American Indians
53.26 residing both on and off reservations within the state. A plan for each such program, which
53.27 specifically describes the program content, utilization of funds, administration, operation,
53.28 implementation and other matter, as determined by the agency, must be submitted to the
53.29 agency for its review and approval prior to the making of eligible loans pursuant to section
53.30 462A.21. All such programs must conform to rules promulgated by the agency concerning
53.31 program administration, including but not limited to rules concerning costs of administration;
53.32 the quality of housing; interest rates, fees, and charges in connection with making eligible
53.33 loans; and other matters determined by the agency to be necessary in order to effectuate the

54.1 purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs
54.2 must provide for a reasonable balance in the distribution of funds appropriated for the
54.3 purpose of this section between American Indians residing on and off reservations within
54.4 the state. Nothing in this section shall preclude such tribe, band, or communities from
54.5 requesting and receiving cooperation, advice, and assistance from the agency as regards
54.6 program development, operation, delivery, financing, or administration. As a condition to
54.7 the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of
54.8 Chippewa Indians, and the Sioux communities shall:

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

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

54.15 The agency shall submit a biennial report concerning the various housing programs for
54.16 American Indians, and related receipts and expenditures as provided in section 462A.22,
54.17 subdivision 9, and such tribe, band, or communities to the extent that they administer such
54.18 programs, shall be responsible for any costs and expenses related to such administration
54.19 provided, however, they shall be eligible for payment for costs, expenses, and services
54.20 pursuant to subdivision 12 and section 462A.21. The agency may provide or cause to be
54.21 provided essential general technical services as set forth in subdivision 2, and general
54.22 consultative project assistance services, including, but not limited to, management training,
54.23 and home ownership counseling as set forth in subdivision 3. Members of boards,
54.24 committees, or other governing bodies of the tribe, band, and communities administering
54.25 the programs authorized by this subdivision must be compensated for those services as
54.26 provided in section 15.0575.

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

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

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

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

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

55.9 (2) the average amounts of grants awarded.

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

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

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

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

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

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

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

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

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

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

56.6 **462A.24 CONSTRUCTION; GRANTS AND LOANS; PRIORITIES.**

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

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

56.11 (c) Beginning with applications made in response to requests for proposals issued after
 56.12 July 1, 2020, after final decisions are made on applications for programs of the agency, the
 56.13 results of any quantitative scoring system used to rank applications shall be posted on the
 56.14 agency website.

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

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

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

56.22 (1) the number of units of new construction and number of rehabilitated units funded
 56.23 by county; and

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

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

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

57.1 (b) In the refunding of nonprofit housing bonds, each bond must be called for redemption
 57.2 prior to its maturity in accordance with its terms no later than the earliest date on which it
 57.3 may be redeemed. No refunding bonds may be issued unless as of the date of the refunding
 57.4 bonds the present value of the dollar amount of the debt service on the refunding bonds,
 57.5 computed to their stated maturity dates, is lower than the present value of the dollar amount
 57.6 of debt service on all nonprofit housing bonds refunded computed to their stated maturity
 57.7 dates. For purposes of this subdivision, "present value of the dollar amount of debt service"
 57.8 means the dollar amount of debt service to be paid, discounted to the nominal date of the
 57.9 refunding bonds at a rate equal to the yield on the refunding bonds.

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

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

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

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

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

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

57.30 Subd. 2i. **Refunding bonds.** (a) The agency may issue housing infrastructure bonds in
 57.31 one or more series to refund bonds authorized in this section. The amount of refunding
 57.32 housing infrastructure bonds that may be issued from time to time will not be subject to the
 57.33 dollar limitation contained in any of the authorizations in this section nor will those bonds

58.1 be included in computing the amount of bonds that may be issued within those dollar
 58.2 limitations.

58.3 (b) In the refunding of housing infrastructure bonds, each bond must be called for
 58.4 redemption prior to its maturity in accordance with its terms no later than the earliest date
 58.5 on which it may be redeemed. No refunding bonds may be issued unless as of the date of
 58.6 the refunding bonds the present value of the dollar amount of the debt service on the
 58.7 refunding bonds, computed to their stated maturity dates, is lower than the present value of
 58.8 the dollar amount of debt service on all housing infrastructure bonds refunded computed to
 58.9 their stated maturity dates. For purposes of this subdivision, "present value of the dollar
 58.10 amount of debt service" means the dollar amount of debt service to be paid, discounted to
 58.11 the nominal date of the refunding bonds at a rate equal to the yield on the refunding bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

60.26 Subdivision 1. **Establishment.** A workforce and affordable homeownership development
60.27 program is established to award homeownership development grants to cities, counties,
60.28 Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or
60.29 308B, and community land trusts created for the purposes outlined in section 462A.31,
60.30 subdivision 1, for development of workforce and affordable homeownership projects. The
60.31 purpose of the program is to increase the supply of workforce and affordable, owner-occupied
60.32 multifamily or single-family housing throughout Minnesota.

