SIXTY-FIFTH DAY

St. Paul, Minnesota, Tuesday, May 9, 2023

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Boldon imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Hans Jorgensen.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators were present:

Abeler	Dziedzic	Johnson	Maye Quade	Rasmusson
Anderson	Eichorn	Klein	McEwen	Rest
Bahr	Farnsworth	Koran	Miller	Seeberger
Boldon	Fateh	Kreun	Mitchell	Utke
Carlson	Frentz	Kunesh	Mohamed	Weber
Champion	Green	Kupec	Morrison	Wesenberg
Coleman	Gruenhagen	Lang	Murphy	Westlin
Cwodzinski	Gustafson	Latz	Nelson	Westrom
Dahms	Hauschild	Lieske	Oumou Verbeten	Wiklund
Dibble	Hawj	Limmer	Pappas	Xiong
Dornink	Hoffman	Lucero	Pha	
Draheim	Housley	Mann	Port	
Drazkowski	Howe	Marty	Pratt	
Duckworth	Jasinski	Mathews	Putnam	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 8, 2023

The Honorable Bobby Joe Champion
President of the Senate

Dear President Champion:

I have received, approved, signed, and deposited in the Office of the Secretary of State Chapter 33, S.F. No. 2369.

Sincerely,
Tim Walz, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2988 and 402.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 8, 2023

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 2988: A bill for an act relating to workers' compensation; adopting recommendations of the 2023 Workers' Compensation Advisory Committee; modifying workers' compensation self-insurance; improving system efficiencies; modifying the permanent partial disability schedule; requiring a post-traumatic stress disorder study and report; making housekeeping changes; appropriating money; amending Minnesota Statutes 2022, sections 79A.01, subdivision 4; 79A.04, subdivisions 7, 9, 10, 16, by adding a subdivision; 79A.08; 79A.13; 79A.24, subdivision 4; 79A.25, subdivisions 1, 2, 3, by adding a subdivision; 176.011, subdivision 11a, by adding a subdivision; 176.081, subdivision 1; 176.101, subdivision 2a; 176.102, subdivision 3; 176.111, subdivision 16, by adding a subdivision; 176.135, subdivisions 1, 1a, 7; 176.1362, subdivision 1; 176.1364, subdivision 3; 176.155, subdivision 1; 176.239, subdivisions 6, 7; 176.291; 176.305, subdivision 4; 176.331; repealing Minnesota Statutes 2022, sections 176.1364, subdivision 6; 176.223.

Referred to the Committee on Finance.

H.F. No. 402: A bill for an act relating to health; establishing requirements for certain health care entity transactions; changing the expiration date on moratorium conversion transactions; requiring a health system to return charitable assets received from the state to the general fund in certain circumstances; requiring a study on the regulation of certain transactions; requiring a report; appropriating money; amending Minnesota Statutes 2022, section 62U.04, subdivision 11; Laws 2017, First Special Session chapter 6, article 5, section 11, as amended; proposing coding for new law in Minnesota Statutes, chapter 309; proposing coding for new law as Minnesota Statutes, chapter 145D.

Referred to the Committee on Judiciary and Public Safety.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Howe introduced--

S.F. No. 3328: A bill for an act relating to public safety; requiring a report regarding the sentencing of certain military veterans; amending Minnesota Statutes 2022, section 609.1056, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety.

Senators Dornink, Lieske, and Lang introduced--

S.F. No. 3329: A bill for an act relating to taxation; sales and use; providing an exemption for certain conservation clubs; amending Minnesota Statutes 2022, section 297A.70, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Dornink, Lang, Lieske, and Howe introduced--

S.F. No. 3330: A bill for an act relating to veterans; establishing a tuition-free postsecondary educational program for veterans who have received a Purple Heart and the veterans' dependents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

Referred to the Committee on State and Local Government and Veterans.

MOTIONS AND RESOLUTIONS

Senator Cwodzinski moved that the name of Senator Maye Quade be added as a co-author to S.F. No. 3314. The motion prevailed.

RECESS

Senator Boldon moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Senator Frentz imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages from the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1937, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1937 is herewith transmitted to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 8, 2023

CONFERENCE COMMITTEE REPORT ON H. F. No. 1937

A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans bonus program and Minnesota GI bill program provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 190.19, subdivision 2a; 197.236, subdivision 9; 197.79, subdivisions 1, 2, by adding a subdivision; 197.791, subdivisions 5, 6, 7; Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2.

May 6, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 1937 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1937 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MILITARY AFFAIRS AND VETERANS AFFAIRS APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

		APPROPRIATIONS Available for the Year Ending June 30		
		2024		**2025**
Sec. 2. **MILITARY AFFAIRS**				
Subdivision 1. **Total Appropriation**	**$**	**61,020,000**	**$**	**29,357,000**
The amounts that may be spent for each purpose are specified in the following subdivisions. The base is $26,724,000 in fiscal year 2026 and $26,730,000 in fiscal year 2027 and each fiscal year thereafter.				
Subd. 2. **Maintenance of Training Facilities**		9,951,000		10,064,000
Subd. 3. **General Support**		36,755,000		5,279,000

The base for this appropriation is $4,246,000 in fiscal year 2026 and $4,252,000 in fiscal year 2027 and each fiscal year thereafter.

(a) **MN Cyber Coordination Cell (C3).** $552,000 the first year and $558,000 the second year are for administrative and payroll costs to create and operate a Cyber Coordination Cell in the Minnesota National Guard. The base for this appropriation is $297,000 in fiscal year 2026 and $303,000 in fiscal year 2027 and each fiscal year thereafter.

(b) **Army Combat Fitness Test Field House.** $17,600,000 the first year is for predesign, design, construction, furnishing and equipping costs for an Army Combat Fitness Test Field House. This is a onetime appropriation and is available until June 30, 2027.

(c) **Minnesota Military Museum at Camp Ripley.** $14,055,000 the first year is for the design and construction of the Minnesota military museum at Camp Ripley. This appropriation is in addition to the appropriation made in Laws 2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 6, for the same purposes. This is a onetime appropriation and is available until June 30, 2027.

(d) **Holistic Health and Fitness (H2F).** $760,000 the first year and $772,000 the second year are for administrative and payroll costs to create and operate Holistic Health and Fitness (H2F) initiatives across the Minnesota Army National Guard. This is a onetime appropriation.

Subd. 4. **Enlistment Incentives**		13,614,000		13,614,000

The appropriations in this subdivision are available until June 30, 2027. The base for this appropriation is $12,114,000 in fiscal year 2026 and each fiscal year thereafter.

If the amount for fiscal year 2024 is insufficient, the amount for 2025 is available in fiscal year 2024. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Subd. 5. **Emergency Services**		700,000		400,000

Sustain Domestic Operations Communication Capabilities. For ongoing replacement of communications systems to support domestic operations when ordered into state service by the governor. The base for this appropriation is $300,000 in fiscal year 2026 and each fiscal year thereafter.

Sec. 3. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation**	**$**	**146,548,000**	**$**	**132,011,000**

The amounts that may be spent for each purpose are specified in the following subdivisions. The base is $123,645,000 in fiscal year 2026 and $124,693,000 in fiscal year 2027 and each fiscal year thereafter.

Subd. 2. **Veterans Programs and Services**	56,523,000	31,214,000

The amounts that may be spent for each purpose are specified in the following subdivisions. The base is $30,258,000 in fiscal year 2026 and each fiscal year thereafter.

(a) **State's Veterans Cemeteries.** $4,282,000 each year is for the operation of the state's veterans cemeteries. The base for this appropriation is $3,782,000 in fiscal year 2026 and each fiscal year thereafter.

(b) **Veterans Service Organizations.** $500,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(f) **County Veterans Service Office.** $1,550,000 each year is for funding the

County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(g) **Camp Bliss**. $150,000 each year is for a grant to Camp Bliss as provided under article 2, section 9.

(h) **Veterans on the Lake.** $50,000 each year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans. These are onetime appropriations.

(i) **Veteran Resilience Project.** $300,000 each year is for a grant to the veteran resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma. The base for this appropriation is $200,000 in fiscal year 2026 and each fiscal year thereafter.

The veteran resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(j) **CORE Program.** $1,225,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(k) **LinkVet Call Center.** $369,000 each year is for the operation of the state's LinkVet Call Center.

(l) **Recently Separated Veterans Program.** $350,000 each year is for operation of the recently separated veterans program. The commissioner of veterans affairs may use Department of Defense and other veteran data that were provided with an appropriate disclosure to assist with connecting veterans to resources and new programming. The commissioner may use money for personnel, research, marketing, technology solutions, and professional or technical contracts. The base for this appropriation is $300,000 in fiscal year 2026 and each fiscal year thereafter.

(m) **Homeless Veterans and SOAR Program.** $1,035,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and veterans' and former service members' dependents with obtaining federal benefits through the Social Security Administration. The commissioner of veterans affairs may use money for personnel, training, research, marketing, and professional or technical contracts. The base for this appropriation is $1,344,000 in fiscal year 2026 and each fiscal year thereafter.

(n) **Minnesota Assistance Council for Veterans.** $7,865,000 the first year and $1,075,000 the second year are for grants to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and veterans' families who are homeless or in danger of homelessness, including assistance with:

(1) supportive services to maintain housing;

(2) employment;

(3) legal issues;

(4) housing and housing-related costs;

(5) transportation;

(6) the acquisition and creation of permanent supportive housing; and

(7) property management of permanent supportive housing.

Of these amounts, $6,350,000 the first year is for the establishment of permanent supportive housing options for homeless veterans and former service members. This is a onetime appropriation and is available until June 30, 2026. $440,000 the first year is for the direct veteran assistance grant. This is a onetime appropriation. Any unencumbered balance remaining in this subdivision in the first year for grants to the Minnesota Assistance Council for Veterans does not cancel and is available for the second year. Assistance authorized under this paragraph must be provided only to a veteran who has resided in Minnesota for 30 days prior to the veteran's application for assistance and according to other guidelines established by the commissioner. To avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(o) **Veterans Bonus Program.** $15,000,000 the first year is for service bonuses to Post-9/11 Veterans and Gold Star families under Minnesota Statutes, section 197.79. This is a onetime appropriation and is available until June 30, 2024.

(p) **Metro Meals on Wheels.** $540,000 each year is for a grant to Metro Meals on Wheels to provide: (1) home-delivered meals to veterans; and (2) technical, enrollment, outreach, and volunteer recruitment assistance to member programs. Metro Meals on Wheels must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by September 1 each year with a detailed explanation of how the grant money was used and the number of veterans and service members served by the program. This is a onetime appropriation.

(q) **Minnesota Military and Veterans Museum.** $225,000 the second year is for a grant to the Minnesota Military and Veterans Museum for museum staff to provide direct services to veterans and their families. The base for this appropriation is $300,000 in fiscal year 2026 and each fiscal year thereafter.

(r) **Every Third Saturday.** $100,000 each year is for a grant to Every Third Saturday to provide veterans with emergency assistance and internships. Every Third Saturday must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance no later than September 1, 2024, and by September 1 of each subsequent year. Each report must include, at a minimum, a detailed explanation of how the grant money was used and the number of veterans served by the program. These are onetime appropriations.

(s) **Veteran Homelessness Initiative.** $4,311,000 the first year and $1,311,000 the second year are for an initiative to prevent and end veteran homelessness.

(t) **Veterans Campground Wastewater System Upgrades.** $744,000 the first year is for one or more grants to the Veterans Campground on Big Marine Lake, a 501(c)(3) nonprofit organization, to design, engineer, permit, and construct wastewater systems on campground property to increase the capacity of wastewater systems. This is a onetime appropriation.

Subd. 3. **Veterans Health Care**	90,025,000	100,797,000

(a) The base for this appropriation in fiscal year 2026 is $93,387,000 and $94,435,000 in fiscal year 2027 and each fiscal year thereafter.

(b) $88,885,000 the first year and $99,847,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer is $92,437,000 in fiscal year 2026 and $93,485,000 in fiscal year 2027.

(c) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(d) $400,000 each year is for the department to staff Veteran Community Health Navigators in community-based hospitals.

(e) $190,000 the first year is for the working group established under article 2, section 8.

Sec. 4. **CANCELLATION; FISCAL YEAR 2023.**

(a) $3,000,000 of the fiscal year 2023 general fund appropriation under Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, paragraph (i), is canceled to the general fund by June 30, 2023.

(b) $744,000 of the fiscal year 2023 general fund appropriation under Laws 2022, chapter 54, article 1, section 3, subdivision 2, paragraph (k), is canceled to the general fund by June 30, 2023.

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

ARTICLE 2

VETERANS AFFAIRS STATUTORY CHANGES

Section 1. Minnesota Statutes 2022, section 197.79, subdivision 1, is amended to read:

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

(a) "Applicant" means a veteran or a veteran's guardian, conservator, or personal representative or a beneficiary or a beneficiary's guardian, conservator, or personal representative who has filed an application with the commissioner for a bonus under this section.

(b) "Application" means a request for a bonus payment by a veteran, a veteran's beneficiary, or a veteran's guardian, conservator, or personal representative through submission of written information on a form designed by the commissioner for this purpose.

