Section 1. Minnesota Statutes 2022, section 15.082, is amended to read:

15.082 OBLIGATIONS OF PUBLIC CORPORATIONS.

Notwithstanding any other law, the state is not liable for obligations of a public corporation created by statute. Upon dissolution of the public corporation, its wholly owned assets become state property. Partially owned assets become state property to the extent that state money was used to acquire them.

This section does not apply to a public corporation governed by chapter 119 or section 469.0121.

EFFECTIVE DATE. This section is effective July 1, 2024.

Subd. 1. Definitions. (a) The definitions in this subdivision apply to this section.

(b) "Person" means an individual, firm, partnership, limited liability company, corporation, or association.

(c) "Property manager" or "property management company" means a person who engages in the business of managing real property that is owned by another person.

(d) "Owner" means a person who has any legal or equitable interest in the real property. An owner of a common interest community, as defined in chapter 515B, means the unit owners' association organized under section 515B.3-101.

Subd. 2. Interest of property management company in certain firms. No property manager or property management company having an interest directly or indirectly in a construction firm, salvage firm, or appraisal firm may hire the directly or indirectly owned construction firm, salvage firm, or appraisal firm to perform work on a managed property unless the interest has been disclosed in writing to the owner or owners at least three days prior to the execution of a contract for the work. "Firm" includes a corporation, partnership, association, or individual firm.

Subd. 3. Prohibited practices. No property manager or property management company shall request or accept money, rebates, or anything of value from a construction firm, salvage firm, or appraisal firm as:

(1) an inducement to refer business or clients to the firm;

(2) a condition for awarding a contract to the firm.

EFFECTIVE DATE. This section is effective July 1, 2024.
Subd. 3. Part of a fee specified in a contract; or

Subd. 4. Fee splitting for services rendered, unless the other person is also a licensed contractor.

Subd. 4. Automatic renewal. A contract between a person and a property manager or property management company having a term exceeding one year must not contain an automatic renewal provision that requires the association to give notice of nonrenewal more than 30 days prior to the contract's anniversary date. Any contract with a property manager or property management company that is automatically renewed shall be terminable by the person for any reason upon 60 days' notice.

Subd. 5. Certain compensation prohibited. A property manager or property management company must not be compensated in whole or in part based on the amount of fines collected by the property manager or property management company on behalf of the person and shall not collect from the person or owner any fee in connection with its collection of a fine imposed by the association.

Subd. 6. Remedies. If a property manager or property management company violates this section, an owner may bring an action against the property manager or property management company in a court of competent jurisdiction for damages sustained by the owner as a consequence of the property manager's or property management company's violation, together with the actual costs of the action, including reasonable attorney fees.

Sec. 2. [462.3576] LIMITATION ON AESTHETIC MANDATES FOR CITIES.

A home rule charter or statutory city must not condition approval of a residential building permit, subdivision development, or planned unit development on the use of one or more of the following:

1. Specific materials for aesthetic reasons for property used for a residential purpose as defined by the State Building Code;

2. Residential building or accessory structure to a residential building minimum square footage or floor area ratios;

3. Architectural design elements including, but not limited to, decks, balconies, porches, gables, roof pitch, and elevation design standards;

4. Garage square footage; or

5. Common space, pools, or any common property necessitating a homeowner's association.

EFFECTIVE DATE. This section is effective July 1, 2024.
Sec. 2. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

Subd. 10. Energy conservation decarbonization and climate resilience. It is further declared that supplies of conventional energy resources are rapidly depleting in quantity and rising in price and that the burden of these occurrences falls heavily upon the citizens of Minnesota generally and persons of low and moderate income in particular. These conditions are adverse to the health, welfare, and safety of all the citizens of this state. It is further declared that it is a public purpose to ensure the availability of financing to be used by all citizens of the state, while giving preference to low and moderate income people, to assist in the installation in their dwellings of reasonably priced energy conserving systems including the use of alternative energy resources and equipment so that by the improvement of the energy efficiency, clean energy, greenhouse gas emissions reduction, climate resiliency, and other qualified projects for all housing, the adequacy of the total energy supply may be preserved for the benefit of all citizens.

Sec. 3. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to read:

Subd. 2a. Distressed building. "Distressed building" means an existing rental housing building:

(1) in which the units are restricted to households at or below 60 percent of the area median income; and

(2) that:

(i) is in foreclosure proceedings;

(ii) has two or more years of negative net operating income;

(iii) has two or more years with a debt service coverage ratio less than one; or

(iv) has necessary costs of repair, replacement, or maintenance that exceed the project reserves available for those purposes;

Subd. 6a. Recapitalization. "Recapitalization" means financing for the physical and financial needs of a distressed building, including restructuring and forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment forbearance, deferred maintenance, security services, property insurance, reasonably necessary capital improvements, funding of reserves for supportive services, and property operations. Recapitalization may include reimbursement to a nonprofit sponsor or owner for expenditures that would have otherwise qualified for recapitalization.
Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 3b, is amended to read:

Subd. 3b. Refinancing mortgages. The agency may make loans for recapitalization or to refinance the existing indebtedness of owners of rental property, secured by federally assisted housing for the purpose of obtaining agreement of the owner to participate in the federally assisted rental housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. For purposes of this subdivision, "federally assisted rental housing" includes housing that is:

1. (1) subject to a project-based housing or rental assistance payment contract funded by the federal government;
2. (2) financed by the Rural Housing Service of the United States Department of Agriculture under section 515 of the Housing Act of 1949, as amended; or
3. (3) financed under section 236; section 221(d)(3) below market interest rate program; section 202; or section 811 of the Housing and Urban Development Act of 1968, as amended.

Sec. 6. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended to read:

Subd. 14. Rehabilitation loans. It may agree to purchase, make, or otherwise participate in the making, or may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. Rehabilitation may include the addition or rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements, decarbonization, climate resiliency, and other qualified projects. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. No loan under this subdivision for rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders.
lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized
under this subdivision may be made to eligible persons and families without limitations
relating to the maximum incomes of the borrowers if:
(1) the borrower or a member of the borrower's family requires a level of care provided
in a hospital, skilled nursing facility, or intermediate care facility for persons with
developmental disabilities;
(2) home care is appropriate; and
(3) the improvement will enable the borrower or a member of the borrower's family to
reside in the housing.

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

Subd. 14a. Rehabilitation loans; existing owner-occupied residential housing. It may
make loans to persons and families of low and moderate income to rehabilitate or to assist
in rehabilitating existing residential housing owned and occupied by those persons or
families. Rehabilitation may include replacement of manufactured homes. No loan shall be
made unless the agency determines that the loan will be used primarily for rehabilitation
work necessary for health or safety, essential accessibility improvements, or to improve the
energy efficiency of clean energy, greenhouse gas emissions reductions, climate resiliency,
and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied
residential housing shall be denied solely because the loan will not be used for placing the
residential housing in full compliance with all state, county or municipal building, housing
maintenance, fire, health or similar codes and standards applicable to housing. The amount
of any loan shall not exceed the lesser of (a) a maximum loan amount determined under
rules adopted by the agency not to exceed $37,500, or (b) the actual cost of the work
performed, or (c) that portion of the cost of rehabilitation which the agency determines
cannot otherwise be paid by the person or family without the expenditure of an unreasonable
portion of the income of the person or family. Loans made in whole or in part with federal
funds may exceed the maximum loan amount to the extent necessary to comply with federal
lead abatement requirements prescribed by the funding source. In making loans, the agency
shall determine the circumstances under which and the terms and conditions under which
all or any portion of the loan will be repaid and shall determine the appropriate security for
the repayment of the loan. Loans pursuant to this subdivision may be made with or without
interest or periodic payments.

Subd. 14b. Energy conservation, decarbonization and climate resiliency loans. It
may agree to purchase, make, or otherwise participate in the making, and may enter into
commitments for the purchase, making, or participating in the making, of loans to persons
and other qualified projects in
energy efficiency

Subd. 14a. Rehabilitation loans; existing owner-occupied residential housing. It may
make loans to persons and families of low and moderate income to rehabilitate or to assist
in rehabilitating existing residential housing owned and occupied by those persons or
families. Rehabilitation may include replacement of manufactured homes. No loan shall be
made unless the agency determines that the loan will be used primarily for rehabilitation
work necessary for health or safety, essential accessibility improvements, or to improve the
energy efficiency of clean energy, greenhouse gas emissions reductions, climate resiliency,
and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied
residential housing shall be denied solely because the loan will not be used for placing the
residential housing in full compliance with all state, county or municipal building, housing
maintenance, fire, health or similar codes and standards applicable to housing. The amount
of any loan shall not exceed the lesser of (a) a maximum loan amount determined under
rules adopted by the agency not to exceed $37,500, or (b) the actual cost of the work
performed, or (c) that portion of the cost of rehabilitation which the agency determines
cannot otherwise be paid by the person or family without the expenditure of an unreasonable
portion of the income of the person or family. Loans made in whole or in part with federal
funds may exceed the maximum loan amount to the extent necessary to comply with federal
lead abatement requirements prescribed by the funding source. In making loans, the agency
shall determine the circumstances under which and the terms and conditions under which
all or any portion of the loan will be repaid and shall determine the appropriate security for
the repayment of the loan. Loans pursuant to this subdivision may be made with or without
interest or periodic payments.