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

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

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

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

61.10 (b) "Eligible project area" means a home rule charter or statutory city located outside
61.11 of the metropolitan area as defined in section 473.121, subdivision 2, with a population
61.12 exceeding 500; a community that has a combined population of 1,500 residents located
61.13 within 15 miles of a home rule charter or statutory city located outside the metropolitan
61.14 area as defined in section 473.121, subdivision 2; federally recognized Tribal Reservations;
61.15 or an area served by a joint county-city economic development authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

63.12 Sec. 28. [462A.41] PROGRAM FOR MANUFACTURED HOME MORTGAGE
 63.13 FINANCING AND DOWN PAYMENT ASSISTANCE FOR CERTAIN
 63.14 MANUFACTURED HOMES.

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

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

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

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

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

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

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

64.3 (2) to contract with a property owner;

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

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

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

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

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

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

64.18 (1) preservation projects;

64.19 (2) 30 percent AMI residential rental projects;

64.20 (3) 50 percent AMI residential rental projects;

64.21 (4) 100 percent LIHTC projects;

64.22 (5) 20 percent LIHTC projects; and

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

64.25 If there are two or more applications for residential rental projects at the same priority level
64.26 and there is insufficient bonding authority to provide allocations for all the projects in any
64.27 one allocation period, available bonding authority shall be ~~randomly~~ awarded by not giving
64.28 preference for projects with a lower cost per square foot but only for projects that can receive
64.29 the full amount of their respective requested allocations. If a residential rental project does
64.30 not receive any of its requested allocation pursuant to this paragraph and the project applies
64.31 for an allocation of bonds again in the same calendar year or to the next successive housing

65.1 pool, the project shall be fully funded up to its original application request for bonding
65.2 authority before any new project, applying in the same allocation period, that has an equal
65.3 priority shall receive bonding authority. An issuer that receives an allocation under this
65.4 paragraph must issue obligations equal to all or a portion of the allocation received on or
65.5 before 180 days of the allocation. If an issuer that receives an allocation under this paragraph
65.6 does not issue obligations equal to all or a portion of the allocation received within the time
65.7 period provided in this paragraph or returns the allocation to the commissioner, the amount
65.8 of the allocation is canceled and returned for reallocation through the housing pool or to
65.9 the unified pool after July 1.

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

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

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

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

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

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

65.31 (c) Any amounts remaining in the housing pool after June 15 are available for
65.32 single-family housing programs for cities that applied in January and received an allocation
65.33 under this section in the same calendar year. For a city that chooses to issue bonds on its
65.34 own behalf or pursuant to a joint powers agreement, the agency must allot available bonding

66.1 authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by
66.2 loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing
66.3 Finance Agency issues bonds.

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

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

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

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

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

66.31 (e) The agency may issue bonds on behalf of participating cities. The agency shall request
66.32 an allocation from the commissioner for all applicants who choose to have the agency issue
66.33 bonds on their behalf and the commissioner shall allocate the requested amount to the
66.34 agency. The agency may request an allocation at any time after the second Tuesday in

67.1 January and through the last Monday in June. After awarding an allocation and receiving
67.2 a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the
67.3 commissioner shall transfer the application deposits to the Minnesota Housing Finance
67.4 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency
67.5 shall return any application deposit to a city that paid an application deposit under paragraph
67.6 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph
67.7 (d).

67.8 (f) A city may choose to issue bonds on its own behalf or through a joint powers
67.9 agreement and may request an allocation from the commissioner by forwarding an application
67.10 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
67.11 application deposit to the commissioner no later than the Monday of the week preceding
67.12 an allocation. If the total amount requested by all applicants exceeds the amount available
67.13 in the pool, the city may not receive a greater allocation than the amount it would have
67.14 received under the list forwarded by the Minnesota Housing Finance Agency to the
67.15 commissioner. No city may request or receive an allocation from the commissioner until
67.16 the list under paragraph (d) has been forwarded to the commissioner. A city must request
67.17 an allocation from the commissioner no later than the last Monday in June. No city may
67.18 receive an allocation from the housing pool for mortgage bonds which has not first applied
67.19 to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested
67.20 amount to the city or cities subject to the limitations under this paragraph.