(c) "Beneficiary" means in relation to a deceased veteran and in the order named:

(1) the surviving spouse, if not remarried;

(2) the children of the veteran, if there is no surviving spouse or the surviving spouse has remarried;

(3) the veteran's surviving parent or parents;

(4) the veteran's surviving sibling or siblings; or

(5) the veteran's estate.

(d) "Commissioner" means the commissioner of the Department of Veterans Affairs.

(e) "Department" means the Department of Veterans Affairs.

(f) "Eligibility period for the bonus" means the period from September 11, 2001, to August 30, 2021.

(g) "Guardian" or "conservator" means the legally appointed representative of a minor or incapacitated beneficiary or veteran, the chief officer of a hospital or institution in which the incapacitated veteran is placed if the officer is authorized to accept money for the benefit of the minor or incapacitated veteran, the person determined by the commissioner to be the person who is legally charged with the responsibility for the care of the minor or incapacitated beneficiary or veteran, or the person determined by the commissioner to be the person who has assumed the responsibility for the care of the minor or incapacitated beneficiary or veteran.

(h) "Honorable service" means honorable federal service in the United States armed forces, as evidenced by:

(1) an honorable discharge;

(2) a general discharge under honorable conditions;

(3) in the case of an officer, a certificate of honorable service; or

(4) in the case of an applicant who is currently serving in active duty in the United States armed forces, a certificate from an appropriate service authority that the applicant's service to date has been honorable.

(i) "Incapacitated person" means an individual who, for reasons other than being a minor, lacks sufficient understanding or the capacity to make personal decisions and who is unable to meet the individual's own personal needs for medical care, nutrition, clothing, shelter, or safety even when assisted by appropriate technology or supported decision making.

(j) "Resident veteran" means a veteran who served in active duty in the United States armed forces at any time during the eligibility period for the bonus, and who also:

(1) has been separated or discharged from the United States armed forces~~, and whose home of record at the time of entry into active duty in the United States armed forces, as indicated on the person's form DD-214 or other documents the commissioner may authorize, is the state of Minnesota~~ and ~~who~~ resides in Minnesota at the time of application with the intention of residing in the state and not for any temporary purpose. An applicant may verify a residence address by presenting a valid state driver's license; a state identification card; a voter registration card; a rent receipt; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other form of verification approved by the commissioner; or

(2) is currently serving in the United States armed forces, and has a certificate from an appropriate service authority stating that the person: (i) served in active duty in the United States armed forces at any time during the eligibility period for the bonus; and (ii) has Minnesota listed as the veteran's home of record in the veteran's official military personnel file.

(k) "Service connected" means caused by an injury or disease incurred or aggravated while on active duty, as determined by the United States Department of Veterans Affairs.

(l) "Veteran" has the meaning given in section 197.447 and does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training. Veteran also includes a person who is providing honorable service on active duty in the United States armed forces and has not been separated or discharged.

Sec. 2. Minnesota Statutes 2022, section 197.79, subdivision 2, is amended to read:

Subd. 2. **Bonus amount.** (a) For a resident veteran who provided honorable service in the United States armed forces at any time during the eligibility period for the bonus, the bonus amount is:

(1) $600, if the veteran did not receive the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus;

(2) $1200, if the veteran received the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus; or

(3) $2,000, if the veteran was eligible for the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus, and died during that time period as a direct result of a service connected injury, disease, or condition.

(b) In the case of a deceased veteran, the commissioner shall pay the bonus to the veteran's beneficiary.

Sec. 3. Minnesota Statutes 2022, section 197.79, is amended by adding a subdivision to read:

Subd. 11. **Reapplication allowed.** Notwithstanding any law to the contrary, an eligible veteran who previously applied for a bonus under this section may reapply if the veteran either was denied a bonus or is entitled to receive a larger bonus than was originally awarded based on the amendments to this section contained in this act.

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

Sec. 4. Minnesota Statutes 2022, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Educational assistance.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Department of Veterans Affairs.

(c) The amount of educational assistance for any eligible person who is a ~~full-time~~ student must not exceed the following:

(1) ~~$3,000~~ $5,000 per state fiscal year; and

(2) ~~$10,000~~ $15,000 in a lifetime.

~~(d) For a part-time student, the amount of educational assistance must not exceed $500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is $50 per term.~~

Sec. 5. Minnesota Statutes 2022, section 197.791, subdivision 6, is amended to read:

Subd. 6. **Apprenticeship and on-the-job training.** (a) The commissioner, in consultation with the commissioners of employment and economic development and labor and industry, shall develop and implement an apprenticeship and on-the-job training program to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible persons, as provided in this subdivision.

(b) An "eligible employer" means an employer operating a qualifying apprenticeship or on-the-job training program that has been approved by the commissioner.

(c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(d) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:

(1) $3,000 per fiscal year for apprenticeship expenses;

(2) $3,000 per fiscal year for on-the-job training;

(3) $1,000 for a job placement credit payable to an eligible employer upon hiring and completion of six consecutive months' employment of a person receiving assistance under this subdivision; and

(4) $1,000 for a job placement credit payable to an eligible employer after a person receiving assistance under this subdivision has been employed by the eligible employer for at least 12 consecutive months as a full-time employee.

(e) No more than $5,000 in aggregate benefits under this subdivision may be paid to or on behalf of an individual in one fiscal year.

(f) If an eligible person receives benefits under subdivision 5 or 5b, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5b must not exceed ~~$10,000~~ $15,000 in the eligible person's lifetime.

(g) Assistance for apprenticeship expenses and on-the-job training is available for qualifying programs, which must, at a minimum, meet the following criteria:

(1) the training must be with an eligible employer;

(2) the training must be documented and reported;

(3) the training must reasonably be expected to lead to an entry-level position; and

(4) the position must require at least six months of training to become fully trained.

Sec. 6. Minnesota Statutes 2022, section 197.791, subdivision 7, is amended to read:

Subd. 7. **Additional professional or educational benefits.** (a) The commissioner shall develop and implement a program to administer a portion of the Minnesota GI Bill program to pay additional benefit amounts to eligible persons as provided under this subdivision.

(b) A person is eligible for additional benefits under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(c) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:

(1) $3,000 per state fiscal year; and

(2) ~~$10,000~~ $15,000 in a lifetime.

(d) If an eligible person receives benefits under subdivision 5 or 5a, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5a must not exceed ~~$10,000~~ $15,000 in the eligible person's lifetime.

(e) A person eligible under this subdivision may use the benefit amounts for the following purposes:

(1) licensing or certification tests, the successful completion of which demonstrates an individual's possession of the knowledge or skill required to enter into, maintain, or advance in employment in a predetermined and identified vocation or profession, provided that the tests and the licensing or credentialing organizations or entities that offer the tests are approved by the commissioner;

(2) tests for admission to institutions of higher learning or graduate schools;

(3) national tests providing an opportunity for course credit at institutions of higher learning;

(4) a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate program; and

(5) any fee associated with the pursuit of a professional or educational objective specified in clauses (1) to (4).

Sec. 7. Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, is amended to read:

Subd. 2. **Veterans Programs and Services**	27,073,000	22,153,000

(a) **CORE Program.** $750,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(b) **Veterans Service Organizations.** $353,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Minnesota Assistance Council for Veterans.** $750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) utilities;

(2) employment; and

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(d) **State's Veterans Cemeteries.** $6,172,000 the first year and $1,672,000 the second year are for the state's veterans cemeteries. Of these amounts, $4,500,000 the first year is to construct and equip the new veterans cemetery in Redwood Falls.

(e) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(f) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(g) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(h) **County Veterans Service Office.** $1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(i) **Veteran Homelessness Initiative.** $3,165,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. The base for this appropriation in fiscal year 2024 and each year thereafter is $1,311,000.

(j) **Camp Bliss.** $75,000 each year is for a grant to Independent Lifestyles, Inc. for expenses related to retreats for veterans at Camp Bliss in Walker, Minnesota, including therapy, transportation, and activities customized for veterans.

(k) **Veterans On The Lake.** $50,000 in the first year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans.

(l) **Veterans Resilience Project.** $400,000 each year is for a grant to the veterans resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans ~~and~~, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma. The base for this appropriation in fiscal year 2024 and each year thereafter is $200,000.

The veterans resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(m) **9/11 Task Force.** $500,000 the first year is for the Advisory Task Force on 9/11 and

Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

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

Sec. 8. **VETERAN DOMICILIARY RESIDENT QUALITY OF CARE WORKING GROUP.**

Subdivision 1. **Creation.** The veteran domiciliary resident quality of care working group consists of the following members:

(1) commissioners of the following agencies or the commissioners' designees:

(i) the Department of Veterans Affairs; and

(ii) the Department of Health;

(2) two Department of Veterans Affairs staff with expertise in veterans homes, appointed by the commissioner of veterans affairs;

(3) two Department of Health staff with expertise in boarding care homes, domiciliary settings, assisted living, and related standards of care, appointed by the commissioner of health;

(4) five medical professionals, including a medical doctor, a nurse, a mental health professional, and two other health care professionals, with expertise in veterans' health care, appointed by the governor;

(5) up to three past or current domiciliary staff with experience caring for residents appointed by the governor; and

(6) four public members who have an interest in veterans affairs, including two public members appointed by the speaker of the house of representatives and two public members appointed by the majority leader of the senate.

Subd. 2. **Duties.** The working group shall meet on a regular basis and the first meeting must be no later than 45 days after the effective date of this section. The working group shall review and analyze the acuity of domiciliary residents and the current care model, including admission, care plans, and day-to-day care, and the current staffing structure and ratios. The working group shall provide recommendations on:

(1) staffing levels that are necessary to properly care for residents based on the residents' range of acuity;

(2) a care delivery model that focuses on appropriate and adequate care for residents;

(3) additional and ongoing training for domiciliary staff;

(4) a sufficient management structure to ensure support and provide guidance to staff; and

(5) outcomes to determine if staffing levels and care delivery are appropriate or if, based on the outcomes, adjustments are necessary.

The working group shall provide information and recommendations to the legislature by January 15, 2024, that the legislature can use to make decisions and effectuate change to ensure that the standard of care and staffing levels are sufficient for different resident acuity levels in the domiciliary.

Subd. 3. **Administrative provisions.** (a) The commissioner of veterans affairs or the commissioner's designee must convene the initial meeting of the working group. Upon the request of the working group, the commissioner must provide meeting space and administrative services for the group. The members of the working group must elect a chair or cochairs from the members of the working group at the initial meeting.

(b) Public members of the working group serve without compensation or payment of expenses.

(c) The working group expires January 15, 2024, or upon submission of the report required under subdivision 2, whichever is earlier.

(d) The working group may accept gifts and grants that are accepted on behalf of the state and constitute donations to the state. Money received under this paragraph is appropriated to the commissioner of veterans affairs for the purposes of the working group.

Subd. 4. **Deadline for appointments and designations.** The appointments and designations authorized by this section must be completed by August 1, 2023.

Sec. 9. **CAMP BLISS GRANT PROGRAM.**

Subdivision 1. **Grant program; eligibility; reimbursement requirements.** (a) The commissioner of veterans affairs shall issue a grant to Independent Lifestyles, Inc., for expenses related to retreats for eligible veterans and the veterans' family members at Camp Bliss in the city of Walker.

(b) The grant recipient may use grant money to provide therapy, transportation, and activities customized for eligible veterans and the veterans' family members.

(c) The commissioner must reimburse the grant recipient at least $850 for each eligible veteran or family member who the commissioner verifies attended the camp and received services from the grant recipient. The commissioner shall disburse money to the grant recipient for up to two visits per year to the camp for each eligible veteran or family member.

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

(b) "Eligible veteran" means a Minnesota resident who is either:

(1) a former armed forces service member who has a DD-214 or other official document from the official military personnel file of the veteran that describes the honorable service of the veteran; or

(2) a current armed forces member, whether serving in the active or reserve component of the armed forces.

(c) "Family member" means an eligible veteran's spouse, domestic partner, and children.

Sec. 10. **VETERANS HOMES COST OF CARE CALCULATION.**

Notwithstanding Minnesota Statutes, section 198.03, subdivision 2, and Minnesota Rules, part 9050.0500, the commissioner of veterans affairs is not required to perform the annual calculation of the cost of care for veterans homes in Montevideo, Preston, and Bemidji in fiscal years 2024 and 2025. In fiscal years 2024 and 2025, the commissioner must calculate the average daily cost of care per resident by averaging the cost of care of veterans homes in Luverne and Fergus Falls. The commissioner must only use this method of calculating the cost of care of veterans homes in fiscal years 2024 and 2025. This section expires on June 30, 2025."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans bonus program and Minnesota GI bill program provisions; establishing the veteran domiciliary resident quality of care working group; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 197.79, subdivisions 1, 2, by adding a subdivision; 197.791, subdivisions 5, 6, 7; Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2."

We request the adoption of this report and repassage of the bill.