Subd. 14b. Energy conservation, decarbonization and climate resiliency loans. It
may agree to purchase, make, or otherwise participate in the making, and may enter into
commitments for the purchase, making, or participating in the making, of loans to persons

Subd. 14a. Rehabilitation loans; existing owner-occupied residential housing. It may
make loans to persons and families of low and moderate income to rehabilitate or to assist
in rehabilitating existing residential housing owned and occupied by those persons or
families. Rehabilitation may include replacement of manufactured homes. No loan shall be
made unless the agency determines that the loan will be used primarily for rehabilitation
work necessary for health or safety, essential accessibility improvements, or to improve the
energy efficiency of clean energy, greenhouse gas emissions reductions, climate resiliency,
and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied
residential housing shall be denied solely because the loan will not be used for placing the
residential housing in full compliance with all state, county or municipal building, housing
maintenance, fire, health or similar codes and standards applicable to housing. The amount
of any loan shall not exceed the lesser of (a) a maximum loan amount determined under
rules adopted by the agency not to exceed $37,500, or (b) the actual cost of the work
performed, or (c) that portion of the cost of rehabilitation which the agency determines
cannot otherwise be paid by the person or family without the expenditure of an unreasonable
portion of the income of the person or family. Loans made in whole or in part with federal
funds may exceed the maximum loan amount to the extent necessary to comply with federal
lead abatement requirements prescribed by the funding source. In making loans, the agency
shall determine the circumstances under which and the terms and conditions under which
all or any portion of the loan will be repaid and shall determine the appropriate security for
the repayment of the loan. Loans pursuant to this subdivision may be made with or without
interest or periodic payments.
and families, without limitations relating to the maximum incomes of the borrowers, to
assist in energy conservation rehabilitation measures, decarbonization, climate resiliency, and other qualified projects for existing housing owned or occupied by such persons or families. For the purposes of this section, persons of low and moderate income include administrators appointed pursuant to section 504B.425, paragraph (d). No grant shall be made unless the agency determines that the grant will be used primarily to
make the housing more desirable to live in, to increase the market value of the housing or
for compliance with state, county or municipal building, housing maintenance, fire, health
or similar codes and standards applicable to housing, or to accomplish energy conservation
related improvements, decarbonization, climate resiliency, or other qualified projects. In
unincorporated areas and municipalities not having codes and standards, the agency may,
solely for the purpose of administering this provision, establish codes and standards. No
grant for rehabilitation of owner occupied residential housing shall be denied solely because
the grant will not be used for placing the residential housing in full compliance with all
state, county or municipal building, housing maintenance, fire, health or similar codes and
standards applicable to housing. The amount of any grant shall not exceed the lesser of (a)
$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of
rehabilitation which the agency determines cannot otherwise be paid by the person or family
without spending an unreasonable portion of the income of the person or family thereon.
In making grants, the agency shall determine the circumstances under which and the terms
and conditions under which all or any portion thereof will be repaid and shall determine the
appropriate security should repayment be required.
(b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing
under this subdivision to persons of low and moderate income for the purpose of qualifying
as foster parents.
Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

"federal energy conservation grant, but be precluded from receiving the grant because of a commissioner of employment and economic development, or (2) be eligible to receive a grants or loans from other state or federal programs that finance other needed rehabilitation caulking, climate resiliency, and other qualified projects. The grant to any household shall not exceed $2,000.

(b) To be eligible for an emergency energy conservation decarbonization and climate resiliency grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the commissioner of employment and economic development, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The Housing Finance Agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other Housing Finance Agency loan or grant programs.

Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

"The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low- and moderate-income tenants and which does not comply with the standards established in section 326B.106, subdivision 1, for the purpose of energy conservation rehabilitation measures decarbonization, climate resiliency, and other qualified projects necessary to bring the property into full or partial compliance with these standards. For property which meets the other requirements of this subdivision, a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision. Loans for the improvement of rental property pursuant to this subdivision may contain provisions that repayment is not required in whole or in part subject to terms and conditions determined by the agency to be necessary and desirable to encourage owners to maximize rehabilitation of properties.

Sec. 11. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

"An emergency energy conservation grant may be made in conjunction with an emergency energy conservation decarbonization and climate resiliency grant, but be precluded from receiving the grant because of a commissioner of employment and economic development, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The Housing Finance Agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other Housing Finance Agency loan or grant programs.

Sec. 9. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

"subd. 21. Rental property loans. The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low- and moderate-income tenants and which does not comply with the standards established in section 326B.106, subdivision 1, for the purpose of energy conservation rehabilitation measures decarbonization, climate resiliency, and other qualified projects necessary to bring the property into full or partial compliance with these standards. For property which meets the other requirements of this subdivision, a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision. Loans for the improvement of rental property pursuant to this subdivision may contain provisions that repayment is not required in whole or in part subject to terms and conditions determined by the agency to be necessary and desirable to encourage owners to maximize rehabilitation of properties."
Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

This section applies to all forms of financial assistance to their associated Tribally Designated Housing Entity (TDHE) as defined by United States law or any of their respective parent companies, subsidiaries, or other affiliated organizations. An applicant for financial assistance shall make the disclosures required by this subdivision available within 14 calendar days to any member of the public who submits a request by mail or electronic correspondence. The applicant shall designate a public information officer who will serve as a point of contact for public inquiries.

Subd. 2. Responsible contractors required. As a condition of receiving financial assistance, the applicant shall verify that every contractor or subcontractor of any tier of the developer or owner of the proposed project, the intended general contractor for the proposed project, or any of their respective parent companies, subsidiaries, or other affiliated organizations is responsible.

Subd. 3. Insuring financial institution loans. The agency may participate in loans or establish a fund to insure loans, or portions of loans, that are made by any banking institution, savings association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States. The proceeds of the insured portion of the loan must be used to pay the costs of any improvements, including all related structural and other improvements, that will reduce energy consumption, that will decarbonize, and that will ensure the climate resiliency of housing.

Sec. 11. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended to read:

Notwithstanding any other provision in this chapter, at its discretion the agency may make any federally recognized Indian Tribe in Minnesota, or their associated Tribally Designated Housing Entity (TDHE) as defined by United States law, eligible for low-income housing credits, for the development, construction, rehabilitation, renovation, or retrofitting of multiunit residential housing, including loans, grants, tax credits, loan guarantees, loan insurance, and other financial assistance provided by the Minnesota Housing Finance Agency, as well as the allocation of federal funds authorized under this chapter.
performing work on the proposed project meets the minimum criteria to be a responsible contractor under section 16C.285, subdivision 3. This verification must meet the criteria defined in section 16C.285, subdivision 4.

Subd. 4. Certified contractor lists. As a condition of receiving financial assistance, the applicant shall have available at the development site main office a list of every contractor and subcontractor of any tier that performs work or is expected to perform work on the proposed project, as described in section 16C.285, subdivision 5, including the following information for each contractor and subcontractor: business name, business registration number, business name of the entity contracting its services, business telephone number and email address, and actual or anticipated number of workers on the project. The applicant shall establish the initial contractor list 30 days before the start of construction and shall update the list each month thereafter until construction is complete. The applicant shall post the contractor list in a conspicuous location at the project site and make the contractor list available to members of the public upon request.

Subd. 5. Wage theft remedy. If any contractor or subcontractor of any tier is found to have failed to pay statutorily required wages under section 609.52, subdivision 1, clause (13), on a project receiving financial assistance or an allocation of federal low-income housing tax credits from or through the agency, the recipient is responsible for correcting the violation.

Subd. 6. Wage theft prevention plans; disqualification. (a) If any contractor or subcontractor of any tier fails to pay statutorily required wages on a project receiving financial assistance from or through the agency as determined by an enforcement entity, the recipient must have a wage theft prevention plan to be eligible for further financial assistance from the agency. The project developer's wage theft prevention plan must describe detailed measures that the project developer and its general contractor have taken and are committed to take to prevent wage theft on the project, including provisions in any construction contracts and subcontracts on the project. The plan must be submitted to the Department of Labor and Industry who will review the plan. The Department of Labor and Industry may require the project developer to amend the plan or adopt policies or protocols in the plan. Once approved by the Department of Labor and Industry, the wage theft prevention plan must be submitted by the project developer to the agency with any subsequent application for financial assistance from the agency. Such wage theft prevention plans shall be made available to members of the public by the agency upon request.

(b) A developer is disqualified from receiving financial assistance from the agency for three years if any of the developer's contractors or subcontractors of any tier are found by an enforcement agency to have, within three years after entering into a wage theft prevention plan under paragraph (a), failed to pay statutorily required wages on a project receiving financial assistance from or through the agency for a total underpayment of $25,000 or more.
Subd. 7. Enforcement. The agency may deny an application for financial assistance that does not comply with this section or if the applicant refuses to enter into the agreements required by this section. The agency may withhold financial assistance that has been previously approved if the agency determines that the applicant has engaged in unacceptable practices by failing to comply with this section until the violation is cured.

EFFECTIVE DATE. This section is effective for financial assistance provided after August 1, 2024, except Minnesota Statutes, section 462A.051, subdivision 2, does not apply to requests for proposals that were initiated prior to August 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 18. Rent and income limits. Notwithstanding any law to the contrary, to promote efficiency in program administration, underwriting, and compliance, the commissioner may adjust income or rent limits for any multifamily capital funding program authorized under state law to align with federal rent or income limits in sections 42 and 142 of the Internal Revenue Code of 1986, as amended. Adjustments made under this subdivision are exempt from the rulemaking requirements of chapter 14.

Sec. 16. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 19. Eligibility for agency programs. The agency may determine that a household or project unit meets the rent or income requirements for a program if the household or unit receives or participates in income-based state or federal public assistance benefits, including but not limited to:

1. child care assistance programs under chapter 119B;
2. general assistance, Minnesota supplemental aid, or food support under chapter 256D;
3. housing support under chapter 256I;
4. Minnesota family investment program and diversionary work program under chapter 256J; and
5. economic assistance programs under chapter 256P.

Sec. 17. Minnesota Statutes 2022, section 462A.202, subdivision 3a, is amended to read:

Subd. 3a. Permanent rental housing. The agency may make loans, with or without interest, to cities and counties to finance the construction, acquisition, or rehabilitation of affordable, permanent, publicly owned rental housing, including housing owned by a public corporation created pursuant to section 469.0121. Loans made under this subdivision are subject to the restrictions of subdivision 7. In making loans under this subdivision, the agency shall give priority to projects that increase the supply of affordable family housing.
The agency must develop a projection of emergency rental assistance needs in consultation with the commissioner of human services and representatives from county and tribal housing administrators and housing nonprofit agencies. The projection must identify the amount of funding required to meet all emergency rental assistance needs, including the family homelessness prevention and assistance program, the emergency assistance program, and emergency general assistance. By January 15 each year, the commissioner must submit a report on the projected need for emergency rental assistance to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and human services finance and policy.

Sec. 19. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

Subd. 7. Energy efficiency loans. The agency may make loans to low and moderate income persons who own existing residential housing for the purpose of improving the energy utilization decarbonization and climate resiliency of the housing. Permitted improvements shall include installation or upgrading of ceiling, wall, floor and duct insulation, storm windows and doors, and caulking and weatherstripping. The improvements shall not be inconsistent with the energy standards as promulgated as part of the State Building Code; provided that the improvements need not bring the housing into full compliance with the energy standards. Any loan for such purpose shall be made only upon determination by the agency that such loan is not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions. The agency may promulgate rules as necessary to implement and make specific the provisions of this subdivision. The rules shall be designed to permit the state, to the extent not inconsistent with this chapter, to seek federal grants or loans for energy purposes decarbonization, climate resiliency, and other qualified projects.
Sec. 14. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended to read:

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

Sec. 21. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. Debt ceiling. The aggregate principal amount of general obligation bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of $7,000,000,000.