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

67.28 (g) No entitlement city or county or city in an entitlement county may apply for or be
67.29 allocated authority to issue mortgage bonds or use mortgage credit certificates from the
67.30 housing pool. No city in an entitlement county may apply for or be allocated authority to
67.31 issue residential rental bonds from the housing pool or the unified pool.

67.32 (h) A city that does not use at least 50 percent of its allotment by the date applications
67.33 are due for the first allocation that is made from the housing pool for single-family housing
67.34 programs in the immediately succeeding calendar year may not apply to the housing pool
67.35 for a single-family mortgage bond or mortgage credit certificate program allocation that

68.1 exceeds the amount of its allotment for the preceding year that was used by the city in the
 68.2 immediately preceding year or receive an allotment from the housing pool in the succeeding
 68.3 calendar year that exceeds the amount of its allotment for the preceding year that was used
 68.4 in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to
 68.5 June 15, regardless of the amount used in the preceding calendar year, except that a city
 68.6 whose allocation in the preceding year was the minimum amount of \$100,000 and who did
 68.7 not use at least 50 percent of its allocation from the preceding year is ineligible for an
 68.8 allocation in the immediate succeeding calendar year. Each local government unit in a
 68.9 consortium must meet the requirements of this paragraph.

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

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

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

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

68.20 (1) applications for residential rental project bonds;

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

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

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

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

68.27 (2) applications for mortgage bonds;

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

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

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

68.31 (6) applications for residential rental project bonds;

69.1 (7) applications for enterprise zone facility bonds;

69.2 (8) applications for governmental bonds; and

69.3 (9) applications for redevelopment bonds.

69.4 (d) If there are two or more applications for manufacturing projects from the unified
69.5 pool and there is insufficient bonding authority to provide allocations for all manufacturing
69.6 projects in any one allocation period, the available bonding authority shall be awarded based
69.7 on the number of points awarded a project under section 474A.045 with those projects
69.8 receiving the greatest number of points receiving allocation first. If two or more applications
69.9 for manufacturing projects receive an equal amount of points, available bonding authority
69.10 shall be awarded by lot unless otherwise agreed to by the respective issuers.

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

69.19 (f) If there are two or more applications for residential rental projects from the unified
69.20 pool and there is insufficient bonding authority to provide allocations for all residential
69.21 rental projects in any one allocation period, the available bonding authority shall be awarded
69.22 in the following order of priority: (1) preservation projects; (2) 30 percent AMI residential
69.23 rental projects; (3) 50 percent AMI residential rental projects for which the amount of bonds
69.24 requested in their respective applications do not exceed the aggregate bond limitations; (4)
69.25 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental
69.26 projects. If there are two or more applications for residential rental projects at the same
69.27 priority level and there is insufficient bonding authority to provide allocations for all the
69.28 projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded
69.29 by ~~lot~~ giving preference for projects with a lower cost per square foot but only for projects
69.30 that can receive the full amount of their respective requested allocations. If a residential
69.31 rental project does not receive any of its requested allocation pursuant to this paragraph and
69.32 the project applies in the next successive housing pool or the next successive unified pool
69.33 for an allocation of bonds, the project shall be fully funded up to its original application

70.1 request for bonding authority before any new project, applying in the same allocation period,
70.2 that has an equal priority shall receive bonding authority.

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

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

70.11 (1) \$10,000,000 for any one city; or

70.12 (2) \$20,000,000 for any number of cities in any one county.

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

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

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

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

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

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

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

70.31 (b) No later than ~~August 31, 2022~~ December 15, 2022, the task force shall submit a final
70.32 report to the chairs and ranking minority members of the house of representatives and senate

71.1 committees and divisions with jurisdiction over housing and preventing homelessness on
71.2 its findings and recommendations.

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

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

71.6 Sec. 34. **REPORT ON RENT CONTROL; PROHIBITION ON USE OF FUNDS.**

71.7 (a) The Housing Finance Agency must complete a report regarding the impact of rent
71.8 control on housing markets. The report must explore the impact of rent control throughout
71.9 the United States, and may explore international housing markets. The report must also
71.10 include but is not limited to an examination of the following:

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

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

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

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

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

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

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

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

72.4 Sec. 35. **REPEALER.**

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

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

471.9996 RENT CONTROL PROHIBITED.

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

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