House Conferees: Jerry Newton, Steve Elkins, Matt Bliss

Senate Conferees: Nicole Mitchell, Erin Murphy, Bruce Anderson

Senator Mitchell moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1937 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1937 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 5, as follows:

Those who voted in the affirmative were:

Abeler	Carlson	Cwodzinski	Dornink	Dziedzic
Anderson	Champion	Dahms	Draheim	Eichorn
Boldon	Coleman	Dibble	Duckworth	Farnsworth

Fateh	Johnson	Marty	Oumou Verbeten	Weber
Frentz	Klein	Mathews	Pappas	Wesenberg
Green	Koran	Maye Quade	Pha	Westlin
Gruenhagen	Kreun	McEwen	Port	Westrom
Gustafson	Kunesh	Miller	Pratt	Wiklund
Hauschild	Kupec	Mitchell	Putnam	Xiong
Hawj	Lang	Mohamed	Rasmusson	
Hoffman	Latz	Morrison	Rest	
Housley	Limmer	Murphy	Seeberger	
Jasinski	Mann	Nelson	Utke	

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Draheim.

Those who voted in the negative were:

Bahr	Drazkowski	Howe	Lieske	Lucero

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2335, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 2335 is herewith transmitted to the Senate.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted May 8, 2023

CONFERENCE COMMITTEE REPORT ON H. F. No. 2335

A bill for an act relating to housing; establishing budget for Minnesota Housing Finance Agency; modifying various housing policy and finance provisions; expanding and establishing certain homeownership, manufactured home, and rent assistance programs; expanding requirements, uses, and amount of housing infrastructure bonds; establishing metropolitan region sales tax; establishing local affordable housing aid; establishing requirements for nonprofit grantees; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 82.75, subdivision 8; 297A.99, subdivision 1; 327C.095, subdivisions 12, 13, 16; 462.357, subdivision 1; 462A.05, subdivision 14, by adding subdivisions; 462A.201, subdivision 2; 462A.2035, subdivision 1b; 462A.204, subdivisions 3, 8; 462A.21, subdivision 3b; 462A.22, subdivision 1; 462A.33, subdivision 2, by adding a subdivision; 462A.36, subdivision 4, by adding a subdivision; 462A.37, subdivisions 1, 2, 4, 5, by adding subdivisions; 462A.38, subdivision 1; 462A.39, subdivisions 2, 5; 469.002, subdivision 12, by adding a subdivision; 473.145; 500.20, subdivision 2a; Laws 2021, First Special Session chapter

8, article 1, section 3, subdivision 11; Laws 2023, chapter 20, section 1; proposing coding for new law in Minnesota Statutes, chapters 297A; 462A; 477A.

May 7, 2023

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

We, the undersigned conferees for H. F. No. 2335 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2335 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

HOUSING APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agency for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

	APPROPRIATIONS Available for the Year Ending June 30	
	2024	**2025**
Sec. 2. **HOUSING FINANCE AGENCY**		
Subdivision 1. **Total Appropriation**	**$ 792,098,000**	**$ 273,298,000**

(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Subd. 2. **Challenge Program**	60,425,000	60,425,000

(a) 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, and construction of homes to be sold to households with incomes of 50 to 60 percent of the area median income. This is a onetime appropriation, and 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 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.

Subd. 3. **Workforce Housing Development**	19,500,000	19,500,000

(a) This appropriation is for the Greater Minnesota workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income and rent restricted units. Funded properties may include owner-occupied homes.

(b) The base for this program in fiscal year 2026 and beyond is $2,000,000.

Subd. 4. **Manufactured Home Park Infrastructure Grants and Loans**	16,000,000	1,000,000

(a) This appropriation is for manufactured home park infrastructure grants and loans under Minnesota Statutes, section 462A.2035, subdivision 1b.

(b) The base for this program in fiscal year 2026 and beyond is $1,000,000.

(c) By January 15 each year, the commissioner must submit a report on the use of funds in this subdivision to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy. The report must include the following information:

(1) grants and loans requested and funded during the prior fiscal year, organized by ownership type of the manufactured home

park, such as private, cooperative, and municipal ownership, and by county;

(2) the average amount of grants and loans awarded;

(3) loans requested and loans funded during the prior fiscal year, organized by ownership type of the manufactured home park, such as private, cooperative, and municipal ownership, and by county;

(4) the average amount of loans issued;

(5) information regarding the terms of the loans; and

(6) information about how repaid loan funds were used.

Subd. 5. **Workforce Homeownership Program**	20,250,000	250,000

(a) This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38.

(b) The base for this program in fiscal year 2026 and beyond is $250,000.

Subd. 6. **Housing Trust Fund**	11,646,000	11,646,000

This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section.

Subd. 7. **Homework Starts with Home**	2,750,000	2,750,000

This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless families, those at risk of homelessness, or highly mobile families.

Subd. 8. **Rental Assistance for Mentally Ill**	5,338,000	5,338,000

(a) This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons who desire to move to more integrated, community-based settings.

(b) Notwithstanding any law to the contrary, this appropriation may be used for risk mitigation funds, landlord incentives, or other costs necessary to decrease the risk of homelessness, as determined by the agency.

(c) The base for this program in fiscal year 2026 and beyond is $5,338,000.

Subd. 9. **Family Homeless Prevention**	55,269,000	10,269,000

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

(b) Up to $1,000,000 in fiscal year 2024 is for grants to eligible applicants to create or expand risk mitigation programs to reduce landlord financial risks for renting to persons eligible under Minnesota Statutes, section 462A.204. Eligible programs may use funds for administrative costs, outreach and coordination staff, and to reimburse landlords for costs including but not limited to nonpayment of rent, or damage costs above those costs covered by security deposits. This appropriation may be used for staffing costs necessary to implement the program. The agency may give priority to applicants that demonstrate a matching amount of money by a local unit of government, business, or nonprofit organization. Grantees must establish a procedure to review and validate claims and reimbursements under this program. This is a onetime appropriation.

(c) For fiscal year 2024 and fiscal year 2025, qualified families may receive more than 24 months of rental assistance.

(d) If the agency determines that the metropolitan area needs additional support to serve homeless households or those at risk of homelessness, the agency is authorized to grant funds to entities other than counties in the metropolitan area, including but not limited to nonprofit organizations.

(e) When a new grantee works with a current or former grantee in a given geographic area, a new grantee may work with either an advisory committee as required under Minnesota Statutes, section 462A.204, subdivision 6, or the local continuum of care and is not required to meet the requirements of Minnesota Statutes, section 462A.204, subdivision 4.

(f) Notwithstanding Minnesota Statutes, section 16C.06, $10,000,000 of this appropriation is allocated to federally recognized American Indian Tribes located in Minnesota.

(g) $2,400,000 in fiscal year 2024 is for a grant to Neighborhood House, a Ramsey County-based nonprofit organization, to provide administrative costs for families facing eviction, rental assistance, delinquent utility fees, mortgage assistance, and damage deposit assistance. This is a onetime appropriation.

(h) The base for this program in fiscal year 2026 and beyond is $10,269,000.

Subd. 10. **Home Ownership Assistance Fund**	50,885,000	885,000

(a) This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The agency shall continue to strengthen its efforts to address the disparity gap in the homeownership rate between white households and indigenous American Indians and communities of color. To better understand and address the disparity gap, the agency is required to collect, on a voluntary basis, demographic information regarding race, color, national origin, and sex of applicants for agency programs intended to benefit homeowners and homebuyers.

(b) The base for this program in fiscal year 2026 and beyond is $885,000.

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

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

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

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Subd. 12. **Owner-Occupied Housing Rehabilitation**	2,772,000	2,772,000

(a) This appropriation is for the rehabilitation of owner-occupied housing under Minnesota Statutes, section 462A.05, subdivisions 14 and 14a.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 13. **Rental Housing Rehabilitation**	3,743,000	3,743,000

(a) This appropriation is for the rehabilitation of eligible rental housing under Minnesota Statutes, section 462A.05, subdivision 14. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33, and may provide grants or forgivable loans if approved by the agency.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 14. **Homeownership Education, Counseling, and Training**	1,857,000	1,857,000

(a) This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

(b) The base for this program in fiscal year 2026 and beyond is $857,000.

Subd. 15. **Capacity-Building Grants**	3,145,000	3,145,000

(a) This appropriation is for capacity-building grants under Minnesota Statutes, section 462A.21, subdivision 3b. Of this amount, up to $170,000 in fiscal year 2024 is for Open Access Connections. The appropriation for Open Access Connections is onetime.

(b) $445,000 in fiscal year 2024 is for a grant to the Community Stabilization Project to: (1) deliver services and curriculum to renters and property owners in order to preserve deeply affordable rental units in underrepresented communities; (2) help create entry-level employment opportunities for renters; and (3) construct a secure space for documents and identification for those experiencing homelessness. This is a onetime appropriation.

(c) The base for this program in fiscal year 2026 and beyond is $645,000.

Subd. 16. **Build Wealth Minnesota**	5,500,000	500,000

(a) $500,000 each year is for a grant to Build Wealth Minnesota to provide a family stabilization plan program.

(b) $5,000,000 the first year is for a grant to Build Wealth Minnesota for the 9,000 Equities Fund, a targeted loan pool, to provide affordable first mortgages or equivalent financing opportunities to households struggling to access mortgages in underserved communities of color. Of this amount, up to $1,000,000 may be used for a grant to Stairstep Foundation to support completion of the Family Stabilization Plan program developed by Build Wealth Minnesota. This is a onetime appropriation.

Subd. 17. **Housing Infrastructure**	100,000,000	100,000,000

This appropriation is for the housing infrastructure program for the eligible purposes under Minnesota Statutes, section 462A.37, subdivision 2. This is a onetime appropriation.

Subd. 18. **Supportive Housing**	25,000,000	-0-

This appropriation is for the supportive housing program under Minnesota Statutes, section 462A.42. This is a onetime appropriation.

Subd. 19. **First-Generation Homebuyers Down Payment Assistance**	50,000,000	-0-

This appropriation is for the first-generation homebuyers down payment assistance fund under Minnesota Statutes, section 462A.41. This is a onetime appropriation.

Subd. 20. **Community-Based First-Generation Homebuyers Down Payment Assistance**	100,000,000	-0-

This appropriation is for a grant to Midwest Minnesota Community Development Corporation (MMCDC) to act as the administrator of the community-based first-generation homebuyers down payment assistance program. The funds shall be available to MMCDC for a three-year period commencing with issuance of the funds to MMCDC. At the expiration of that period, any unused funds shall be remitted to the agency. Any funds recaptured by MMCDC after the expiration of that period shall be remitted to the agency. Funds remitted to the agency under this paragraph are appropriated to the agency for administration of the first-generation homebuyers down payment assistance fund.

Subd. 21. **Local Housing Trust Fund Grants**	4,800,000	-0-

(a) This appropriation is for deposit in the housing development fund for grants to local housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize local funding. This is a onetime appropriation.

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

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

Subd. 22. **Greater Minnesota Housing Infrastructure Grant Program**	5,000,000	-0-

This appropriation is for the greater Minnesota housing infrastructure grant program. This is a onetime appropriation.

Subd. 23. **Stable Rental Housing Mediation**	3,000,000	-0-

(a) This appropriation is for a grant to Community Mediation Minnesota to administer a statewide housing mediation program to provide support to renters and residential rental property owners. This is a onetime appropriation.

(b) The grant money must be used to: (1) provide housing dispute resolution services; (2) increase awareness of and access to housing dispute resolution services statewide; (3) provide alternative dispute resolution services, including but not limited to eviction prevention, mediation, and navigation services; (4) partner with culturally specific dispute resolution programs to provide training and assistance with virtual and in-person mediation services; (5) increase mediation services for seniors and renters with disabilities and illnesses that face housing instability; (6) increase the diversity and cultural competency of the housing mediator roster; (7) integrate housing mediation services with navigation and resource connection services, legal assistance, and court services programs; (8) develop and administer evaluation tools to design, modify, and replicate effective program outcomes; and (9) provide for necessary administrative expenses.

Subd. 24. **Manufactured Home Park Cooperative Purchase**	10,000,000	-0-

(a) This appropriation is for a grant to Northcountry Cooperative Foundation and its wholly controlled affiliated entities to make loans as specified under this section. This is a onetime appropriation.

(b) The funds may be used for a revolving fund under Minnesota Statutes, section 462A.05, subdivision 35, for the purposes of conversion of manufactured home parks to cooperative ownership.

(c) Funds must be used for the creation and preservation of housing that is affordable to households with incomes at or below 80 percent of the greater of state or area median income.

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

(e) The commissioner is encouraged to establish a mortgage program, with terms and conditions determined by the agency, to help facilitate the distribution of this appropriation.

(f) For the purposes of this subdivision, the term "manufactured home" has the meaning given in Minnesota Statutes, section 327B.01, subdivision 13, and the term "manufactured home park" has the meaning given in Minnesota Statutes, section 327.14, subdivision 3.

Subd. 25. **Manufactured Home Lending Grants**	10,000,000	-0-

This appropriation is for the manufactured home lending grant program. This is a onetime appropriation.