Sec. 22. Minnesota Statutes 2022, section 462A.222, is amended by adding a subdivision to read:

Subd. 5. Limitation on rental increases. (a) This subdivision applies to any project that is restricted to seniors, as defined by section 462A.37, subdivision 1, paragraph (h), and that receives low-income housing tax credits provided under section 42 of the Internal Revenue Code of 1986, as amended. The rent in a project may not increase in any 12-month period by a percentage more than the greater of:

1. the percentage that benefit amounts for Social Security or Supplemental Security Income recipients were increased pursuant to United States Code, title 42, sections 415(i) and 1382f, in the preceding 12-month period; or

2. zero percent.

(b) This subdivision does not apply to projects owned by a nonprofit entity or to a unit occupied by an individual receiving ongoing government-subsidized rental assistance.

Sec. 23. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

Subd. 2. Expending funds. The agency may expend the money in the Minnesota manufactured home relocation trust fund to the extent necessary to carry out the objectives of section 327C.095, subdivision 13, by making payments to manufactured home owners, or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a) and (e), and to pay the costs of administering the fund. The costs incurred by the commissioner of management and budget to administer the fund are appropriated to the agency for these purposes and to the commissioner of management and budget for payment of costs incurred by the Minnesota Housing Finance Agency to administer the fund.

Sec. 15. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

Subd. 2. Expending funds. The agency may expend the money in the Minnesota manufactured home relocation trust fund to the extent necessary to carry out the objectives of section 327C.095, subdivision 13, by making payments to manufactured home owners, or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a) and (e), and to pay the costs of administering the fund. The costs in the fund is appropriated to the agency for these purposes and to the commissioner of management and budget for payment of costs incurred by the Minnesota Housing Finance Agency to administer the fund.

Sec. 16. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended to read:

Subd. 2. Authorization. (a) The agency may issue up to $30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, or grants for the purposes of clauses (4) and (7), on terms and conditions the agency deems appropriate, made for one or more of the following purposes:
(1) to finance the costs of the construction, acquisition, recapitalization, and rehabilitation of supportive housing where at least 50 percent of units are set aside for individuals and families who are without a permanent residence;

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

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

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

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

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

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

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

(9) to finance the recapitalization of a distressed building; and

(10) to finance the costs of construction, acquisition, recapitalization, rehabilitation, conversion, and development of cooperatively owned housing created under chapter 308A or 308B that is affordable to low- and moderate-income households;

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.
Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

1. Demonstrate a commitment to maintaining the housing financed as affordable to senior households;
2. Leverage other sources of funding to finance the project, including the use of low-income housing tax credits;
3. Provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and
4. Include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

To the extent practicable, the agency shall balance the loans made between projects in counties or cities with a population of 20,000 or less, and projects in counties or cities with populations in excess of 20,000.

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

If a loan recipient uses the loan for new construction or substantial rehabilitation as defined by the agency on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

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

(A) Soundproofing between shared walls for first and second floor units;
(B) No florescent lighting in units and common areas;
(C) Low-fume paint;
(D) Low-chemical carpet; and
(E) Low-chemical carpet glue in units and common areas.

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

Among comparable proposals for senior housing, the agency must give priority to requests for projects that:

1. Demonstrate a commitment to maintaining the housing financed as affordable to senior households;
2. Leverage other sources of funding to finance the project, including the use of low-income housing tax credits;
3. Provide access to services to residents and demonstrate the ability to increase physical supports and support services as residents age and experience increasing levels of disability; and
4. Include households with incomes that do not exceed 30 percent of the median household income for the metropolitan area.

If a loan recipient uses the loan for new construction or substantial rehabilitation as defined by the agency on a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

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

(A) Soundproofing between shared walls for first and second floor units;
(B) No florescent lighting in units and common areas;
(C) Low-fume paint;
(D) Low-chemical carpet; and
(E) Low-chemical carpet glue in units and common areas.
Nothing in this paragraph relieves a project funded by the agency from meeting other applicable accessibility requirements.

Sec. 25. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

Subd. 2j. Additional authorization. In addition to the amount authorized in subdivisions 2 to 2i, the agency may issue up to $50,000,000.

Sec. 26. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended to read:

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

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

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

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

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

Sec. 27. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 6, is amended to read:

Subd. 6. Additional appropriation. (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under this section.

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

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

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

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

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

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

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

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

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

Sec. 27. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended to read:

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

(b) "Eligible project area" means a home rule charter or statutory city located outside a metropolitan county as defined in section 473.121, subdivision 4, or a community that has a combined population of 1,500 residents located exceeding 500; a community that has a combined population of 1,500 residents located.
(c) "Joint county-city economic development authority" means an economic development authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between a city and county and excluding those established by the county only.

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

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

Sec. 20. Minnesota Statutes 2023 Supplement, section 462A.395, is amended to read:

462A.395 GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT PROGRAM.

Subdivision 1. Grant program established. The commissioner of the Minnesota Housing Finance Agency may make grants to counties and cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible workforce housing development project. The commissioner may make a grant award only after determining that nonstate resources are committed to complete the project. The nonstate contribution may be cash; other committed grant funds; or in kind. In-kind contributions may include the value of the site, whether the site is prepared before or after the law appropriating money for the grant is enacted.

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

(b) "City" means a statutory or home rule charter city located outside the metropolitan area, as defined in section 473.121, subdivision 2.

(c) "Housing infrastructure" means publicly owned physical infrastructure necessary to support housing development projects, including but not limited to sewers, water supply systems; utility extensions; streets; wastewater treatment systems; stormwater management systems; and facilities for pretreatment of wastewater to remove phosphorus.

Subd. 3. Eligible projects. Housing projects eligible for a grant under this section may be a single-family or multifamily housing development, and either owner-occupied or rental. Housing projects eligible for a grant under this section may also be a manufactured home development qualifying for homestead treatment under section 273.124, subdivision 3a.
Subd. 4. Application. (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a city or county must include in its application a resolution of the county board or city council certifying that the required nonstate match is available. The commissioner must evaluate complete applications for funding for eligible projects to determine that:

(1) the project is necessary to increase sites available for housing development that will provide adequate housing stock for the current or future workforce; and

(2) the increase in workforce housing will result in substantial public and private capital investment in the county or city in which the project would be located.

(b) The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the criteria are not subject to judicial review, except for abuse of discretion.

Subd. 5. Maximum grant amount. A county or city may receive no more than $30,000 per lot for single-family, duplex, triplex, or fourplex housing developed, no more than $60,000 per manufactured housing lot, and no more than $180,000 per lot for multifamily housing with more than four units per building. A county or city may receive no more than $500,000 in two years for one or more housing developments. The $500,000 limitation does not apply to use on manufactured housing developments.

Sec. 28. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

Subd. 2. Use of funds; grant and loan program. (a) The agency may award grants and loans to be used for multifamily and single family developments for persons and families of low and moderate income. Allowable use of the funds include: gap financing, as defined in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition or removal of existing structures; construction financing; permanent financing; interest rate reduction; and refinancing.

(b) The agency may give preference for grants and loans to comparable proposals that include regulatory changes or waivers that result in identifiable cost avoidance or cost reductions; including but not limited to increased density, flexibility in site development standards, or zoning code requirements.

(c) The agency shall separately set aside:

(1) at least ten percent of the financing under this section for housing units located in a township or city with a population of 2,500 or less that is located outside the metropolitan area, as defined in section 473.121, subdivision 2;

(2) at least 35 percent of the financing under this section for housing for persons and families whose income is 50 percent or less of the area median income for the applicable county or metropolitan area as published by the Department of Housing and Urban Development, as adjusted for household size; and

...
Subd. 3. Eligible recipients; definitions; restrictions; use of funds. (a) The agency may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency must not award a grant or a loan to a disqualified individual or disqualified business.

(b) For the purposes of this subdivision disqualified individual means an individual who:

(i) the individual is an officer or principal of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(iii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(iv) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(c) For the purposes of this subdivision disqualified business means a business entity that:

(i) the business entity is directly owned, controlled, or is subject to the power to vote 20 percent or more of the outstanding securities by an individual or business entity; and

(ii) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

Subd. 4. Direct application for grant or loan must be made by the recipient. (1) at least 25 percent of the financing under this section for single-family housing:

(d) If by September 1 of each year the agency does not receive requests to use all of the amount set aside under paragraph (c), the agency may use any remaining financing for other projects eligible under this section.

Sec. 29. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

The agency may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency must not award a grant or a loan to a disqualified individual or disqualified business.

(b) For the purposes of this subdivision disqualified individual means an individual who:

(i) the individual is an officer or principal of a business entity; and

(ii) that business entity made a contribution to the account in the current or previous taxable year and received a credit certificate; or

(iii) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.

(c) For the purposes of this subdivision disqualified business means a business entity that:

(i) the business entity is directly owned, controlled, or is subject to the power to vote 20 percent or more of the outstanding securities by an individual or business entity; and

(ii) that controlling individual or business entity made a contribution to the account in the current or previous taxable year and received a credit certificate.
(d) The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be disqualified either individually or in combination with one or more members of the taxpayer’s family, as defined in the Internal Revenue Code, section 267(e)(4). For purposes of this subdivision, “immediate family” means the taxpayer’s spouse, parent or parent’s spouse, sibling or sibling’s spouse, or child or child’s spouse. For a married couple filing a joint return, the limitations in this paragraph subdivision apply collectively to the taxpayer and spouse. For purposes of determining the ownership interest of a taxpayer under paragraph (a), clause (4), the rules under sections 267(c) and 267(e) of the Internal Revenue Code apply.

(e) Before applying for a grant or loan, all recipients must sign a disclosure that the disqualifications under this subdivision do not apply. The Minnesota Housing Finance Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

(f) The agency may award grants or loans to a city as defined in section 462A.03, subdivision 21; a federally recognized American Indian tribe or subdivision located in Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a housing and redevelopment authority under sections 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible recipients apply to grants and loans awarded under this paragraph.