Subd. 26. **Lead Safe Homes Grant Program**	4,000,000	-0-
This appropriation is for the lead safe homes grant program. This is a onetime appropriation.		
Subd. 27. **High-Rise Sprinkler System Grant Program**	10,000,000	-0-
This appropriation is for the high-rise sprinkler system grant program. Of this amount, up to $4,000,000 must be for a grant to CommonBond Communities for installation of sprinkler systems at two buildings known as Seward Tower West located at 2515 South 9th Street in Minneapolis and Seward Tower East located at 2910 East Franklin Avenue in Minneapolis. This is a onetime appropriation.		
Subd. 28. **First-Time Homebuyer, Fee-Based Home Purchase Financing**	10,000,000	-0-
This appropriation is for the first-time homebuyer, fee-based home purchase financing program. This appropriation is onetime. Services rendered under grant contracts with the grantee may occur any time up until June 30, 2026.		
Subd. 29. **Community Stabilization**	45,000,000	45,000,000
This appropriation is for the community stabilization program. This a onetime appropriation. Of this amount, $10,000,000 is for a grant to AEON for Huntington Place.		
Subd. 30. **Rent Assistance Program**	46,000,000	-0-
(a) This appropriation is for the rent assistance program under Minnesota Statutes, section 462A.2095.		
(b) The base for this program in fiscal year 2026 and beyond is $23,000,000.		

Subd. 31. **Homeownership Investment Grants Program**	40,000,000	-0-

This appropriation is for the homeownership investment grants program. This is a onetime appropriation.

Subd. 32. **Northland Foundation**	1,000,000	-0-

This appropriation is for a grant to Northland Foundation for use on expenditures authorized under Minnesota Statutes, section 462C.16, subdivision 3 and on 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.

Subd. 33. **Stable Housing Organization Relief**	50,000,000	-0-

This appropriation is for the stable housing organization relief program. This appropriation is onetime.

Subd. 34. **Public Housing Rehabilitation**	15,000,000	-0-

(a) $10,000,000 is to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households that is financed by the federal government and publicly owned or housing that has been repositioned under the federal Rental Assistance Demonstration or similar program. The agency may give priority to proposals that maximize nonstate resources to finance the capital costs; requests that prioritize long-term affordability; and requests that prioritize health, safety, and energy improvements. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation. This is a onetime appropriation.

(b) $5,000,000 is for a grant to the Minneapolis Public Housing Authority for the city of Minneapolis and its affiliated entities, including but not limited to its wholly controlled nonprofit corporation, Community Housing Resources, to rehabilitate, preserve, equip, and repair its deeply affordable family housing units. This a onetime appropriation.

Subd. 35. **Availability and Transfer of Funds**

Money appropriated in the first year in this article is available the second year. The commissioner may shift or transfer money in the second year in subdivisions 2, 3, 4, 5, 11, 12, and 13 to address high-priority housing needs. The commissioner may also shift money between subdivisions 10 and 19 after fiscal year 2024.

Sec. 3. **MANAGEMENT AND BUDGET**	**$**	**200,000**	**$**	**-0-**

$200,000 in fiscal year 2024 is to the commissioner of management and budget to fund a study by Management Analysis and Development on expediting rental assistance payments. This is a onetime appropriation.

ARTICLE 2

HOUSING GRANT PROGRAMS

Section 1. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 42. **Rent assistance program.** The agency may administer the rent assistance program established in section 462A.2095.

Sec. 2. **[462A.2095] RENT ASSISTANCE PROGRAM.**

Subdivision 1. **Program established.** (a) The state rent assistance account is established as a separate account in the housing development fund. Money in the account is appropriated to the agency for grants to program administrators for the purposes specified in this section.

(b) Money deposited in the account under section 297A.9925 is for grants to program administrators in the metropolitan counties as defined in section 473.121, subdivision 4.

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

(b) "Eligible household" means a household with an annual income of up to 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying more than 30 percent of the household's annual income on rent. Eligibility is determined at the time a household first receives rent assistance under this section. Eligibility shall be recertified every year thereafter. Eligible household does not include a household receiving federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937, as amended.

(c) "Program administrator" means:

(1) a housing and redevelopment authority or other local government agency or authority that administers federal tenant-based or project-based assistance under Section 8 of the United States Housing Act of 1937, as amended;

(2) a Tribal government or Tribally designated housing entity; or

(3) if there is no entity under clause (1) or (2) with the capacity to administer the program, a nongovernmental organization determined by the agency to have the capacity to administer the program.

Subd. 3. **Grants to program administrators.** (a) The agency may make grants to program administrators to provide rental assistance for eligible households. For both tenant-based and project-based assistance, program administrators shall pay assistance directly to housing providers. Rental assistance may be provided in the form of tenant-based assistance or project-based assistance. Notwithstanding the amounts awarded under subdivision 1, paragraph (b), and to the extent practicable, the agency must make grants statewide in proportion to the number of households eligible for assistance in each county according to the most recent American Community Survey of the United States Census Bureau.

(b) The program administrator may use its existing procedures to administer the rent assistance program or may develop alternative procedures with the goals of reaching households most in need and incentivizing landlord participation. The agency must approve a program administrator's alternative procedures. Priority for rental assistance shall be given to households with children 18 years of age and under, and annual incomes of up to 30 percent of the area median income. Program administrators may establish additional priority populations based on local need.

Subd. 4. **Amount of rent assistance.** A program administrator may provide tenant-based or project-based vouchers in amounts equal to the difference between 30 percent of household income and the rent charged, plus an allowance for utilities if not included in rent. A program administrator may not provide assistance that is more than the difference between 30 percent of the tenant's gross income and 120 percent of the payment standard, plus utilities, as established by the local public housing authority, unless otherwise authorized by the agency.

Subd. 5. **Administrative fees.** The agency shall consult with public housing authorities to determine the amount of administrative fees, including start-up costs, to pay to program administrators.

Subd. 6. **Rent assistance not income.** (a) Notwithstanding any law to the contrary, payments under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for state public assistance, including but not limited to:

(1) child care assistance programs under chapter 119B;

(2) general assistance, Minnesota supplemental aid, and 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.

(b) The commissioner of human services must not consider rent assistance grant money under this section as income or assets under section 256B.056, subdivision 1a, paragraph (a); subdivision 3; or subdivision 3c, or for persons with eligibility determined under section 256B.057, subdivision 3, 3a, or 3b.

Subd. 7. **Oversight.** The agency may direct program administrators to comply with applicable sections of Code of Federal Regulations, title 24, parts 982 and 983.

Sec. 3. **[462A.41] FIRST-GENERATION HOMEBUYERS DOWN PAYMENT ASSISTANCE FUND.**

Subdivision 1. **Establishment.** A first-generation homebuyers down payment assistance fund is established for the agency to provide targeted assistance to eligible first-generation homebuyer households throughout the state. The agency may partner with community organizations, including community development financial institutions, credit unions, other financial institutions, nonprofits, government entities, or federally recognized American Indian Tribes or their Tribally Designated Housing Entities, to deliver the assistance.

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

(1) whose household income is at or below 115 percent of the statewide or area median income, whichever is greater, at the time of purchase;

(2) who is a first-time homebuyer as defined by the agency;

(3) who meets the following criteria:

(i) has either never owned a home or owned a home but lost it due to foreclosure; and

(ii) has a parent or prior legal guardian who does not currently own a home and had never previously owned a home or had previously owned a home but lost it due to foreclosure;

(4) who completes an approved homebuyer education course; and

(5) who plans on occupying the home as a primary residence.

(b) An eligible homebuyer must purchase the home within the maximum loan amount established by the Federal Housing Administration for the county in which the home is located and must contribute a minimum of $1,000 toward down payment or closing costs.

Subd. 3. **Use of funds.** Assistance under this section may be provided as a forgivable loan, a deferred loan, or a combination of both. Homebuyers may use the funds to purchase a one- to four-unit home, including manufactured homes. The assistance is limited to the greater of ten percent of the purchase price of a home or $35,000 per eligible first-generation homebuyer household. The amount of assistance shall be adjusted for market conditions over time at the discretion of the agency. The funds may be used for one or more of the following: closing costs, down payment, mortgage insurance, interest rate buy-down, and principal reduction. The funds can be combined with other homebuyer assistance and must be used in conjunction with a conforming first mortgage loan that is fully amortizing, with or without interest, and meets the standard of a qualified mortgage or as otherwise determined by the agency.

Subd. 4. **Repayment.** Loans would be repayable if the property converts to nonowner occupancy, is sold within the loan period, is subjected to an ineligible refinance, is subjected to an unauthorized transfer of title, or for other reasons as stated in the loan documents. Recapture can be waived in the event of financial or personal hardship at the discretion of the agency.

Subd. 5. **Administration.** The first-generation homebuyers down payment assistance fund is available statewide and shall be administered by the agency. If the agency works with a lending partner, that partner may use a percentage of the funds received for administrative fees as determined by the agency.

Sec. 4. **[462A.42] SUPPORTIVE HOUSING PROGRAM.**

Subdivision 1. **Establishment.** The agency shall establish a supportive housing program to provide funding to increase alignment with housing development financing and strengthen supportive housing for individuals and families who have experienced homelessness.

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

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

Subd. 4. **Eligible uses.** (a) Funds shall be used to cover costs needed for supportive housing to operate effectively. Costs may include but are not limited to building operating expenses such as front desk, tenant service coordination, revenue shortfall, and security costs. These funds may be capitalized as part of development costs. Funds may be provided to support existing permanent supportive housing units or to cover costs associated with new permanent supportive housing units.

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

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

Sec. 5. **LEAD SAFE HOMES GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance Agency must establish and administer a grant program to support making homes safer through lead testing and hazard reduction.

Subd. 2. **Eligible projects.** (a) The commissioner may award a grant under this section for any project that will:

(1) provide lead risk assessments completed by a lead inspector or a lead risk assessor licensed by the commissioner of health pursuant to section 144.9505 for properties built before 1978 to determine the presence of lead hazards;

(2) remediate lead health hazards; and

(3) serve low-income residents. For multifamily rental properties, at least 50 percent of the tenants must have an income at or below 60 percent of the area median income.

(b) The commissioner must give priority to funding projects that serve areas where there are high concentrations of lead poisoning in children based on information provided by the commissioner of health.

(c) The commissioner must balance grant awards so that projects occur within and outside metropolitan counties as defined in section 473.121, subdivision 4.

(d) Up to ten percent of a grant award may be used to administer the grant and provide education and outreach about lead health hazards.

Subd. 3. **Grant eligibility.** A nonprofit organization or local unit of government may apply for a grant under this section.

Subd. 4. **Short title.** This section shall be known as the "Dustin Luke Shields Act."

Sec. 6. **COMMUNITY STABILIZATION PROGRAM.**

Subdivision 1. **Establishment.** The Minnesota Housing Finance Agency shall establish a community stabilization program to provide grants or loans to preserve naturally occurring affordable housing through acquisition or rehabilitation.

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

(1) multiunit rental housing that:

(i) is at least 20 years old;

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

(iii) does not currently have federal or state financing or tax credits that require income or rent restrictions, except for public housing, as defined in Section 9 of the Housing Act of 1937, that is part of a mixed-finance community; or

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

Subd. 3. **Eligible recipients.** (a) Grants or loans may be made to:

(1) a local unit of government;

(2) a federally recognized American Indian Tribe located in Minnesota or its Tribally Designated Housing Entity;

(3) a private developer;

(4) a limited equity cooperative;

(5) a cooperative created under chapter 308A or 308B;

(6) a community land trust created for the purposes outlined in section 462A.31, subdivision 1; or

(7) a nonprofit organization.

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

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

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

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

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

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

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

Sec. 7. **GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing Finance Agency may make grants to 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 Minnesota Statutes, 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.

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 must include in its application a resolution of the 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 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 city may receive no more than $30,000 per lot for single-family, duplex, triplex, or fourplex housing developed and no more than $180,000 per lot for multifamily housing with more than four units per building. A city may receive no more than $500,000 in two years for one or more housing developments.

Sec. 8. **STABLE HOUSING ORGANIZATION RELIEF PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance Agency must establish and administer a grant program in accordance with this section to support nonprofits that are experiencing significant detrimental financial impacts due to recent economic and social conditions.

Subd. 2. **Eligible organizations.** To be eligible for a grant under this section an organization must:

(1) be a nonprofit organization that is tax exempt under section 501(c)(3) of the Internal Revenue Code that has been doing business in the state for at least ten years as demonstrated by registration or filing of organizational documents with the secretary of state;

(2) have its primary operations located in the state;

(3) be experiencing significant detrimental financial impact due to recent economic and social conditions, including but not limited to decreased operating revenue due to loss of rental income or increased operating expenses due to inflation in utility expenses, insurance, or other expenses;

(4) have supportive services options available for the individuals and families residing in the rental housing it provides to low-income populations; and

(5) provide, as of December 31, 2022, housing units in the state that it owns or controls consisting of any of the following:

(i) at least 1,000 units of naturally occurring affordable housing. For purposes of this item, "naturally occurring affordable housing" means multiunit rental housing developments that have not received financing from the federal low-income housing tax credit program for which the majority of the units have agreements in place to be affordable to individuals or families with incomes at or below 60 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, and that do not receive project- or other place-based rental subsidies from the federal government;

(ii) rental housing units, not including naturally occurring affordable housing, of which 50 percent of the total number of units are rented to individuals or families whose annual incomes, according to the most recent income certification as of December 31, 2022, are at or below 30 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size; or

(iii) at least 250 units of permanent supportive housing, as defined in Minnesota Statutes, section 462A.36, subdivision 1, paragraph (e).

Subd. 3. **Grant program.** (a) The commissioner must provide grants to eligible organizations as provided in this subdivision.

(b) An organization that seeks to obtain a grant must apply to the commissioner by a date determined by the commissioner, and certify:

(1) that it is eligible for a grant under subdivision 2;

(2) the total number of rental housing units it owns or controls in the state, including but not limited to the rental housing units it provides under subdivision 2, clause (5); and

(3) information on significant detrimental financial impacts due to recent economic and social conditions.

(c) The amount of a grant to an eligible organization equals:

(1) the number of units an eligible organization certifies that it owns or controls in the state divided by the total number of units certified by all eligible organizations; multiplied by

(2) the total amount of the appropriation for this grant program.

(d) No grant to an eligible organization may exceed $4,000 per certified unit. The per-unit amount of the grant for each eligible organization must be calculated based on the total number of units each eligible organization owns or controls in the state and is not limited to the number of units that qualify it as an eligible organization under subdivision 2, clause (5).

(e) Grantees must use grant funds to maintain or improve the housing stability of tenants by expending funds on:

(1) property maintenance, improvements, and security;

(2) providing services, including services and programs that promote economic and social mobility;

(3) efforts to attract and retain employees that will assist in providing services and support to tenants; or

(4) forgiveness of all or a portion of rent balances owed by former or current tenants.

The commissioner may approve additional uses of this fund that would have a beneficial impact on the housing stability of tenants.

Subd. 4. **Reporting and financial audit.** Each grantee must submit a report to the commissioner by September 30, 2024, on the use of those funds in a form determined by the commissioner. By January 15, 2025, each grantee must report to the chair and ranking minority members of the legislative committees having jurisdiction over housing on the use of funds awarded under this section.

Sec. 9. **COMMUNITY-BASED FIRST-GENERATION HOMEBUYERS ASSISTANCE PROGRAM.**

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

Subd. 2. **Eligible household.** For purposes of this section, "eligible household" means a household:

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

(2) that includes at least one adult member:

(i) who is preapproved for a first mortgage loan;

(ii) who either never owned a home or who owned a home but lost it due to foreclosure; and

(iii) whose parent or prior legal guardian either never owned a home or owned a home but lost it due to foreclosure.

At least one adult household member meeting the criteria under clause (2) must complete an approved homebuyer education course prior to signing a purchase agreement and, following the purchase of the home, must occupy it as their primary residence.

Subd. 3. **Use of funds.** Assistance under this section is limited to ten percent of the purchase price of a one or two unit home, not to exceed $32,000. Funds are reserved at the issuance of preapproval. Reservation of funds is not contingent on having an executed purchase agreement. The assistance must be provided in the form of a loan that is forgivable at a rate of 20 percent per year on the day after the anniversary date of the note. The prorated balance due is repayable if the property converts to nonowner occupancy, is sold, is subjected to an ineligible refinance, is subjected to an unauthorized transfer of title, or is subjected to a completed foreclosure action within the five-year loan term. Recapture can be waived in the event of financial or personal hardship. Funds may be used for closing costs, down payment, or principal reduction. The eligible household may select any first mortgage lender or broker of their choice, provided that the funds are used in conjunction with a conforming first mortgage loan that is fully amortizing and meets the standards of a qualified mortgage or meets the minimum standards for exemption under Code of Federal Regulations, title 12, section 1026.43. Funds may be used in conjunction with other programs the eligible household may qualify for and the loan placed in any priority position.

Subd. 4. **Administration.** The community-based first-generation homebuyers down payment assistance program is available statewide and shall be administered by MMCDC, the designated central CDFI. MMCDC may originate and service funds and authorize other CDFIs, Tribal entities, and nonprofit organizations administering down payment assistance to reserve, originate, fund, and service funds for eligible households. Administrative costs must not exceed $3,200 per loan.

Subd. 5. **Report to legislature.** By January 15 each year, the fund administrator, MMCDC, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy the following information:

(1) the number and amount of loans closed;

(2) the median loan amount;

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

(4) the median home purchase price;

(5) the interest rates and types of mortgages;

(6) the credit scores of both applicants and households served;

(7) the total amount returned to the fund; and

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

Sec. 10. **HIGH-RISE SPRINKLER SYSTEM GRANT PROGRAM.**

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

(b) "Eligible building" means an existing residential building in which:

(1) at least one story used for human occupancy is 75 feet or more above the lowest level of fire department vehicle access; and

(2) at least two-thirds of its units are affordable to households with an annual income at or below 50 percent of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size, that is paying no more than 30 percent of annual income on rent.

(c) "Sprinkler system" means the same as the term "fire protection system" as defined in Minnesota Statutes, section 299M.01.

Subd. 2. **Grant program.** The commissioner of the Housing Finance Agency must make grants to owners of eligible buildings for installation of sprinkler systems and, if necessary, for relocation of residents during the installation of sprinkler systems. Priority shall be given to nonprofit applicants. The maximum grant per eligible building shall be $2,000,000. Each grant to a nonprofit organization shall require a 25 percent match. Each grant to a for-profit organization shall require a 50 percent match.

Sec. 11. **HOMEOWNERSHIP INVESTMENT GRANTS PROGRAM.**

Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing Finance Agency must establish and administer a program to support projects that encourage affordable homeownership in accordance with this section.

Subd. 2. **Eligible projects.** The commissioner may award a grant under this section for a project that invests in the following:

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

(2) financing programs for affordable owner-occupied new home construction;

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

(4) establishing revolving loan accounts at community development financial institutions.

Subd. 3. **Eligible organization.** To be eligible for a grant under this section, a nonprofit organization must:

(1) qualify for tax exempt status under United States Code, title 26, section 501(c)(3);

(2) have primary operations located in Minnesota;

(3) be certified as a community development financial institution by the United States Department of the Treasury; and

(4) provide affordable housing lending or financing programs.

Subd. 4. **Commissioner duties.** The commissioner shall consult with eligible organizations and develop forms, applications, and reporting requirements for use by eligible organizations. All organizations applying for a grant must include as part of their application a plan to create new affordable home ownership and home preservation opportunities for targeted areas.

Sec. 12. **FIRST-TIME HOMEBUYER, FEE-BASED HOME PURCHASE FINANCING PROGRAM.**

Subdivision 1. **Administration.** A first-time homebuyer, fee-based home purchasing financing program is established as a pilot project under the administration of NeighborWorks Home Partners.

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.

Subd. 3. **Eligible property.** (a) For the purposes of this section, an "eligible property" means residential real property that is a condominium, a townhouse, a single-family home, a manufactured home titled as real property, or another building containing up to four dwelling units.

(b) An eligible property may include property subject to a ground lease with a community land trust, property on Indian Trust Land, or property participating in a shared equity homeownership program.

Subd. 4. **Use of funds.** NeighborWorks Home Partners shall use the money appropriated to this program to provide forgivable grants of down payment assistance not to exceed 30 percent of the price of the eligible property that an eligible homebuyer seeks to purchase. NeighborWorks Home Partners shall provide grants to eligible homebuyers using no-interest, fee-based loans to finance the purchase of eligible properties. In making grants, NeighborWorks Home Partners shall determine the circumstances, terms, and conditions under which all or any portion of the grant will be repaid and shall determine the appropriate security required for a repayment. The commissioner must ensure grant awards are distributed statewide. The administrative fees for operating the program shall not exceed five percent of the appropriation. An eligible homebuyer may use the funds in conjunction with any other funding programs.

Subd. 5. **Conditions of receiving a grant.** (a) To qualify for assistance under this section, an eligible homebuyer must:

(1) complete an approved homebuyer education course prior to signing a purchase agreement;

(2) complete an approved landlord education course prior to signing a purchase agreement if the property being purchased contains more than one dwelling unit;

(3) contribute a minimum of $1,000 to down payment or closing costs; and

(4) occupy the purchased property as the homebuyer's primary residence.

(b) NeighborWorks Home Partners may establish additional requirements to ensure that program participants comply with this subdivision.

Subd. 6. **Reports.** By January 15 and July 15 each year, NeighborWorks Home Partners must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy the following information:

(1) the number and amount of grants issued;

(2) the median grant amount;

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

(4) the median home purchase price;

(5) the total amount returned to the fund; and

(6) the number and amount of grants issued by county.

Sec. 13. **MANUFACTURED HOME LENDING GRANTS.**

Subdivision 1. **Program established.** The commissioner of the Minnesota Housing Finance Agency must award a grant to an organization for manufactured home lending services under subdivision 2.

Subd. 2. **Eligible services.** The commissioner may award a grant under this section to an organization providing lending funds for the following services:

(1) new manufactured home financing programs;

(2) manufactured home down payment assistance; or

(3) manufactured home repair, renovation, removal, and site preparation financing programs.

Subd. 3. **Eligible organization.** To be eligible for a grant under this section, a nonprofit organization must:

(1) qualify for tax exempt status under United States Code, title 26, section 501(c)(3);

(2) have primary operations located in Minnesota;

(3) be a qualified nonprofit lender or certified as a community development financial institution by the United States Department of the Treasury; and

(4) serve low-income populations in manufactured home communities owned by residents, cooperatives, nonprofits, or municipalities.

Subd. 4. **Commissioner duties.** The commissioner shall develop the forms, applications, and reporting requirements for use by eligible organizations. In developing these materials, the commissioner shall consult with manufactured housing cooperatives, resident-owned manufactured home communities, and nonprofit organizations working with manufactured housing cooperatives and resident-owned communities.

Subd. 5. **Loan payments and interest.** Interest earned and repayments of principal from loans issued under this section must be used for the purposes of this section.

ARTICLE 3

BONDING AUTHORITY

Section 1. Minnesota Statutes 2022, 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. 2. Minnesota Statutes 2022, section 462A.36, is amended by adding a subdivision to read:

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

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

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

Sec. 3. Minnesota Statutes 2022, section 462A.36, subdivision 4, is amended to read:

Subd. 4. **Appropriation; payment to agency or trustee.** (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 subdivision 2.

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

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

Sec. 4. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision to read:

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

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

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

Sec. 5. Minnesota Statutes 2022, section 462A.37, subdivision 4, is amended to read:

Subd. 4. **Appropriation; payment to agency or trustee.** (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 subdivision 2.

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

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

Sec. 6. Minnesota Statutes 2022, 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.

(f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e, 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) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

ARTICLE 4

ELIGIBILITY AND USES

Section 1. Minnesota Statutes 2022, 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, and 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 eligible 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. 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 the 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 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 ~~less~~ fewer dwelling units, one of which is occupied by the owner.

Sec. 2. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 42. **Housing disparities.** The agency must prioritize its use of appropriations for any program under this chapter to serve households most affected by housing disparities.

Sec. 3. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 43. **Special purpose credit program.** The agency may establish special purpose credit programs to assist one or more economically disadvantaged classes of persons in order to address the effects of historic and current discrimination which resulted in limiting access to housing credit by persons on the basis of race, color, ethnicity, or national origin. A special purpose credit program may include a wide variety of remedies, including but not limited to loans or other financial assistance, based on current, documented need as determined by the agency.

Sec. 4. Minnesota Statutes 2022, section 462A.05, is amended by adding a subdivision to read:

Subd. 44. **Indian Tribes.** 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 Code, title 25, section 4103(22), eligible for funding authorized under this chapter.

Sec. 5. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision to read:

Subd. 17. **Translation services.** It shall provide meaningful access to agency programs and services for individuals who have limited English proficiency. This may include providing, at the individual's request, interpretation or translation services in the individual's preferred language. The agency will continue to follow all federal and state laws, regulations, and guidance regarding limited English proficiency.

Sec. 6. Minnesota Statutes 2022, section 462A.2035, subdivision 1b, is amended to read:

Subd. 1b. **Manufactured home park infrastructure grants and loans.** Eligible recipients may use manufactured home park infrastructure grants and loans under this program for:

(1) acquisition of and improvements in manufactured home parks; and

(2) infrastructure, including storm shelters and community facilities.