(g) Except for the set-aside provided in subdivision 2, paragraph (d), Eligible recipients must use the funds to serve households that meet the income limits as provided in section 462A.33, subdivision 5.
companies, or corporations are subject to all of the provisions of sections 469.001 to 469.047 and other laws that apply to housing and redevelopment authorities, as if the limited partnership, limited liability company, or corporation were a housing and redevelopment authority.

(b) An authority may create a public corporation in accordance with section 469.0121 for the purpose of purchasing, owning, and operating real property converted through the federal Rental Assistance Demonstration program under Public Law 112-55, as amended.

EFFECTIVE DATE. This section is effective July 1, 2024.

Subd. 14. Assistance to preserve naturally occurring affordable housing. An authority may provide financial assistance of any kind, including but not limited to grants, loans, forgivable loans, payment of interest, interest rate reduction, issuance of bonds and the spending of the proceeds of the bonds, to assist with the capital repair or replacement of an asset or category of assets with a regular life span in excess of 25 years and with a project cost in excess of $5,000,000, where: (1) the capital repair project is in a multifamily housing building, whether owner-occupied or rental; (2) at least 25 percent of the units were sold or are rented to households meeting low-income requirements set by the United States Department of Housing and Urban Development; and (3) more than 25 years has elapsed since the asset or category of assets has been repaired or replaced. In the case of a common interest community, the assistance authorized herein may be provided whether or not the assets being repaired or replaced are owned by the individual unit owners or by the common interest community of which the individual unit owners are part of the membership, and may be provided to the common interest community or to individual unit owners, or both.

Sec. 32. [469.0121] PUBLIC CORPORATION; RENTAL ASSISTANCE DEMONSTRATION PROGRAM.

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

(b) "Authority" has the meaning given under section 469.002; subdivision 2.

c) "Board" means the board of directors of a corporation created under this section.

d) "Corporation" means a public corporation created under this section.

e) "RAD" means the federal Rental Assistance Demonstration program under Public Law 112-55, as amended.

Subd. 2. Public corporation created. An authority may create a public corporation to purchase, own, and operate real property that has been converted through RAD to preserve
and improve public housing properties. A public corporation created under this section is also a political subdivision of the state and is limited to the powers in this section.

Subd. 3. Corporation powers. (a) The corporation has the following general powers:

(1) to have succession until dissolved by law;

(2) to sue and be sued in its corporate name;

(3) to adopt, alter, and use a corporate seal which shall be judicially noticed;

(4) to accept, hold, and administer gifts and bequests of money, securities, or other personal property of whatsoever character, absolutely or in trust, for the purposes for which the corporation is created. Unless otherwise restricted by the terms of the gift or bequest, the corporation is authorized to sell, exchange, or otherwise dispose of and to invest or reinvest in such investments as it may determine from time to time the money, securities, or other property given or bequeathed to it. The principal of such corporate funds and the income therefrom, and all other revenues received by it from any source whatsoever shall be placed in such depositories as the board of directors shall determine and shall be subject to expenditure for corporate purposes;

(5) to enter into contracts generally and to execute all instruments necessary or appropriate to carry out its corporate purposes;

(6) to appoint and prescribe the duties of officers, agents, and employees as may be necessary to carry out its work and to compensate them;

(7) to purchase all supplies and materials necessary for carrying out its purposes;

(8) to accept from the United States or the state of Minnesota, or any of their agencies, money or other assistance whether by gift, loan, or otherwise to carry out its corporate purposes, and enter into such contracts with the United States or the state of Minnesota, or any of the agencies of either, or with any of the political subdivisions of the state, as it may deem proper and consistent with the purposes of this section;

(9) to contract and make cooperative agreements with federal, state, and municipal departments and agencies and private corporations, associations, and individuals for the use of the corporation property, including but not limited to rental agreements; and

(10) to acquire real or personal property or any interest therein in any manner authorized under section 469.012, subdivision 1g, including by the exercise of eminent domain;

(b) A corporation may acquire properties converted under RAD, subject to restrictions and conditions compatible with funding acquisitions of and improvements to real property with state general obligation bond proceeds. The commissioner of management and budget must determine the necessary restrictions and conditions under this paragraph.
Subd. 4. Board of directors. (a) A corporation is governed by a board of directors as follows:

(1) a member of the city council from the city in which the corporation is incorporated;

and

(2) a commissioner of the authority that created the corporation.

(b) The term of a director is six years. Two members of the initial board of directors must be appointed for terms of four years, and one for a term of two years.

c Vacancies on the board must be filled by the authority.

d Board members must not be compensated for their service as board members other than to be reimbursed for reasonable expenses incurred in connection with their duties as board members. Reimbursement shall be reviewed each year by the state auditor.

e The board must annually elect from among its members a chair and other officers necessary for the performance of its duties.

Subd. 5. Bylaws. The board of directors must adopt bylaws and rules as it deems necessary for the administration of its functions and the accomplishment of its purpose, including among other matters the establishment of a business office and the rules the use of the project-based rental assistance properties, and the administration of corporation funds.

Subd. 6. Place of business. The board must locate and maintain the corporation's place of business in the city in which the authority that created the corporation is located.

Subd. 7. Open meetings; data practices. Meetings of the board are subject to chapter 13D and meetings of the board conducted by interactive technology are subject to section 13D.02. The board is subject to chapter 13, the Minnesota Government Data Practices Act, and shall protect from unlawful disclosure data classified as not public.

Subd. 8. Compliance. The corporation must comply with all federal, state, and local laws, rules, ordinances, and other regulations required to own and operate properties as project-based rental assistance properties.

Subd. 9. Dissolution. Upon dissolution of the corporation for any reason, its wholly owned assets become property of the authority that created the corporation.

EFFECTIVE DATE. This section is effective July 1, 2024.
Sec. 34. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended to read:

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

(b) "City distribution factor" means the number of households in a tier I city that are cost-burdened divided by the total number of households that are cost-burdened in tier I cities. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year;

c) "Cost-burdened household" means a household in which gross rent is 30 percent or more of household income or in which homeownership costs are 30 percent or more of household income;

d) "County distribution factor" means the number of households in a county that are cost-burdened divided by the total number of households in metropolitan counties that are cost-burdened. The number of cost-burdened households shall be determined using the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau as of May 1 of the aid calculation year;

e) "Locally funded housing expenditures" means expenditures of the aid recipient, including expenditures by a public corporation or legal entity created by the aid recipient, that are:

(1) funded from the recipient's general fund, a property tax levy of the recipient or its housing and redevelopment authority, or unrestricted money available to the recipient, but not including tax increments; and

(2) expended on one of the following qualifying activities:

(i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax payments;

(ii) support services, case management services, and legal services for residents in arrears on rent, mortgage, utilities, or property tax payments;

(iii) down payment assistance or homeownership education, counseling, and training;

(iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing, and infrastructure of residential dwellings;

(v) costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing, including costs of providing case management services and support services; and

(vi) rental assistance;
Sec. 35. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended to read:

Subd. 4. Qualifying projects. (a) Qualifying projects shall include:

1. emergency rental assistance for households earning less than 80 percent of area median income as determined by the United States Department of Housing and Urban Development;

2. financial support to nonprofit affordable housing providers in their mission to provide safe, dignified, affordable and supportive housing; and

3. projects designed for the purpose of construction, acquisition, rehabilitation, demolition or removal of existing structures, construction financing, permanent financing, interest rate reduction, refinancing, and gap financing of housing to provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 115 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, except that the housing developed or rehabilitated with funds under this section must be affordable to the local work force;

4. financing the operations and management of financially distressed residential properties;

5. funding of supportive services or staff of supportive services providers for supportive housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing providers to finance supportive housing operations may be awarded as a capitalized reserve or as an award of ongoing funding; and

6. costs of operating emergency shelter facilities, including the costs of providing services;

Projects shall be prioritized. Recipients must prioritize projects that provide affordable housing to households that have incomes which do not exceed, for homeownership projects, 80 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development, and for rental housing projects, 50 percent of the greater of state or area median income as determined by the United States Department of Housing and Urban Development. Priority may be given to projects that: reduce disparities...
in home ownership; reduce housing cost burden; housing instability, or homelessness; improve the habitability of homes; create accessible housing; or create more energy- or water-efficient homes.

(b) Gap financing is either:

(1) the difference between the costs of the property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale; or

(2) the difference between the cost of the property and the amount the targeted household can afford for housing, based on industry standards and practices.

(c) If aid under this section is used for demolition or removal of existing structures, the cleared land must be used for the construction of housing to be owned or rented by persons who meet the income limits of paragraph (a).

(d) If an aid recipient uses the aid on new construction or substantial rehabilitation of a building containing more than four units, the loan recipient must construct, convert, or otherwise adapt the building to include:

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

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

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

(B) no florescent lighting in units and common areas;

(C) low-fume paint;

(D) low-chemical carpet; and

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

Nothing in this paragraph relieves a project funded by this section from meeting other applicable accessibility requirements.

Sec. 36. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended to read:

Subd. 5. Use of proceeds. (a) Any funds distributed under this section must be spent on a qualifying project. Funds are considered spent on a qualifying project if:

(1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that the city or county cannot expend funds on a qualifying project by the deadline imposed by paragraph (b) due to factors outside the control of the city or county; and

(2) the funds are transferred to a local housing trust fund.
Funds transferred to a local housing trust fund under this paragraph must be spent on a project or household that meets the affordability requirements of subdivision 4, paragraph (a).

(b) Funds must be spent by December 31 in the third year following the year after the aid was received. The requirements of this paragraph are satisfied if funds are:

1. committed to a qualifying project by December 31 in the third year following the year after the aid was received; and
2. expended by December 31 in the fourth year following the year after the aid was received.

(c) An aid recipient may not use aid money to reimburse itself for prior expenditures.

Sec. 37. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a subdivision to read:

Subd. 5a. Conditions for receipt. (a) As a condition of receiving aid under this section, a recipient must commit to using money to supplement, not supplant, existing locally funded housing expenditures, so that they are using the money to create new, or to expand existing, housing programs.

(b) In the annual report required under subdivision 6, a recipient must certify its compliance with this subdivision, including an accounting of locally funded housing expenditures in the prior fiscal year. In a tier I city's or county's first report to the Minnesota Housing Finance Agency, it must document its locally funded housing expenditures in the two prior fiscal years. If a recipient reduces one of its locally funded housing expenditures, the recipient must detail the expenditure, the amount of the reduction, and the reason for the reduction. The certification required under this paragraph must be made available publicly on the website of the recipient.

Sec. 38. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended to read:

Subd. 6. Administration. (a) The commissioner of revenue must compute the amount of aid payable to each tier I city and county under this section. By August 1 of each year, the commissioner must certify the distribution factors of each tier I city and county to be used in the following year. The commissioner must pay local affordable housing aid annually at the times provided in section 477A.015, distributing the amounts available on the immediately preceding June 1 under the accounts established in section 477A.37, subdivisions 2 and 3.

(b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later than December 1 of each year, to the Minnesota Housing Finance Agency. The report must include documentation of the location of any unspent funds distributed under this section and of qualifying projects completed or planned with funds under this section. If a tier I city or county fails to submit a report; if a tier I city or county fails to spend funds within
the timeline imposed under subdivision 5, paragraph (b), or if a tier I city or county uses funds for a project that does not qualify under this section, or if a tier I city or county fails to meet its requirements of subdivision 5a, the Minnesota Housing Finance Agency shall notify the Department of Revenue and the cities and counties that must repay funds under paragraph (c) by February 15 of the following year.

(c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or county received under this section if the city or county:

(1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);
(2) spends the funds on anything other than a qualifying project; or
(3) fails to submit a report documenting use of the funds; or
(4) fails to meet the requirements of subdivision 5a.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county that requests in writing that the commissioner stop payment or that, in three consecutive years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to have failed to use funds, misused funds, or failed to report on its use of funds.

(e) The commissioner may resume distributing funds to a tier I city or county to which the commissioner has stopped payments in the year following the August 1 after the Minnesota Housing Finance Agency certifies that the city or county has submitted documentation of plans for a qualifying project.

(f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph (c) must be deposited in the housing development fund. Funds deposited under this paragraph are appropriated to the commissioner of the Minnesota Housing Finance Agency for use on the family homeless prevention and assistance program under section 462A.204, the economic development and housing challenge program under section 462A.33, and the workforce and affordable homeownership development program under section 462A.38.

Sec. 23. Minnesota Statutes 2022, section 500.215, subdivision 1, is amended to read: Subdivision 1. General rule. (a) Any provision of any deed restriction, subdivision regulation, restrictive covenant, local ordinance, contract, rental agreement or regulation, or homeowners association document that limits the right of an owner or tenant of residential property to display the flag of the United States and the flag of the State of Minnesota, or the POW/MIA flag is void and unenforceable.
(b) "Homeowners association document" includes the declaration, articles of incorporation, bylaws, and rules and regulations of:

1. a common interest community, as defined in section 515B.1-103(10), regardless of whether the common interest community is subject to chapter 515B; and
2. a residential community that is not a common interest community, as defined in section 515B.1-103(10).

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

Sec. 24. Minnesota Statutes 2023 Supplement, section 515B.3-102, is amended to read:

515B.3-102 POWERS OF UNIT OWNERS' ASSOCIATION.

(a) Except as provided in subsections (b), (c), (d), (e), and (f) and subject to the provisions of the declaration or bylaws, the association shall have the power to:

1. adopt, amend and revoke rules and regulations not inconsistent with the articles of incorporation, bylaws and declaration, as follows: (i) regulating the use of the common elements; (ii) regulating the use of the units, and conduct of unit occupants, which may jeopardize the health, safety or welfare of other occupants, which involves noise or other disturbing activity, or which may damage the common elements or other units; (iii) regulating or prohibiting animals; (iv) regulating changes in the appearance of the common elements and conduct which may damage the common interest community; (v) regulating the exterior appearance of the common interest community, including, for example, balconies and patios, window treatments, and signs and other displays, regardless of whether inside a unit; (vi) implementing the articles of incorporation, declaration and bylaws, and exercising the powers granted by this section; and (vii) otherwise facilitating the operation of the common interest community;
2. adopt and amend budgets for revenues, expenditures and reserves, and levy and collect assessments for common expenses from unit owners;
3. hire and discharge managing agents and other employees, agents, and independent contractors;
4. institute, defend, or intervene in litigation or administrative proceedings (i) in its own name on behalf of itself or two or more unit owners on matters affecting the common elements or other matters affecting the common interest community or, (ii) with the consent of the owners of the affected units on matters affecting only those units;
5. make contracts and incur liabilities;
6. regulate the use, maintenance, repair, replacement, and modification of the common elements and the units;
7. cause improvements to be made as a part of the common elements; and, in the case of a cooperative, the units;
acquire, hold, encumber, and convey in its own name any right, title, or interest to
real estate or personal property, but (i) common elements in a condominium or planned
community may be conveyed or subjected to a security interest only pursuant to section
515B.3-112, or (ii) part of a cooperative may be conveyed, or all or part of a cooperative
may be subjected to a security interest, only pursuant to section 515B.3-112;

grant or amend easements for public utilities, public rights-of-way or other public
purposes, and cable television or other communications; through, over or under the common
elements; grant or amend easements, leases, or licenses to unit owners for purposes authorized
by the declaration; and, subject to approval by a vote of unit owners other than declarant
or its affiliates; grant or amend other easements, leases, and licenses through, over or under
the common elements;

(10) impose and receive any payments, fees, or charges for the use, rental, or operation
of the common elements, other than limited common elements, and for services provided
to unit owners;

(11) impose interest and late charges for late payment of assessments and, after notice
and an opportunity to be heard before the board or a committee appointed by it, levy
reasonable fines for violations of the declaration, bylaws, and rules and regulations of the
association; provided that attorney fees and costs must not be charged or collected from a
unit owner who disputes a fine or assessment and, if after the homeowner requests a hearing
and a hearing is held by the board or a committee of the board, the board does not adopt a
resolution levying the fine or upholding the assessment against the unit owner or owner's
unit;

(12) impose reasonable charges for the review, preparation and recordation of
amendments to the declaration, resale certificates required by section 515B.4-107, statements
of unpaid assessments, or furnishing copies of association records;

(13) provide for the indemnification of its officers and directors, and maintain directors'
and officers' liability insurance;

(14) provide for reasonable procedures governing the conduct of meetings and election
of directors;

(15) exercise any other powers conferred by law, or by the declaration, articles of
incorporation or bylaws; and

(16) exercise any other powers necessary and proper for the governance and operation
of the association;

Notwithstanding subsection (a) the declaration or bylaws may not impose limitations
on the power of the association to deal with the declarant which are more restrictive than
the limitations imposed on the power of the association to deal with other persons;

A fine levied pursuant to subsection (a)(11) must not exceed $100 for a single
violation, and when combined with additional fines for an ongoing violation, late fees, and
other allowable charges, must not exceed $2,500 in total for the violation. An association
that levies a fine pursuant to subsection (a)(11), or an assessment pursuant to section
515B.3-115(g), or 515B.3-1151(g), must provide a dated, written notice to a unit owner
that:

(1) states the amount and reason for the fine or assessment;
(2) for fines levied under section 515B.3-102(a)(11), specifies: (i) the violation for which
a fine is being levied and the date of the levy; and (ii) the specific section of the declaration,
bylaws, rules, or regulations allegedly violated;
(3) for assessments levied under section 515B.3-115(g) or 515B.3-1151(g), identifies:
(i) the damage caused; and (ii) the act or omission alleged to have caused the damage;
(4) states that all unpaid fines and assessments are liens which, if not satisfied, could
lead to foreclosure of the lien against the owner's unit;
(5) describes the unit owner's right to be heard by the board or a committee appointed
by the board;
(6) states that if the assessment, fine, late fees, and other allowable charges are not paid,
the amount may increase as a result of the imposition of attorney fees and other collection
costs; and
(7) informs the unit owner that homeownership assistance is available from the Minnesota
Homeownership Center.

(d) Notwithstanding subsection (a), powers exercised under this section must comply
with sections 500.215 and 500.216.
(e) Notwithstanding subsection (a)(4) or any other provision of this chapter, the
association, before instituting litigation or arbitration involving construction defect claims
against a development party, shall:
(1) mail or deliver written notice of the anticipated commencement of the action to each
unit owner at the addresses, if any, established for notices to owners in the declaration and,
if the declaration does not state how notices are to be given to owners, to the owner's last
known address. The notice shall specify the nature of the construction defect claims to be
alleged, the relief sought, and the manner in which the association proposes to fund the cost
of pursuing the construction defect claims; and
(2) obtain the approval of owners of units to which a majority of the total votes in the
association are allocated. Votes allocated to units owned by the declarant, an affiliate of the
declarant, or a mortgagee who obtained ownership of the unit through a foreclosure sale
are excluded. The association may obtain the required approval by a vote at an annual or
special meeting of the members or, if authorized by the statute under which the association
is created and taken in compliance with that statute, by a vote of the members taken by
electronic means or mailed ballots. If the association holds a meeting and voting by electronic
means or mailed ballots is authorized by that statute; the association shall also provide for
voting by those methods. Section 515B.3-110(c) applies to votes taken by electronic means
or mailed ballots; except that the votes must be used in combination with the vote taken at
a meeting and are not in lieu of holding a meeting; if a meeting is held, and are considered
for purposes of determining whether a quorum was present. Proxies may not be used for a
vote taken under this paragraph unless the unit owner executes the proxy after receipt of
the notice required under subsection (e)(1) and the proxy expressly references this notice.

(f) The association may intervene in a litigation or arbitration involving a construction
defect claim or assert a construction defect claim as a counterclaim, crossclaim, or third-party
claim before complying with subsections (e)(1) and (e)(2) but the association's complaint
in an intervention; counterclaim; crossclaim; or third-party claim shall be dismissed without
prejudice unless the association has complied with the requirements of subsection (e) within
90 days of the association's commencement of the complaint in an intervention or the
assertion of the counterclaim, crossclaim, or third-party claim.

Sec. 25. Minnesota Statutes 2022, section 515B.3-107, is amended to read:
515B.3-107 UPKEEP OF COMMON INTEREST COMMUNITY.

(a) Except to the extent provided by the declaration, this subsection or section
515B.3-113, the association is responsible for the maintenance, repair and replacement of
the common elements, and each unit owner is responsible for the maintenance, repair and
replacement of the unit owner's unit. Damage to the common elements or any unit as a result
of the acts or omissions of a unit owner or the association, including damage resulting from
the unit owner's or association's lack of maintenance or failure to perform necessary repairs
or replacement, is the responsibility of the unit owner or association responsible for causing
the damage, or whose agents or invitees caused the damage.

(b) The association's board of directors shall prepare and approve a written preventative
maintenance plan; maintenance schedule; and maintenance budget for the common elements.
The association shall follow the approved preventative maintenance plan. The association's
board may amend, modify, or replace an approved preventative maintenance plan or an
approved maintenance schedule from time to time. The association must provide all unit
owners with a paper copy; electronic copy; or electronic access to the preventative
maintenance plan; the maintenance schedule; and any amendments or modifications to or
replacements of the preventative maintenance plan and the maintenance schedule. If a
common interest community was created on or before August 1, 2017, the association's
board of directors shall have until January 1, 2019, to comply with the requirements of this
subsection;

(c) The association shall have access through and into each unit for purposes of
performing maintenance, repair or replacement for which the association may be responsible;
The association and any public safety personnel shall also have access for purposes of
abating or correcting any condition in the unit which violates any governmental law,
ordinance or regulation, which may cause material damage to or jeopardize the safety of
the common interest community, or which may constitute a health or safety hazard for
occupants of units.

(d) In exercising any authority granted to it under the declaration to approve or disapprove
proposed changes to a unit or limited common element, the association's board shall provide
a fair, reasonable, and expeditious procedure for making its decision. The procedure shall
be set forth in the association's governing documents. The procedures shall state the
maximum time for issuance of any decision on a proposal or a request for reconsideration.
At a minimum, a decision shall be made within 90 days after the initial submission of the
proposal or submission of any additional information or changes to the proposal requested
by the association's board in response to the initial submission. A decision shall be in writing,
shall be made in good faith, and may not be unreasonable, arbitrary, or capricious. If the
proposal is disapproved, the decision shall include both an explanation of why the proposal
is disapproved and a description of the procedure for reconsideration of the decision by the
association's board.

(e) Neither the association, nor any unit owner other than the declarant or its affiliates,
is subject to a claim for payment of expenses incurred in connection with any additional
real estate.

(f) Unless expressly provided for in the declaration, the association must not enforce
any restriction on parking of a personal vehicle on a public street or public road for which
the state or local government has assumed responsibility for maintenance and repairs, unless
the authority to regulate such parking has been expressly delegated to the association by
the state or local government under terms prescribing the manner in which the association
may exercise that authority. Any such delegation shall be valid for a period not to exceed
five years, at which time the association must reapply to the delegating entity. As used in
this subdivision, "personal vehicle" means an automobile with a gross weight of less than
26,001 pounds that is used for personal pleasure, travel, or commuting to and from a place
of work, and does not include a motor home or self-propelled recreational vehicle, or an
automobile that is otherwise used primarily in connection with any commercial endeavor
or business.

Sec. 26. Minnesota Statutes 2023 Supplement, section 515B.3-116, is amended to read:

515B.3-116 LIEN FOR ASSESSMENTS.

(a) The association has a lien on a unit for any assessment levied against that unit from
the time the assessment becomes due. If an assessment is payable in installments, the full
amount of the assessment is a lien from the time the first installment thereof becomes due.
Unless the declaration otherwise provides, fees, charges, late charges, fines, and interest
charges pursuant to section 515B.3-102(a)(10), (11) and (12) are liens, and are enforceable
as assessments, under this section. Fines and fine-related charges are not liens, and are not
enforceable as assessments under this section. Recording of the declaration constitutes
record notice and perfection of any assessment lien under this section, and no further
recording of any notice of or claim for the lien is required.
(b) Subject to subsection (c), a lien under this section is prior to all other liens and encumbrances on a unit except (i) liens and encumbrances recorded before the declaration and, in a cooperative, any first security interest encumbering only the unit owner's interest in the unit, (ii) any first mortgage encumbering the fee simple interest in the unit, or, in a cooperative, any first mortgage encumbering the fee simple interest in the unit, (iii) liens for real estate taxes and other governmental assessments or charges against the unit, and (iv) a master association lien under section 515B.2-121(h). This subsection shall not affect the priority of mechanic's liens.

c) If a first mortgage on a unit is foreclosed, the first mortgage was recorded after June 1, 1994, and no owner or person who acquires the owner's interest in the unit redeems pursuant to chapter 580, 581, or 582, the holder of the sheriff's certificate of sale from the foreclosure of the first mortgage or any person who acquires title to the unit by redemption as a junior creditor shall take title to the unit subject to a lien in favor of the association for unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3); (f); and (i) which became due, without acceleration, during the six months immediately preceding the end of the owner's period of redemption. The common expenses shall be based upon the association's then current annual budget, notwithstanding the use of an alternate common expense plan under section 515B.3-115(a)(2). If a first security interest encumbering a unit owner's interest in a cooperative unit which is personal property is foreclosed, the secured party or the purchaser at the sale shall take title to the unit subject to unpaid assessments for common expenses levied pursuant to section 515B.3-115(a), (e)(1) to (3); (f); and (i) which became due, without acceleration, during the six months immediately preceding the first day following either the disposition date pursuant to section 336.9-610 or the date on which the obligation of the unit owner is discharged pursuant to section 336.9-622.

(d) Proceedings to enforce an assessment lien shall be instituted within three years after the last installment of the assessment becomes payable, or shall be barred.

e) The unit owner of a unit at the time an assessment is due shall be personally liable to the association for payment of the assessment levied against the unit. If there are multiple owners of the unit, they shall be jointly and severally liable.

(f) This section does not prohibit actions to recover sums for which subsection (a) creates a lien nor prohibit an association from taking a deed in lieu of foreclosure.

g) The association shall furnish to a unit owner or the owner's authorized agent upon written request of the unit owner or the authorized agent a statement setting forth the amount of unpaid assessments currently levied against the owner's unit. If the unit owner's interest is real estate, the statement shall be in recordable form. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

(h) The association's lien may be foreclosed as provided in this subsection. In no case may an association's lien be foreclosed unless unpaid fees, charges, late charges, and interest
charges pursuant to section 515B.3-102(a)(10), (11) and (12), are outstanding for more than
180 days:

(1) In a condominium or planned community, the association's lien may be foreclosed
in a like manner as a mortgage containing a power of sale pursuant to chapter 580, or by
action pursuant to chapter 581. The association shall have a power of sale to foreclose the
lien pursuant to chapter 580, except that any portion of the assessment that represents
attorney fees or costs shall not be included in the amount a unit owner must pay to reinstate
under section 580.30 or chapter 581;

(2) In a cooperative whose unit owners' interests are real estate, the association's lien
shall be foreclosed in a like manner as a mortgage on real estate as provided in paragraph
(1);

(3) In a cooperative whose unit owners' interests in the units are personal property, the
association's lien shall be foreclosed in a like manner as a security interest under article 9
of chapter 336. In any disposition pursuant to section 336.9-620 to 336.9-622, the rights of the parties shall be the same as those provided
by law, except (i) notice of sale, disposition, or retention shall be served on the unit owner
30 days prior to sale, disposition, or retention; (ii) the association shall be entitled to its
reasonable costs and attorney fees not exceeding the amount provided by section 582.01;
subdivision 1a; (iii) the amount of the association's lien shall be deemed to be adequate
consideration for the unit subject to disposition or retention, notwithstanding the value of
the unit; and (iv) the notice of sale, disposition, or retention shall contain the following
statement in capital letters with the name of the association or secured party filled in:

"THIS IS TO INFORM YOU THAT BY THIS NOTICE (fill in name of association or
secured party) HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES,
CHAPTER 515B, TO FORECLOSE ON YOUR INTEREST IN YOUR UNIT FOR THE
REASON SPECIFIED IN THIS NOTICE: YOUR INTEREST IN YOUR UNIT WILL
TERMINATE 90 DAYS AFTER SERVICE OF THIS NOTICE ON YOU UNLESS
BEFORE THEN:

(a) THE PERSON AUTHORIZED BY (fill in the name of association or secured party)
AND DESCRIBED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM
YOU:

(1) THE AMOUNT THIS NOTICE SAYS YOU OWE; PLUS
(2) THE COSTS INCURRED TO SERVE THIS NOTICE ON YOU; PLUS
(3) $500 TO APPLY TO ATTORNEY FEES ACTUALLY EXPENDED OR
INCURRED; PLUS
(4) ANY ADDITIONAL AMOUNTS FOR YOUR UNIT BECOMING DUE TO (fill
in name of association or secured party) AFTER THE DATE OF THIS NOTICE; OR
(b) YOU SECURE FROM A DISTRICT COURT AN ORDER THAT THE
FORECLOSURE OF YOUR RIGHTS TO YOUR UNIT BE SUSPENDED UNTIL YOUR
CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING, OR
SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND
GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES.

IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN
THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR OWNERSHIP RIGHTS IN
YOUR UNIT WILL TERMINATE AT THE END OF THE PERIOD, YOU WILL LOSE
ALL THE MONEY YOU HAVE PAID FOR YOUR UNIT, YOU WILL LOSE YOUR
RIGHT TO POSSESSION OF YOUR UNIT, YOU MAY LOSE YOUR RIGHT TO
ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE, AND YOU WILL
BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT
AN ATTORNEY IMMEDIATELY.

(4) In any foreclosure pursuant to chapter 580, 581, or 582, the rights of the parties shall
be the same as those provided by law, except (i) the period of redemption for unit owners
shall be six months from the date of sale or a lesser period authorized by law, (ii) in a
foreclosure by advertisement under chapter 580, the foreclosing party shall be entitled to
costs and disbursements of foreclosure and attorney fees authorized by the declaration or
bylaws, notwithstanding the provisions of section 582.01, subdivisions 1 and 1a, (iii) in a
foreclosure by action under chapter 581, the foreclosing party shall be entitled to costs and
disbursements of foreclosure and attorney fees as the court shall determine, and (iv) the
amount of the association's lien shall be deemed to be adequate consideration for the unit
subject to foreclosure, notwithstanding the value of the unit.

(i) If a holder of a sheriff's certificate of sale, prior to the expiration of the period of
redemption, pays any past due or current assessments, or any other charges lienable as
assessments, with respect to the unit described in the sheriff's certificate, then the amount
paid shall be a part of the sum required to be paid to redeem under section 582.03;

(j) In a cooperative, if the unit owner fails to redeem before the expiration of the
redemption period in a foreclosure of the association's assessment lien, the association may
bring an action for eviction against the unit owner and any persons in possession of the unit,
and in that case section 504B.291 shall not apply.

(k) An association may assign its lien rights in the same manner as any other secured
party.

Sec. 27. Minnesota Statutes 2022, section 515B.4-116, is amended to read:

515B.4-116 RIGHTS OF ACTION; RETALIATION PROHIBITED; ATTORNEYS
FEES.

(a) In addition to any other rights to recover damages, attorney's fees, costs or expenses,
whether authorized by this chapter or otherwise; if a declarant, an association, or any other
person violates any provision of this chapter, or any provision of the declaration, bylaws,
or rules and regulations any person or class of persons adversely affected by the failure to comply has a claim for appropriate relief. Subject to the requirements of section 515B.3-102, the association shall have standing to pursue claims on behalf of the unit owners of two or more units.

(b) An association may not retaliate against an owner for asserting any right the owner has under this chapter or other law. For purposes of this paragraph, asserting rights includes but is not limited to filing an action in district court to enforce a right or remedy provided by this chapter or other law; by the declaration, bylaws, or rules and regulations of the association; or by filing a complaint with local authorities regarding a violation of a health, safety, housing, or building code or ordinance. An association may not decrease services or impose a fine or other penalty or charge legal fees to the owner, nor may the association make the resumption of services or removal of the fine, penalty, or legal fees contingent on the owner dropping the owner's action in district court or complaint with local authorities.

(c) The court may award reasonable attorney's fees and costs of litigation to the prevailing party. Punitive damages may be awarded for a willful failure to comply.

(d) As a condition precedent to any construction defect claim, the parties to the claim must submit the matter to mediation before a mutually agreeable neutral third party. For the purposes of this section, mediation has the meaning given under the General Rules of Practice, rule 114.02 (7). If the parties are not able to agree on a neutral third-party mediator from the roster maintained by the Minnesota Supreme Court, the parties may petition the district court in the jurisdiction in which the common interest community is located to appoint a mediator. The applicable statute of limitations and statute of repose for an action based on breach of a warranty imposed by this section, or any other action in contract, tort, or other law for any injury to real or personal property or bodily injury or wrongful death arising out of the alleged construction defect, is tolled from the date that any party makes a written demand for mediation under this section until the latest of the following:

1. five business days after mediation is completed; or
2. 180 days.

Notwithstanding the foregoing, mediation shall not be required prior to commencement of a construction defect claim if the parties have completed home warranty dispute resolution under section 327A.051.

d) The remedies provided for under this chapter are not exclusive and do not abrogate any remedies under other statutes or the common law, notwithstanding whether those remedies are referred to in this chapter.

Sec. 28. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Challenge Program

ase. 39. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:
This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(b) Of this amount, $6,425,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians within the annual consolidated request for funding processes may be available for any eligible activity under Minnesota Statutes, sections 462A.33 and 462A.07, subdivision 14.

(c) Of the amount in the first year, $5,000,000 is for a grant to Urban Homeworks to expand initiatives pertaining to deeply affordable homeownership in Minneapolis neighborhoods with over 40 percent of residents identifying as Black, Indigenous, or People of Color and at least 40 percent of residents making less than 50 percent of the area median income. The grant is to be used for acquisition, rehabilitation, gap financing as defined in Minnesota Statutes, section 462A.33, subdivision 1, and construction of homes to be sold to households with incomes of 50 to 60 percent of the area median income. This is a one-time appropriation, and it is available until June 30, 2027. By December 15 each year until 2027, Urban Homeworks must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include the amount used for (1) acquisition, (2) rehabilitation, and (3) construction of housing units, along with the number of housing units acquired, rehabilitated, or constructed, and the amount of the appropriation that has been spent. If any home was sold or transferred within the year covered by the report, Urban Homeworks must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include the amount used for (1) acquisition, (2) rehabilitation, and (3) construction of housing units, along with the number of housing units acquired, rehabilitated, or constructed, and the amount of the appropriation that has been spent. If any home was sold or transferred within the year covered by the report, Urban Homeworks must submit a report to

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include the price at which the home was sold, as well as how much was spent to complete the project before sale.

(d) Of the amount in the first year, $2,000,000 is for a grant to Rondo Community Land Trust. This is a onetime appropriation.

(e) The base for this program in fiscal year 2026 and beyond is $12,925,000.

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

Subd. 32. Northland Foundation

This appropriation is for a grant to Northland Foundation for use on expenditures authorized for assisting local governments to establish local or regional housing trust funds. Northland Foundation may award grants and loans to other entities to expend on authorized expenditures under this section. This appropriation is onetime and available until June 30, 2025.

Sec. 41. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

Subd. 2. Eligible homebuyer. For the purposes of this section, an "eligible homebuyer" means an individual:

1. whose income is at or below 130 percent of area median income;
2. who resides in a census tract where at least 60 percent of occupied housing units are renter-occupied, based on the most recent estimates or experimental estimates provided by the American Community Survey of the United States Census Bureau;
3. who is financing the purchase of an eligible property with an interest-free, fee-based mortgage; and
4. who is a first-time homebuyer as defined by Code of Federal Regulations, title 24, section 92.2.
Sec. 42. TASK FORCE ON LONG-TERM SUSTAINABILITY OF AFFORDABLE HOUSING.

Subdivision 1. Establishment. A task force is established to study the financial health and stability of affordable housing providers and to provide recommendations to the Minnesota legislature to promote long-term sustainability of affordable housing providers, prevent loss of affordable units, and promote housing security for renters.

Subd. 2. Duties. (a) The task force must assess underlying financial challenges for affordable housing providers in their pursuit of developing and preserving safe, affordable, and dignified housing, including examining:

(1) factors that are leading to increasing costs, including but not limited to insurance rates, security costs, and rehabilitation needs;

(2) factors that are leading to declining revenues for affordable housing providers, including but not limited to loss of rent and vacancy issues;

(3) the significant financial needs across the entire sector of affordable housing providers; and

(4) the potential impact of loss of housing units under current conditions.

(b) The task force must evaluate the current financing and administrative tools that are being deployed to support housing providers and their effectiveness, including examining:

(1) current funding needs, financing programs, and the availability of funding to assess the level of funding as it relates to overall needs;

(2) administrative tools utilized by the Minnesota Housing Finance Agency to support affordable housing providers; and

(3) the effectiveness of current funding programs and tools.

(c) The task force must evaluate potential solutions to address identified financial challenges for affordable housing providers, including:

(1) additional funding for existing programs and tools;

(2) new financial tools, including new uses of housing infrastructure bonds;

(3) mechanisms to fund supportive services in the development process for new affordable housing projects;

(4) underwriting practices at the Minnesota Housing Finance Agency; and

(5) recommendations for changes to financial or management practices for affordable housing providers.

Subd. 3. Meetings and report. The Minnesota Housing Finance Agency shall convene the first meeting of the task force no later than August 31, 2024, and shall provide accessible...
physical or virtual meeting space as necessary for the task force to conduct its work. The

task force must submit final recommendations to the house of representatives and senate

housing committees and for the commissioner of the Minnesota Housing Finance Agency

no later than February 1, 2025.

Subd. 4. Membership. The task force shall consist of 13 members representing a cross

section of the affordable housing industry and relevant agency staff. The chair of the house

of representatives committee with jurisdiction over housing finance shall appoint four

members. The chair of the senate committee with jurisdiction over housing finance shall

appoint four members. The commissioner of the Minnesota Housing Finance Agency shall

appoint five members. Members must be appointed no later than July 1, 2024.

Subd. 5. Expiration. The task force expires upon submission of the final

recommendations required under subdivision 4.

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

Sec. 43. DIRECTION TO COMMISSIONERS OF HUMAN SERVICES AND THE

MINNESOTA HOUSING FINANCE AGENCY; EMERGENCY ASSISTANCE

PROGRAM MODIFICATIONS.

(a) The commissioner of the Minnesota Housing Finance Agency, in consultation with

the commissioner of human services, shall develop program recommendations for emergency

rental assistance that have the flexibility to provide relief for crises within a time frame that

corresponds to the emergency and that are simple enough for applicants to understand across

all emergency rental assistance programs. In the development of these recommendations,

the commissioners must:

(1) recognize differences between administrative and legislative authority and propose

legislative changes to the definition of emergency general assistance;

(2) adopt policies and practices that prioritize easy-to-understand eligibility criteria and

definitions that prioritize accessible, culturally responsive, and trauma-informed approaches

when assisting persons through a crisis; and

(3) develop guidance to emergency rental assistance program administrators that

encourage the program administrators to be flexible with the required forms of documentation

for the program and to avoid establishing documentation requirements that are likely to be

barriers to participation in emergency rental assistance for eligible households;

(b) For the purposes of this section, the following terms have the meanings given:

(1) "culturally responsive" means agencies, programs, and providers of services respond

respectfully and effectively to people of all cultures, languages, classes, races, ethnic

backgrounds, disabilities, religions, genders, sexual orientations, and other identities in a

manner that recognizes, values, and affirms differences and eliminates barriers to access;

and
The commissioner of the Minnesota Housing Finance Agency and the commissioner of
human services are encouraged to develop uniform e-signature options to be used in
applications for emergency general assistance, emergency assistance, and family homeless
prevention and assistance program. The commissioner must notify the chairs and
ranking minority members of the legislative committees with jurisdiction over housing and
human services when the e-signature options are implemented. A copy of this notification
must also be filed with the Legislative Reference Library in compliance with Minnesota
Statutes, section 3.195.

The commissioner of the Minnesota Housing Finance Agency and the commissioner of
human services shall research state and federal laws and regulations to determine language
access standards applying to the organizations' emergency general assistance, emergency
assistance, and family homelessness prevention and assistance programs and shall ensure
compliance with all applicable language access requirements. The commissioners are
encouraged to identify specific languages into which program materials could be translated
to improve access to emergency general assistance, emergency assistance, and family
homelessness prevention and assistance program and shall translate the materials into
the identified languages. The commissioners are encouraged to develop and implement a
plan to translate any website applications for emergency general assistance, emergency
assistance, and family homelessness prevention and assistance program assistance into
multilingual website applications.

(a) The commissioner of the Minnesota Housing Finance Agency, in consultation with
the commissioner of human services, is encouraged to consult with local officials to develop
recommendations aimed at simplifying the process of verifying the information in
applications for emergency general assistance, emergency assistance, and family homeless
prevention and assistance program. In developing recommendations, the
commissioners must consider:

(1) allowing self-attestation of emergencies, assets, and income;
(2) allowing verbal authorization by applicants to allow emergency rental assistance
administrators to communicate with landlords and utility providers regarding applications
for assistance; and

The commissioner of the Minnesota Housing Finance Agency, working with the
commissioner of human services, shall develop uniform e-signature options to be used in
applications for the family homelessness prevention and assistance program. No later than
June 30, 2026, the commissioner shall require administrators of the family homelessness
prevention and assistance program to incorporate and implement the developed e-signature
options. The commissioner must notify the chairs and ranking minority members of the
legislative committees with jurisdiction over housing of the date when the e-signature options
are implemented. A copy of this notification must also be filed with the Legislative Reference
Library in compliance with Minnesota Statutes, section 3.195.

In developing recommendations, the commissioner must consider:

(1) allowing self-attestation of emergencies, assets, and income;
(2) allowing verbal authorization by applicants to allow emergency rental assistance
administrators to communicate with landlords and utility providers regarding applications
for assistance; and
Sec. 31. HOUSING AFFORDABILITY PRESERVATION INVESTMENT.

Subdivision 1. Establishment. The commissioner of the Minnesota Housing Finance Agency must establish and administer a grant program to support recapitalization of distressed buildings.

Subd. 2. Definitions. For purposes of this section:

(1) "distressed building" means an existing rental housing building in which the units are restricted to households at or below 60 percent of the area median income, and:

(i) is in foreclosure proceedings;

(ii) has two or more years of negative net operating income;

(iii) has two or more years with a debt service coverage ratio of less than one; or

(iv) has necessary costs of repair, replacement, or maintenance that exceed the project reserves available for those purposes; and

(2) "recapitalization" means financing for the physical and financial needs of a distressed building, including restructuring and forgiveness of amortizing and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment and interest rate.
Subd. 3. Grant program. The commissioner must use a request for proposal process to consider funding requests and award grants to finance recapitalization of distressed buildings. In awarding grants, the commissioner must give priority to distressed buildings most at risk of losing affordable housing.

Subd. 4. Report. By February 1, 2025, and November 30, 2025, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and homelessness. The report must detail the number of applications received, the amount of funding requested, the grants awarded, and the number of affordable housing units preserved through awards under this section.

Sec. 32. REPORT ON RENTAL HOUSING PROGRAMS. The commissioner of the Minnesota Housing Finance Agency must review the financial impacts of the low-income rental property tax classification in Minnesota Statutes, section 273.128, and the low-income housing tax credit program under section 42 of the Internal Revenue Code, including the extent of rent increases and housing related expenses. By December 15, 2024, the commissioner must report on the findings and recommendations for legislative changes to the chairs and ranking minority members of the legislative committees with jurisdiction over human services, housing finance, and taxes. The commissioner must use existing financial resources for this review and report.

Sec. 33. SINGLE-EXIT STAIRWAY APARTMENT BUILDING REPORT. The commissioner of labor and industry must evaluate conditions under which single-exit stairway apartment buildings above three stories up to 75 feet would achieve life safety outcomes equal to or superior to currently adopted codes, including those for multifamily buildings with very large footprints and single-family houses. The commissioner must use research techniques that include smoke modeling, egress modeling, an analysis of fire loss history in jurisdictions that have already adopted similar provisions, and interviews with fire services regarding fire suppression and rescue techniques in such buildings. The commissioner shall consult with relevant stakeholders, including but not limited to the Minnesota Fire Chiefs Association, Minnesota Professional Firefighters Association, Association of Minnesota Building Officials, Housing First Minnesota, Center for Building in North America, and faculty from the relevant department of a university which grants degrees in fire protection engineering. The commissioner may contract with external experts or an independent third party to develop the report and perform other functions required of the commissioner under this section. By December 31, 2025, the commissioner must report on the findings to the chairs and ranking minority members of the legislative committees with jurisdiction over housing and state building codes.
Sec. 34. REPORT TO THE LEGISLATURE.

By January 15 each year, the commissioner of the Minnesota Housing Finance Agency must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy containing the following information:

1. the total number of applications for funding;
2. the amount of funding requested;
3. the amounts of funding awarded; and
4. the number of housing units that are affected by funding awards, including the number of:
   i. newly constructed owner-occupied units;
   ii. renovated owner-occupied units;
   iii. newly constructed rental units; and
   iv. renovated rental units.

Sec. 35. REVISOR INSTRUCTION.

(a) If H.F. 3800 or another substantively similar bill that establishes a new cooperative chapter titled as Minnesota Statutes, chapter 308C, is enacted during the 2024 legislative session, the revisor of statutes must add “308C” to the list of chapters referenced in Minnesota Statutes, section 462A.37, subdivision 2, paragraph (a), clause (10), as amended in this act. The revisor shall also make necessary cross-reference changes in Minnesota Statutes.

(b) The revisor of statutes shall renumber Minnesota Statutes, section 462A.37, subdivision 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall also make necessary cross-reference changes in Minnesota Statutes.

Section 1. [504B.505] DISCRIMINATION; HOUSING ASSISTANCE.

(a) A landlord must not discriminate against a tenant based on the tenant’s use of federal, state, or local government rental assistance; a housing choice voucher program; or another form of public assistance that helps a tenant pay rent; or refuse to rent to a tenant because the landlord may be responsible for meeting the terms and conditions of a public assistance program. A landlord must not deny a tenant or prospective tenant a viewing or application for a rental unit, deny them the opportunity to rent a unit, or discriminate against a tenant or prospective tenant who uses rental assistance or a housing choice voucher. A landlord cannot advertise that they will not rent to a tenant who uses rental assistance or a housing choice voucher program.
(b) A violation of this section is an unfair discriminatory practice under section 363A.09, and an individual has all the rights and remedies available under chapter 363A.

Sec. 2. Laws 2023, chapter 52, article 19, section 120, is amended to read:

Sec. 120. EFFECTIVE DATE.

Sections 117 to 119 are effective January 1, 2024. Section 118 is effective January 1, 2024, and applies to cases filed before, on, or after that date.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2024.

Sec. 3. WORKING GROUP ON COMMON INTEREST COMMUNITIES AND HOMEOWNERS ASSOCIATIONS.

Subdivision 1. Creation; duties. (a) A working group is created to study the prevalence and impact of common interest communities (CICs) and homeowners associations (HOAs) in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and tenants access safe and affordable housing. The working group shall study:

1. how many CICs and HOAs exist, how many people may reside in those housing units, and where they are located in the state;
2. the governing documents commonly used by CICs and HOAs and whether the governing documents or common practices create barriers for participation by homeowners in the board of directors for CICs or HOAs;
3. the fees and costs commonly associated with CICs and HOAs and how those fees have increased, including the cost of outside management, accounting, and attorney fees that are assessed to owners and residents;
4. whether there should be uniform, statutory standards regarding fees, fines, and costs assessed to residents;
5. how the organization and management of CICs and HOAs, including boards and management companies, impact the affordability of CICs and HOAs;
6. the impact of CICs and HOAs on the housing market and housing costs;
7. the racial disparity in homeownership as it relates to CICs and HOAs;
8. the accessibility and affordability of CICs and HOAs for Minnesotans with disabilities;
9. how other states regulate CICs and HOAs and best practices related to board transparency, dispute resolution, and foreclosures; and
10. how the current laws governing CICs and HOAs may be consolidated and reformed for clarity and to improve the experience of homeowners and residents in CICs and HOAs;
The focus and duties of the working group shall be to recommend legislative reforms or other methods to regulate CICs and HOAs, including the consolidation or recodification of existing chapters regulating CICs and HOAs.

Subd. 2. Membership. The working group shall consist of the following:

1. two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;
2. two members of the senate, one appointed by the senate majority leader and one appointed by the senate minority leader;
3. one member from the Minnesota Homeownership Center;
4. one member from the Community Associations Institute;
5. one member from a business association that supports, educates, or provides services to CICs and HOAs in Minnesota designated by the commissioner of commerce;
6. one member from a legal aid association familiar with housing laws and representing low-income clients;
7. one member from the Minnesota Association of Realtors;
8. one member who is an attorney who regularly works advising homeowners or residents in CICs and HOAs and is familiar with the state foreclosure laws designed by the State Bar Association;
9. one member who is an attorney who regularly works advising CIC and HOA boards designated by the State Bar Association;
10. one member from a metropolitan area government who is familiar with issues homeowners and tenants face while living in CICs and HOAs in the metropolitan area;
11. the commissioner of the Minnesota Housing Finance Agency or the commissioner's designee;
12. one member from the attorney general's office designated by the attorney general;
13. two members who are currently, or have within the last five years, served on a CIC or HOA board and have knowledge about the management of CIC and HOA boards; and
14. four members who are current or recent owners of a residence that is part of a CIC or HOA.

Subd. 3. Facilitation; organization; meetings. (a) The Management Analysis Division of Minnesota Management and Budget shall facilitate the working group, provide administrative assistance, and convene the first meeting by July 15, 2024. Members of the
The working group may receive compensation and reimbursement for expenses as authorized by Minnesota Statutes, section 15.059, subdivision 3.

(b) The working group must meet at regular intervals as often as necessary to accomplish the goals enumerated under subdivision 1. Meetings of the working group are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. External consultation. The working group shall consult with other individuals and organizations that have expertise and experience that may assist the working group in fulfilling its responsibilities, including entities engaging in additional external stakeholder input from those with experience living in CICs and HOAs as well as working with the board of directors for CICs and HOAs.

Subd. 5. Report required. The working group shall submit a final report by February 1, 2025, to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy, commerce, and real property. The report shall include recommendations and draft legislation based on the duties and focus for the working group provided in subdivision 1.

Subd. 6. Expiration. The working group expires upon submission of the final report in subdivision 5, or February 28, 2025, whichever is later.

EFFECTIVE DATE. This section is effective the day following final enactment and expires March 1, 2025.

Sec. 2. DATA COLLECTION TO MEASURE TIMELINESS OF RENTAL ASSISTANCE.

The commissioner of the Minnesota Housing Finance Agency must work with the commissioner of human services to develop criteria for measuring the timeliness of processing applications for rental assistance. The commissioner of the Minnesota Housing Finance Agency must collect data to monitor application speeds of the family homelessness prevention and assistance program and use the collected data to inform improvements to application processing systems. By January 15, 2027, the commissioner of the Minnesota Housing Finance Agency must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include analysis of the data collected and whether goals have been met to (1) process an emergency rental assistance application within two weeks of the receipt of a complete application, and (2) if approved, make payment to a landlord within 30 days of the receipt of a complete application.