Sec. 7. Minnesota Statutes 2022, section 462A.204, subdivision 3, is amended to read:

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

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

Sec. 8. Minnesota Statutes 2022, section 462A.21, subdivision 3b, is amended to read:

Subd. 3b. **Capacity building grants.** It may make capacity building grants to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to expand their capacity to provide affordable housing and housing-related services. The grants may be used to assess housing needs and to develop and implement strategies to meet those needs, including but not limited to the creation or preservation of affordable housing, prepurchase and postpurchase counseling and associated administrative costs, and the linking of supportive services to the housing. The agency shall adopt rules, policies, and procedures specifying the eligible uses of grant money. Funding priority ~~must~~ may be given to those applicants that include low-income persons in their membership, have provided housing-related services to low-income people, and demonstrate a local commitment of local resources, which may include in-kind contributions. ~~Grants under this subdivision may be made only with specific appropriations by the legislature.~~

Sec. 9. Minnesota Statutes 2022, section 462A.33, subdivision 2, is amended to read:

Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city, a federally recognized American Indian Tribe or subdivision located in Minnesota, a Tribal housing corporation, a private developer, a nonprofit organization, a school district, a cooperative unit, as defined in section 123A.24, subdivision 2, a charter school, or the owner of the housing, including individuals. For the purpose of this section, "city" has the meaning given it in section 462A.03, subdivision 21. To the extent practicable, grants and loans shall be made so that an approximately equal number of housing units are financed in the metropolitan area and in the nonmetropolitan area.

Sec. 10. Minnesota Statutes 2022, section 462A.33, is amended by adding a subdivision to read:

Subd. 9. **Grant funding to schools.** A school district; a cooperative unit, as defined in section 123A.24, subdivision 2; or a charter school may receive funding under this section in the form of a grant less than $100,000. A school district, intermediate district, or charter school that uses a grant under this section to construct a home for owner occupancy must require the future occupant to participate in the homeownership education counseling and training program under section 462A.209.

Sec. 11. Minnesota Statutes 2022, section 462A.37, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 12. Minnesota Statutes 2022, 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 ~~clause~~ 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, 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 ~~and~~, 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; ~~and~~

(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.

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

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

(d) To the extent practicable, the agency shall 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.

(e) 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.

(f) 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) 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 the agency from meeting other applicable accessibility requirements.

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

Sec. 13. Minnesota Statutes 2022, section 462A.38, subdivision 1, is amended to read:

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

Sec. 14. Minnesota Statutes 2022, 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 of ~~the~~ a metropolitan ~~area~~ county as defined in section 473.121, subdivision ~~2~~ 4, with a population exceeding 500; a community that has a combined population of 1,500 residents located within 15 miles of a home rule charter or statutory city located outside ~~the~~ a metropolitan ~~area~~ county as defined in section 473.121, subdivision ~~2~~ 4; federally recognized Tribal reservations; or an area served by a joint county-city economic development authority.

(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. 15. Minnesota Statutes 2022, section 462A.39, subdivision 5, is amended to read:

Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed ~~25~~ 50 percent of the rental housing development project cost. The commissioner shall not award a grant or deferred loans to ~~a city~~ an eligible project area without certification by the ~~city~~ eligible project area that the amount of the grant or deferred loans shall be matched by a local unit of government, business, ~~or~~ nonprofit organization, or federally recognized Tribe, with $1 for every $2 provided in grant or deferred loans funds.

Sec. 16. Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11, is amended to read:

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

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

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

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2021.

ARTICLE 5

METROPOLITAN SALES TAX AND HOUSING AID

Section 1. Minnesota Statutes 2022, section 297A.99, subdivision 1, is amended to read:

Subdivision 1. **Authorization; scope.** (a) A political subdivision of this state may impose a general sales tax (1) under section 297A.992, (2) under section ~~297A.993~~ 297A.9925, (3) under section 297A.993, (4) if permitted by special law, or ~~(4)~~ (5) if the political subdivision enacted and imposed the tax before January 1, 1982, and its predecessor provision.

(b) This section governs the imposition of a general sales tax by the political subdivision. The provisions of this section preempt the provisions of any special law:

(1) enacted before June 2, 1997, or

(2) enacted on or after June 2, 1997, that does not explicitly exempt the special law provision from this section's rules by reference.

(c) This section does not apply to or preempt a sales tax on motor vehicles. Beginning July 1, 2019, no political subdivision may impose a special excise tax on motor vehicles unless it is imposed under section 297A.993.

(d) A political subdivision may not advertise or expend funds for the promotion of a referendum to support imposing a local sales tax and may only spend funds related to imposing a local sales tax to:

(1) conduct the referendum;

(2) disseminate information included in the resolution adopted under subdivision 2, but only if the disseminated information includes a list of specific projects and the cost of each individual project;

(3) provide notice of, and conduct public forums at which proponents and opponents on the merits of the referendum are given equal time to express their opinions on the merits of the referendum;

(4) provide facts and data on the impact of the proposed local sales tax on consumer purchases; and

(5) provide facts and data related to the individual programs and projects to be funded with the local sales tax.

Sec. 2. **[297A.9925] METROPOLITAN REGION SALES AND USE TAX.**

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

(b) "Metropolitan Council" or "council" means the Metropolitan Council established by section 473.123.

(c) "Metropolitan county" has the meaning given in section 473.121, subdivision 4.

(d) "Metropolitan sales tax" means the metropolitan region sales and use tax imposed under this section.

Subd. 2. **Sales tax imposition; rate.** Notwithstanding section 473.123, subdivision 1, the Metropolitan Council must impose a metropolitan region sales and use tax at a rate of 0.25 percent on retail sales made in the metropolitan counties or to a destination in the metropolitan counties.

Subd. 3. **Administration; collection; enforcement.** Except as otherwise provided in this section, the provisions of section 297A.99, subdivisions 4, and 6 to 12a, govern the administration, collection, and enforcement of the metropolitan sales tax.

Subd. 4. **Distribution.** Notwithstanding section 297A.94, proceeds of the metropolitan sales tax are distributed:

(1) 25 percent to the state rent assistance account under section 462A.2095;

(2) 25 percent to the metropolitan city aid account in the housing assistance fund under section 477A.37; and

(3) 50 percent to the metropolitan county aid account in the housing assistance fund under section 477A.37.

EFFECTIVE DATE; APPLICATION. This section is effective for sales and purchases made after October 1, 2023, and applies in the metropolitan counties, as defined by Minnesota Statutes, section 473.121, subdivision 4.

Sec. 3. **[477A.35] LOCAL AFFORDABLE HOUSING AID.**

Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local governments to develop and preserve affordable housing within their jurisdictions in order to keep families from losing housing and to help those experiencing homelessness find housing.

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

(1) "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;

(2) "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;

(3) "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;

(4) "metropolitan area" has the meaning given in section 473.121, subdivision 2;

(5) "metropolitan county" has the meaning given in section 473.121, subdivision 4;

(6) "population" has the meaning given in section 477A.011, subdivision 3; and

(7) "tier I city" means a statutory or home rule charter city that is a city of the first, second, or third class and is located in a metropolitan county.

Subd. 3. **Distribution.** (a) The commissioner of revenue shall calculate the amount of aid to distribute to each county under this section as the sum of:

(1) three percent of the total amount available to counties under this section; plus

(2) 79 percent of the total amount available to counties under this section, multiplied by the county distribution factor.

(b) The commissioner of revenue shall calculate the amount of aid to distribute to each tier I city under this section as:

(1) the tier I city's city distribution factor; multiplied by

(2) the total amount available to cities under this section.

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.

Projects shall be prioritized 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.

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.

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, 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.

(d) The commissioner of revenue must stop distributing funds to a tier I city or county 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.

Subd. 7. **County consultation with local governments.** A county that receives funding under this section shall regularly consult with the local governments in the jurisdictions of which its qualifying projects are planned or located.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2024.

Sec. 4. **[477A.37] HOUSING ASSISTANCE FUND.**

Subdivision 1. **Fund established.** A housing assistance fund is established in the state treasury. The fund consists of money as provided under section 297A.9925, and any other money donated, allotted, transferred, or otherwise provided to the fund.

Subd. 2. **Metropolitan county aid account; appropriation.** (a) A metropolitan county aid account is established in the housing assistance fund. The account consists of money as provided under section 297A.9925, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the metropolitan county aid account is annually appropriated to the commissioner of revenue for payments to counties as provided under Minnesota Statutes, section 477A.35.

Subd. 3. **Metropolitan city aid account; appropriation.** (a) A metropolitan city aid account is established in the housing assistance fund. The account consists of money as provided under section 297A.9925, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) Money in the metropolitan city aid account is annually appropriated to the commissioner of revenue for payments to cities as provided under Minnesota Statutes, section 477A.35.

EFFECTIVE DATE. This section is effective July 1, 2023.

ARTICLE 6

MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 82.75, subdivision 8, is amended to read:

Subd. 8. **Accrued interest.** (a) Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency for deposit in the housing trust fund account created under section 462A.201 unless otherwise specified pursuant to an expressed written agreement between the parties to a transaction.

(b) For an account created under paragraph (a), each broker shall direct the financial institution to:

(1) pay the interest, less reasonable transaction costs, computed in accordance with the financial institution's standard accounting practice, at least quarterly, to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency; and

(2) send a statement to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.

The ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall credit the amount collected under this subdivision to the housing trust fund account established in section 462A.201.

(c) The financial institution must promptly notify the ~~commissioner~~ agency if a draft drawn on the account is dishonored. A draft is not dishonored if a stop payment order is requested by an issuer who has a good faith defense to payment on the draft.

(d) By January 15 of each year, the Minnesota Housing Finance Agency must report to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy. The report must specify the amount of funds deposited under this subdivision in the housing trust fund account established under section 462A.201 during the most recently concluded fiscal year. The report must also include a history of deposits made under this section, in nominal dollar amounts and in the present value of those amounts, calculated using the Consumer Price Index-All Items (United States city average).

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

Sec. 2. Minnesota Statutes 2022, section 327C.095, subdivision 12, is amended to read:

Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency for deposit in the

Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or $3,250 for each single section manufactured home, and $6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.015, subdivision 14; the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1; or the owner of the manufactured home has not paid the $15 assessment when due under paragraph (c).

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than $2,000,000 as of June 30 of each year, the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall assess each manufactured home park owner by mail the total amount of $15 for each licensed lot in their park, payable on or before December 15 of that year. Failure to notify and timely assess the manufactured home park owner by July 31 of any year shall waive the assessment and payment obligations of the manufactured home park owner for that year. Together with said assessment notice, each year the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, a notice for distribution to the residents, and a sample form for the park owners to collect information on which park residents and lots have been accounted for. In a font no smaller than

14-point, the notice provided by ~~management and budget~~ the Minnesota Housing Finance Agency for distribution to residents by the park owner will include the payment deadline of October 31 and the following language: "THIS IS NOT AN OPTIONAL FEE. IF YOU OWN A MANUFACTURED HOME ON A LOT YOU RENT IN A MANUFACTURED HOME PARK, AND YOU RESIDE IN THAT HOME, YOU MUST PAY WHEN PROVIDED NOTICE." If assessed under this paragraph, the park owner may recoup the cost of the $15 assessment as a lump sum or as a monthly fee of no more than $1.25 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. If, by September 15, a park owner provides the notice to residents for the $15 lump sum, a park owner may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and for park residents who have not paid the $15 assessment when due to the park owner by October 31, and deduct from the assessment accordingly. The ~~commissioner of management and budget~~ Minnesota Housing Finance Agency shall deposit any payments in the Minnesota manufactured home relocation trust fund and ~~provide to the Minnesota Housing Finance Agency by December 31, a~~ maintain an annual record for each manufactured home park of the amount received for that park and the number of deductions made for each of the following reasons: vacant lots, ineligible lots, and uncollected fees.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

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

Sec. 3. Minnesota Statutes 2022, section 327C.095, subdivision 13, is amended to read:

Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a manufactured home owner is required to relocate due to the conversion of all or a portion of a manufactured home park to another use, the closure of a manufactured home park, or cessation of use of the land as a manufactured home park under subdivision 1, and the manufactured home owner complies with the requirements of this section, the manufactured home owner is entitled to payment from the Minnesota manufactured home relocation trust fund equal to the manufactured home owner's actual relocation costs for relocating the manufactured home to a new location within a 50-mile radius of the park that is being closed, up to a maximum of $7,000 for a single-section and $12,500 for a multisection manufactured home. The actual relocation costs must include the reasonable cost of taking down, moving, and setting up the manufactured home, including equipment rental, utility connection and disconnection charges, minor repairs, modifications necessary for transportation of the home, necessary moving permits and insurance, moving costs for any appurtenances, which meet applicable local, state, and federal building and construction codes.

(b) A manufactured home owner is not entitled to compensation under paragraph (a) if the manufactured home park owner is not required to make a payment to the Minnesota manufactured home relocation trust fund under subdivision 12, paragraph (b).

(c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota manufactured home relocation trust fund, the manufactured home owner shall submit to the neutral third party and the Minnesota Housing Finance Agency, with a copy to the park owner, an application for payment, which includes:

(1) a copy of the closure statement under subdivision 1;

(2) a copy of the contract with a moving or towing contractor, which includes the relocation costs for relocating the manufactured home;

(3) a statement with supporting materials of any additional relocation costs as outlined in subdivision 1;

(4) a statement certifying that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), apply to the manufactured home owner;

(5) a statement from the manufactured park owner that the lot rental is current and that the annual $15 payment to the Minnesota manufactured home relocation trust fund has been paid when due; and

(6) a statement from the county where the manufactured home is located certifying that personal property taxes for the manufactured home are paid through the end of that year.

(d) The neutral third party shall promptly process all payments for completed applications within 14 days. If the neutral third party has acted reasonably and does not approve or deny payment within 45 days after receipt of the information set forth in paragraph (c), the payment is deemed approved. Upon approval and request by the neutral third party, the Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent of the contract price payable to the mover and towing contractor for relocating the manufactured home in the amount of the actual relocation cost, plus a check to the home owner for additional certified costs associated with third-party vendors, that were necessary in relocating the manufactured home. The moving or towing contractor shall receive 50 percent upon execution of the contract and 50 percent upon completion of the relocation and approval by the manufactured home owner. The moving or towing contractor may not apply the funds to any other purpose other than relocation of the manufactured home as provided in the contract. A copy of the approval must be forwarded by the neutral third party to the park owner with an invoice for payment of the amount specified in subdivision 12, paragraph (a).

(e) In lieu of collecting a relocation payment from the Minnesota manufactured home relocation trust fund under paragraph (a), the manufactured home owner may collect an amount from the fund after reasonable efforts to relocate the manufactured home have failed due to the age or condition of the manufactured home, or because there are no manufactured home parks willing or able to accept the manufactured home within a 25-mile radius. A manufactured home owner may tender title of the manufactured home in the manufactured home park to the manufactured home park owner, and collect an amount to be determined by an independent appraisal. The appraiser must be agreed to by both the manufactured home park owner and the manufactured home owner. If the appraised market value cannot be determined, the tax market value, averaged over a period of five years, can be used as a substitute. The maximum amount that may be reimbursed under the fund is $8,000 for a single-section and $14,500 for a multisection manufactured home. The minimum amount that may be reimbursed under the fund is $2,000 for a single section and $4,000 for a multisection manufactured home. The manufactured home owner shall deliver to the manufactured home park owner the current certificate of title to the manufactured home duly endorsed by the owner of record, and valid releases of all liens shown on the certificate of title, and a statement from the county where the manufactured home is located evidencing that the personal property taxes have been paid. The manufactured home owner's application for funds under this paragraph must include a document certifying that the manufactured home cannot be relocated, that the lot rental is current, that the annual $15 payments to the Minnesota manufactured home relocation trust fund have been paid when due, that the manufactured home owner has chosen to tender title under this section, and that the park owner agrees to make a payment to the ~~commissioner of management and budget~~ Minnesota Housing Finance Agency in the amount established in subdivision 12, paragraph (a), less any documented costs submitted to the neutral third party, required for demolition and removal of the home, and any debris or refuse left on the lot, not to exceed $1,500. The manufactured home owner must also provide a copy of the certificate of title endorsed by the owner of record, and certify to the neutral third party, with a copy to the park owner, that none of the exceptions to receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the manufactured home owner, and that the home owner will vacate the home within 60 days after receipt of payment or the date of park closure, whichever is earlier, provided that the monthly lot rent is kept current.

(f) Notwithstanding paragraph (a), the manufactured home owner's compensation for relocation costs from the fund under section 462A.35, is the greater of the amount provided under this subdivision, or the amount under the local ordinance in effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this paragraph is intended to increase the liability of the park owner.

(g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be liable to any person for recovery if the funds in the Minnesota manufactured home relocation trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance Agency shall keep a record of the time and date of its approval of payment to a claimant.

(h)(1) By October 15, 2019, the Minnesota Housing Finance Agency shall post on its website and report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee on the Minnesota manufactured home relocation trust fund, including the account balance, payments to claimants, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous calendar year, and any itemized administrative charges or expenses deducted from the trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

(2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its website and report to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee by October 15 of each year on the Minnesota manufactured home relocation trust fund, including the aggregate account balance, the aggregate assessment payments received, summary information regarding each closed park including the total payments to claimants and payments received from each closed park, the amount of any advances to the fund, the amount of any insufficiencies encountered during the previous fiscal year, reports of neutral third parties provided pursuant to subdivision 4, and any itemized administrative charges or expenses deducted from the trust fund balance, all of which should be reconciled to the previous year's trust fund balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is the earliest by time and date of approval.

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

Sec. 4. Minnesota Statutes 2022, section 327C.095, subdivision 16, is amended to read:

Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health or, if applicable, local units of government that have entered into a delegation of authority agreement with the Department of Health as provided in section 145A.07 shall provide, by March 31 of each year, a list of names and addresses of the manufactured home parks licensed in the previous year, and for each manufactured home park, the current licensed owner, the owner's address, the number of licensed manufactured home lots, and other data as they may request for the ~~Department of Management and Budget~~ Minnesota Housing Finance Agency to invoice each licensed manufactured home park in Minnesota.

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

Sec. 5. Minnesota Statutes 2022, section 327C.096, is amended to read:

327C.096 NOTICE OF SALE.

When a park owner offers to sell a manufactured home park to the public through advertising in a newspaper or by listing the park with a real estate broker licensed by the Department of Commerce, the owner must provide concurrent written notice to ~~a resident of each manufactured home~~ each resident household in the park that the park is being offered for sale. Written notice provided once within a one-year period satisfies the requirement under this section. The notice provided by the park owner to ~~a resident of each manufactured home~~ each resident household does not grant any property rights in the park and is for informational purposes only. This section does not apply in the case of a taking by eminent domain, a transfer by a corporation to an affiliate, a transfer by a partnership to one or more of its partners, or a sale or transfer to a person who would be an heir of the owner if the owner were to die intestate. ~~If at any time a manufactured home park owner receives an unsolicited bona fide offer to purchase the park that the owner intends to consider or make a counter offer to, the owner is under no obligation to notify the residents as required under this section.~~

Sec. 6. **[327C.097] NOTICE OF UNSOLICITED SALE.**

Subdivision 1. **Definitions.** For the purposes of this section, "nonprofit" means a nonprofit organization under chapter 317A.

Subd. 2. **Scope.** This section does not apply to:

(1) a purchase of a manufactured home park by a nonprofit or a representative acting on behalf of residents pursuant to a bona fide offer to purchase the park pursuant to subdivision 5;

(2) a purchase of a manufactured home park by a governmental entity under its powers or threat of eminent domain;

(3) a transfer by a corporation or limited liability company to an affiliate, including any shareholder or member of the transferring corporation; any corporation or entity owned or controlled,

directly or indirectly, by the transferring corporation; or any other corporation or entity owned or controlled, directly or indirectly, by any shareholder or member of the transferring corporation;

(4) a transfer by a partnership to any of its partners;

(5) a sale or transfer between or among joint tenants or tenants in common owning a manufactured home park;

(6) an exchange of a manufactured home park for other real property, whether or not such exchange also invoices the payment of cash or boot;

(7) a conveyance of an interest in a manufactured home park incidental to the financing of the manufactured home park;

(8) a conveyance resulting from the foreclosure of a mortgage, cancellation of a contract for deed, or other instrument encumbering a manufactured home park or any deed given in lieu of such foreclosure or cancellation;

(9) a sale or transfer to a person who would be included within the intestate table of descent and distribution of the park owner; or

(10) a park owner who, within the past year, has provided written notice pursuant to section 327C.096.

Subd. 3. **Notice of offer.** (a) If a park owner receives an unsolicited bona fide offer to purchase the park that the park owner intends to consider or make a counteroffer to, the park owner's only obligation shall be to mail a notice to the Minnesota Housing Finance Agency, by certified mail, and to each park resident household, by regular mail. The notice must indicate that the park owner has received an offer that it is considering, and it must disclose the price range and material terms and conditions upon which the park owner would consider selling the park and consider any offer made by a representative acting on behalf of residents or a nonprofit that will become a representative acting on behalf of residents, as provided below. The park owner shall be under no obligation either to sell to the nonprofit or representative acting on behalf of residents or to interrupt or delay other negotiations and shall be free to execute a purchase agreement or contract for the sale of the park to a party or parties other than the representative acting on behalf of residents. Substantial compliance with the notice requirement in this paragraph shall be deemed sufficient.

(b) The Minnesota Housing Finance Agency must, within five days of receipt of the notice required under paragraph (a), distribute a copy of the notice to any representative acting on behalf of residents and to any nonprofits that register with the agency to receive such notices. The agency shall make a list of any representatives acting on behalf of residents and any registered nonprofits publicly available on its website.

Subd. 4. **Unsolicited offer.** Nothing contained in this section or section 327C.096 shall prevent a representative acting on behalf of residents or a nonprofit from making an unsolicited bona fide offer to purchase the manufactured home park to the park owner at any time.

Sec. 7. Minnesota Statutes 2022, section 462.357, subdivision 1, is amended to read:

Subdivision 1. **Authority for zoning.** For the purpose of promoting the public health, safety, morals, and general welfare, a municipality may by ordinance regulate on the earth's surface, in the air space above the surface, and in subsurface areas, the location, height, width, bulk, type of foundation, number of stories, size of buildings and other structures, the percentage of lot which may be occupied, the size of yards and other open spaces, the density and distribution of population, the uses of buildings and structures for trade, industry, residence, recreation, public activities, or other purposes, and the uses of land for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation, conservation of shorelands, as defined in sections 103F.201 to 103F.221, access to direct sunlight for solar energy systems as defined in section 216C.06, flood control or other purposes, and may establish standards and procedures regulating such uses. To accomplish these purposes, official controls may include provision for purchase of development rights by the governing body in the form of conservation easements under chapter 84C in areas where the governing body considers preservation desirable and the transfer of development rights from those areas to areas the governing body considers more appropriate for development. No regulation may prohibit earth sheltered construction as defined in section 216C.06, subdivision 14, relocated residential buildings, ~~or~~ manufactured homes built in conformance with sections 327.31 to 327.35, or industrialized or modular buildings for residential use built in conformance with Minnesota Rules, chapter 1361, that comply with all other zoning ordinances promulgated pursuant to this section. The regulations may divide the surface, above surface, and subsurface areas of the municipality into districts or zones of suitable numbers, shape, and area. The regulations shall be uniform for each class or kind of buildings, structures, or land and for each class or kind of use throughout such district, but the regulations in one district may differ from those in other districts. The ordinance embodying these regulations shall be known as the zoning ordinance and shall consist of text and maps. A city may by ordinance extend the application of its zoning regulations to unincorporated territory located within two miles of its limits in any direction, but not in a county or town which has adopted zoning regulations; provided that where two or more noncontiguous municipalities have boundaries less than four miles apart, each is authorized to control the zoning of land on its side of a line equidistant between the two noncontiguous municipalities unless a town or county in the affected area has adopted zoning regulations. Any city may thereafter enforce such regulations in the area to the same extent as if such property were situated within its corporate limits, until the county or town board adopts a comprehensive zoning regulation which includes the area.

Sec. 8. Minnesota Statutes 2022, section 469.002, subdivision 12, is amended to read:

Subd. 12. **Project.** "Project" means a housing project, a housing development project, a workforce housing project, or a redevelopment project, or any combination of those projects. The term "project" also may be applied to all real and personal property, assets, cash, or other funds, held or used in connection with the development or operation of the project. The term "project" also includes an interest reduction program authorized by section 469.012, subdivision 7.

Sec. 9. Minnesota Statutes 2022, section 469.002, is amended by adding a subdivision to read:

Subd. 25. **Workforce housing project.** (a) "Workforce housing project" means any work or undertaking by an authority located in an eligible project area to develop market rate residential rental properties, as defined in section 462A.39, subdivision 2, paragraph (d), or single-family housing, as defined under section 462C.02, subdivision 4.

(b) For the purposes of this paragraph, "eligible project area" means an area that meets the criteria under section 462A.39, subdivisions 2, paragraph (b), and 4, paragraph (a).

Sec. 10. Minnesota Statutes 2022, section 500.20, subdivision 2a, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 11. Laws 2023, chapter 20, section 1, is amended to read:

Section 1. **APPROPRIATION.**

(a) $50,000,000 in fiscal year 2023 is appropriated from the general fund to the Housing Finance Agency for transfer to the housing development fund for the family homeless prevention and assistance program under Minnesota Statutes, section 462A.204. This appropriation is onetime. Notwithstanding procurement provisions outlined in Minnesota Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing program grantees. The agency shall make best efforts to spend the appropriation by June 30, 2024.

(b) Notwithstanding Minnesota Statutes, section 462A.204, subdivision 5, qualified families may receive more than 24 months of rental assistance.

(c) By January 15, 2024, and 60 days after the appropriation in paragraph (a) has been expended, the commissioner shall report to the chairs and ranking minority members of the legislative committees of housing finance the following:

(1) the number of applicants and the total amount receiving rental assistance under this section;

(2) the geographic distribution of the rental assistance; and

(3) for the January 15, 2024, report, the remaining balance of the appropriation in this section.

(d) If the agency determines that the metropolitan area is in need of additional support to serve households that are homeless or at risk of homelessness, the agency may grant funds to entities other than counties in the metropolitan area, including but not limited to nonprofit organizations.

(e) In circumstances where more than one grantee operates in a given geographic area, grantees may work with either an advisory committee as required under Minnesota Statutes, section 462A.204, subdivision 6, or the local Continuum of Care and are not required to meet the requirements of Minnesota Statutes, section 462A.204, subdivision 4.

Sec. 12. **TRANSITION OF RESPONSIBILITIES TO THE MINNESOTA HOUSING FINANCE AGENCY.**

A payment submitted to the commissioner of management and budget on or before July 1, 2025, for deposit into the housing trust fund account created under Minnesota Statutes, section 462A.201, or into the Minnesota manufactured home relocation trust fund established under Minnesota Statutes, section 462A.35, must be deposited by the commissioner of management and budget in the housing trust fund account created under Minnesota Statutes, section 462A.201, or in the Minnesota manufactured home relocation trust fund. The commissioner of management and budget must notify the person who submitted the payment to the commissioner of management and budget that the payment was received, documented, and has been or will be deposited into the trust fund; that future payments must be submitted to the Minnesota Housing Finance Agency rather than the commissioner of management and budget; and that payments submitted to the commissioner of management and budget after July 1, 2025, will not be accepted.

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

Sec. 13. **REQUIRING CITIES TO REPORT BUILDINGS THAT DO NOT HAVE SPRINKLER SYSTEMS.**

(a) A city of the first or second class shall provide to the state fire marshal a list by June 20, 2024, and an updated list by June 30, 2027, and June 30, 2032, of each residential building in the city that:

(1) has at least one story used for human occupancy that is 75 feet or more above the lowest level of fire department vehicle access;

(2) was not subject to a requirement to include a sprinkler system at the time the building was constructed; and

(3) has not been retrofitted with a sprinkler system.

(b) The state fire marshal shall submit the lists within 60 days of the due dates under paragraph (a) to the chairs and ranking minority members of the legislative committees with jurisdiction over the State Building Code, State Fire Code, and Minnesota Housing Finance Agency.

Sec. 14. **WORKGROUP ON EXPEDITING RENTAL ASSISTANCE.**

Subdivision 1. **Creation; duties.** A workgroup is created to study how to expedite both the processing of applications for rental assistance and for emergency rental assistance and the distribution of rental assistance funds to landlords, in order to identify what processes, procedures, and technological or personnel resources would be necessary to enable the state or county agencies responsible for administering government rental assistance funds, including the family homelessness prevention and assistance program, the emergency assistance program, and emergency general assistance, to meet the following goals:

(1) within two weeks of receiving a completed application for rental assistance, make and issue a determination on the application; and

(2) within 30 days of receiving a completed application for rental assistance, issue payment on an approved rental application to the landlord.

Subd. 2. **Membership.** The workgroup shall consist of the following:

(1) the commissioner of the Minnesota Housing Finance Agency or a designee;

(2) the commissioner of the Department of Human Services or designee;

(3) a representative from the Minnesota Multi Housing Association;

(4) a representative from Mid-Minnesota Legal Aid;

(5) a representative from HOME Line;

(6) a representative from the United Way;

(7) a representative from the Salvation Army;

(8) a representative from the Community Action Partnership;

(9) a representative from Community Mediation Minnesota;

(10) a representative from the Family Housing Fund;

(11) four county administrators of emergency rental assistance, including two county administrators who work for metropolitan counties, as defined by Minnesota Statutes, section 473.121, subdivision 4, and two county administrators who work for nonmetropolitan counties, with one member from each category appointed by the speaker of the house of representatives and one from each category appointed by the senate majority leader;

(12) one member from the house of representatives appointed by the speaker of the house; and

(13) one member from the senate appointed by the senate majority leader.

Subd. 3. **Facilitation; organization; meetings.** (a) The Management Analysis Division of Minnesota Management and Budget shall facilitate the workgroup and convene the first meeting by July 15, 2023.

(b) The workgroup must meet at regular intervals as often as necessary to accomplish the goals enumerated under subdivision 1.

(c) Meetings of the workgroup are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. **External consultation.** The workgroup shall consult with other individuals and organizations that have expertise and experience that may assist the workgroup in fulfilling its responsibilities, including entities engaging in additional external stakeholder input from those with lived experience and administrators of emergency assistance not named to the workgroup, including Minnesota's Tribal nations.

Subd. 5. **Report required.** The workgroup shall submit a final report by February 1, 2024, to the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy. The report shall include draft legislation required to implement the proposed legislation.

Subd. 6. **Expiration.** The workgroup expires upon submission of the final report in subdivision 5, or February 28, 2024, whichever is later.

EFFECTIVE DATE. This section is effective the day following final enactment and expires March 1, 2024."

Delete the title and insert:

"A bill for an act relating to state government; establishing budget for Minnesota Housing Finance Agency; making policy, finance, and technical changes to housing provisions; expanding and establishing certain homeownership, manufactured home, and rent assistance programs; expanding requirements and uses of housing infrastructure bonds; establishing metropolitan region sales tax; establishing local affordable housing aid; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 82.75, subdivision 8; 297A.99, subdivision 1; 327C.095, subdivisions 12, 13, 16; 327C.096; 462.357, subdivision 1; 462A.05, subdivision 14, by adding subdivisions; 462A.07, by adding a subdivision; 462A.2035, subdivision 1b; 462A.204, subdivision 3; 462A.21, subdivision 3b; 462A.22, subdivision 1; 462A.33, subdivision 2, by adding a subdivision; 462A.36, subdivision 4, by adding a subdivision; 462A.37, subdivisions 1, 2, 4, 5, by adding a subdivision; 462A.38, subdivision 1; 462A.39, subdivisions 2, 5; 469.002, subdivision 12, by adding a subdivision; 500.20, subdivision 2a; Laws 2021, First Special Session chapter 8, article 1, section 3, subdivision 11; Laws 2023, chapter 20, section 1; proposing coding for new law in Minnesota Statutes, chapters 297A; 327C; 462A; 477A."

We request the adoption of this report and repassage of the bill.

House Conferees: Michael Howard, Esther Agbaje

Senate Conferees: Lindsey Port, Zaynab Mohamed

Senator Port moved that the foregoing recommendations and Conference Committee Report on H.F. No. 2335 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Lucero moved that the recommendations and Conference Committee Report on H.F. No. 2335 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the Lucero motion.

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

Abeler	Coleman	Draheim	Eichorn	Gruenhagen
Anderson	Dahms	Drazkowski	Farnsworth	Housley
Bahr	Dornink	Duckworth	Green	Howe

Jasinski	Lang	Mathews	Rasmusson	Westrom
Johnson	Lieske	Miller	Utke	
Koran	Limmer	Nelson	Weber	
Kreun	Lucero	Pratt	Wesenberg	

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Draheim.

Those who voted in the negative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the negative vote on behalf of the following Senators: Dziedzic and Pha.

The motion did not prevail.

The question recurred on the adoption of the Port motion.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, and Pha.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Utke
Anderson	Duckworth	Jasinski	Lucero	Weber
Bahr	Eichorn	Johnson	Mathews	Wesenberg
Coleman	Farnsworth	Koran	Miller	Westrom
Dahms	Green	Kreun	Nelson	
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman and Draheim.

The motion prevailed. So the recommendations and Conference Committee report were adopted.

H.F. No. 2335 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 34 and nays 32, as follows:

Those who voted in the affirmative were:

Boldon	Frentz	Kupec	Mohamed	Putnam
Carlson	Gustafson	Latz	Morrison	Rest
Champion	Hauschild	Mann	Murphy	Seeberger
Cwodzinski	Hawj	Marty	Oumou Verbeten	Westlin
Dibble	Hoffman	Maye Quade	Pappas	Wiklund
Dziedzic	Klein	McEwen	Pha	Xiong
Fateh	Kunesh	Mitchell	Port	

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, Hawj, and Pha.

Those who voted in the negative were:

Abeler	Drazkowski	Howe	Limmer	Utke
Anderson	Duckworth	Jasinski	Lucero	Weber
Bahr	Eichorn	Johnson	Mathews	Wesenberg
Coleman	Farnsworth	Koran	Miller	Westrom
Dahms	Green	Kreun	Nelson	
Dornink	Gruenhagen	Lang	Pratt	
Draheim	Housley	Lieske	Rasmusson	

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senators: Coleman and Draheim.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

Pursuant to Rule 26, Senator Boldon, designee of the Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

H.F. Nos. 800 and 24.

SPECIAL ORDER

H.F. No. 800: A bill for an act relating to state government; ratifying certain labor agreements and memorandums of understanding.

H.F. No. 800 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 10, as follows:

Those who voted in the affirmative were:

Abeler	Boldon	Carlson	Champion	Coleman

Cwodzinski	Gustafson	Kupec	Morrison	Seeberger
Dahms	Hauschild	Lang	Murphy	Utke
Dibble	Hawj	Latz	Nelson	Weber
Dornink	Hoffman	Limmer	Oumou Verbeten	Westlin
Draheim	Housley	Mann	Pappas	Westrom
Duckworth	Jasinski	Marty	Pha	Wiklund
Dziedzic	Johnson	Maye Quade	Port	Xiong
Eichorn	Klein	McEwen	Pratt	
Farnsworth	Koran	Miller	Putnam	
Fateh	Kreun	Mitchell	Rasmusson	
Frentz	Kunesh	Mohamed	Rest	

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, Hawj, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Draheim.

Those who voted in the negative were:

Anderson	Drazkowski	Gruenhagen	Lieske	Mathews
Bahr	Green	Howe	Lucero	Wesenberg

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 24: A bill for an act relating to capital investment; modifying authority to ensure safe drinking water; modifying provisions of drinking water revolving fund; establishing grant program to replace lead drinking water service lines; requiring report; appropriating money; amending Minnesota Statutes 2022, sections 144.383; 446A.081, subdivisions 8, 9; proposing coding for new law in Minnesota Statutes, chapter 446A.

H.F. No. 24 was read the third time.

RECONSIDERATION

Senator McEwen moved that the third reading of H.F. No. 24 be now reconsidered. The motion prevailed. So the third reading was reconsidered.

Senator McEwen moved to amend H.F. No. 24, as amended pursuant to Rule 45, adopted by the Senate April 25, 2023, as follows:

(The text of the amended House File is identical to S.F. No. 30.)

Page 2, after line 10, insert:

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

(b) "Lead service line" means a water supply connection that is made of or lined with a material consisting of lead and that connects a water main to a building. A lead pigtail, lead gooseneck, or other lead fitting is considered a lead service line, regardless of the composition of the service line or other portions of piping to which the piece is attached. A galvanized service line is considered a lead service line.

(c) "Service line" means any piping, tubing, or fitting connecting a water main to a building. Service line includes the property owner side and the system side of a service line."

Renumber the subdivisions in sequence and correct the internal references

Page 2, line 12, delete "by 2033"

Page 3, line 14, delete "daycare facilities" and insert "licensed child care facilities"

Page 3, line 19, delete "needed"

Page 3, line 28, delete "August 1" and insert "September 15"

Page 3, line 30, after "finance" insert ", health policy and finance, and economic development finance and policy,"

Page 4, line 7, delete "Minnesota schools" and insert "elementary schools, middle schools, or secondary schools as those terms are defined in section 120A.05, within a municipal community public water supply service area" and delete everything after "lines" and insert a semicolon

Page 4, delete line 8

Page 4, line 9, delete "daycare facilities" and insert "licensed child care settings" and delete "and"

Page 4, line 10, delete the period and insert a semicolon

Page 4, after line 10, insert:

"(5) a list of the eligible recipients that submitted a plan to the commissioner of health; and

(6) a list of the eligible recipients that received a grant under this section in order of priority as determined by the authority."

Page 4, line 22, delete "supplies" and insert "suppliers"

Page 7, delete line 10 and insert "$240,000,000 in fiscal year 2024 is appropriated"

Page 7, line 12, delete "These appropriations are onetime and are" and insert "This appropriation is onetime and is"

The motion prevailed. So the amendment was adopted.

H.F. No. 24 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Abeler	Eichorn	Johnson	Mathews	Pratt
Anderson	Farnsworth	Klein	Maye Quade	Putnam
Boldon	Fateh	Koran	McEwen	Rasmusson
Carlson	Frentz	Kreun	Miller	Rest
Champion	Green	Kunesh	Mitchell	Seeberger
Coleman	Gruenhagen	Kupec	Mohamed	Utke
Cwodzinski	Gustafson	Lang	Morrison	Weber
Dahms	Hauschild	Latz	Murphy	Wesenberg
Dibble	Hawj	Lieske	Nelson	Westlin
Dornink	Hoffman	Limmer	Oumou Verbeten	Westrom
Draheim	Housley	Lucero	Pappas	Wiklund
Duckworth	Howe	Mann	Pha	Xiong
Dziedzic	Jasinski	Marty	Port	

Pursuant to Rule 40, Senator Morrison cast the affirmative vote on behalf of the following Senators: Dziedzic, Fateh, Hawj, and Pha.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Coleman and Draheim.

Those who voted in the negative were:

Bahr	Drazkowski

So the bill, as amended, was passed and its title was agreed to.

MEMBERS EXCUSED

Senator Rarick was excused from the Session of today.

ADJOURNMENT

Senator Boldon moved that the Senate do now adjourn until 11:00 a.m., Wednesday, May 10, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate