

1.1 A bill for an act

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

1.3 establishing an agricultural best management practices grant program; making

1.4 policy and technical changes to agricultural provisions; establishing the broadband

1.5 line extension program; extending use of utility easements for broadband; requiring

1.6 reports; appropriating money for the Minnesota Housing Finance Agency

1.7 supplemental budget; appropriating money; amending Minnesota Statutes 2020,

1.8 sections 17.117, subdivisions 9, 9a, 10, 11, 11a; 18E.04, subdivision 4; 35.155,

1.9 subdivision 12; 40A.18, subdivision 2; 41B.025, by adding a subdivision; 116J.396,

1.10 subdivision 2; 223.17, subdivisions 4, 6; 346.155, subdivision 7; 462A.03,

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

1.12 14; 462A.2035, by adding a subdivision; 462A.204, subdivision 3; 462A.21,

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

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

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

1.16 471.9996, subdivision 1; 474A.061, subdivision 2a; 474A.091, subdivision 3;

1.17 Minnesota Statutes 2021 Supplement, sections 35.155, subdivision 14; 41A.21,

1.18 subdivision 2; 462A.05, subdivision 14a; 462A.37, subdivision 5; Laws 2021,

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

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

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

1.22 Statutes, chapters 12; 17; 116J; 462; 462A; repealing Minnesota Statutes 2020,

1.23 section 471.9996, subdivision 2.

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

1.25 ARTICLE 1

1.26 AGRICULTURE APPROPRIATIONS

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

1.28 read:

1.29 Sec. 2. DEPARTMENT OF AGRICULTURE

1.30			<b>59,303,000</b>		<b>59,410,000</b>
1.31	Subdivision 1. Total Appropriation	\$	<b><u>60,653,000</u></b>	\$	<b><u>62,760,000</u></b>

2.1	Appropriations by Fund		
2.2		2022	2023
2.3		<del>58,904,000</del>	<del>59,011,000</del>
2.4	General	<u>60,254,000</u>	<u>62,361,000</u>
2.5	Remediation	399,000	399,000

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

2.9 Subd. 2. **Protection Services**

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

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

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

3.1 methods performed by federal wildlife services  
3.2 staff.

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

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

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

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

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

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

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

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

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

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

5.18 (k) \$350,000 in the first year is for a grant to  
5.19 the Board of Regents of the University of  
5.20 Minnesota to purchase equipment for the  
5.21 Veterinary Diagnostic Laboratory to test for  
5.22 chronic wasting disease, African swine fever,  
5.23 avian influenza, and other animal diseases.  
5.24 The Veterinary Diagnostic Laboratory must  
5.25 report expenditures under this paragraph to  
5.26 the legislative committees with jurisdiction  
5.27 over agriculture finance and higher education  
5.28 with an initial report completed by January 3,  
5.29 2023, and a final report by September 1, 2023.  
5.30 The reports must include a list of equipment  
5.31 purchased, including the cost of each item.  
5.32 This is a onetime appropriation that is  
5.33 available until June 30, 2023.

6.1	Subd. 3. <b>Agricultural Marketing and</b>		<del>4,205,000</del>
6.2	<b>Development</b>	4,200,000	<u>4,215,000</u>
6.3	(a) \$186,000 the first year and \$186,000 the		
6.4	second year are for transfer to the Minnesota		
6.5	grown account and may be used as grants for		
6.6	Minnesota grown promotion under Minnesota		
6.7	Statutes, section 17.102. Grants may be made		
6.8	for one year. Notwithstanding Minnesota		
6.9	Statutes, section 16A.28, the appropriations		
6.10	encumbered under contract on or before June		
6.11	30, 2023, for Minnesota grown grants in this		
6.12	paragraph are available until June 30, 2025.		
6.13	(b) \$50,000 the first year is to expand		
6.14	international marketing opportunities for		
6.15	farmers and value-added processors, including		
6.16	in-market representation in Taiwan. This is a		
6.17	onetime appropriation and is available until		
6.18	June 30, 2023.		
6.19	(c) \$634,000 the first year and \$634,000 the		
6.20	second year are for continuation of the dairy		
6.21	development and profitability enhancement		
6.22	programs including dairy profitability teams		
6.23	and dairy business planning grants under		
6.24	Minnesota Statutes, section 32D.30.		
6.25	(d) \$50,000 the first year and \$50,000 the		
6.26	second year are for additional funding for		
6.27	mental health outreach and support to farmers		
6.28	and others in the agricultural community,		
6.29	including a 24-hour hotline, stigma reduction,		
6.30	and educational offerings. These are onetime		
6.31	appropriations.		
6.32	(e) The commissioner may use funds		
6.33	appropriated in this subdivision for annual		
6.34	cost-share payments to resident farmers or		
6.35	entities that sell, process, or package		

7.1 agricultural products in this state for the costs  
7.2 of organic certification. The commissioner  
7.3 may allocate these funds for assistance to  
7.4 persons transitioning from conventional to  
7.5 organic agriculture.

7.6 (f) \$100,000 the first year and \$100,000 the  
7.7 second year are for the farm safety grant and  
7.8 outreach programs under Minnesota Statutes,  
7.9 section 17.1195. Notwithstanding Minnesota  
7.10 Statutes, section 16A.28, any unencumbered  
7.11 balance does not cancel at the end of the first  
7.12 year and is available in the second year. These  
7.13 are onetime appropriations.

7.14 (g) \$54,000 the first year and \$109,000 the  
7.15 second year are to maintain the current level  
7.16 of service delivery.

7.17 (h) \$10,000 the second year is appropriated  
7.18 from the general fund to the commissioner of  
7.19 agriculture to study and report on the state of  
7.20 regional and local food systems in Minnesota,  
7.21 including recommendations for strengthening  
7.22 these systems. No later than February 1, 2023,  
7.23 the commissioner must submit the report to  
7.24 the legislative committees with jurisdiction  
7.25 over agriculture policy and finance. This is a  
7.26 onetime appropriation.

7.27 Subd. 4. **Agriculture, Bioenergy, and Bioproduct**  
7.28 **Advancement**

25,343,000

25,357,000  
26,057,000

7.29 (a) \$9,300,000 the first year and \$9,300,000  
7.30 the second year are for transfer to the  
7.31 agriculture research, education, extension, and  
7.32 technology transfer account under Minnesota  
7.33 Statutes, section 41A.14, subdivision 3. Of  
7.34 these amounts: at least \$600,000 the first year  
7.35 and \$600,000 the second year are for the

8.1 Minnesota Agricultural Experiment Station's  
8.2 agriculture rapid response fund under  
8.3 Minnesota Statutes, section 41A.14,  
8.4 subdivision 1, clause (2); \$2,000,000 the first  
8.5 year and \$2,000,000 the second year are for  
8.6 grants to the Minnesota Agriculture Education  
8.7 Leadership Council to enhance agricultural  
8.8 education with priority given to Farm Business  
8.9 Management challenge grants; \$350,000 the  
8.10 first year and \$350,000 the second year are  
8.11 for potato breeding; and \$450,000 the first  
8.12 year and \$450,000 the second year are for the  
8.13 cultivated wild rice breeding project at the  
8.14 North Central Research and Outreach Center  
8.15 to include a tenure track/research associate  
8.16 plant breeder. The commissioner shall transfer  
8.17 the remaining funds in this appropriation each  
8.18 year to the Board of Regents of the University  
8.19 of Minnesota for purposes of Minnesota  
8.20 Statutes, section 41A.14. Of the amount  
8.21 transferred to the Board of Regents, up to  
8.22 \$1,000,000 each year is for research on avian  
8.23 influenza, salmonella, and other turkey-related  
8.24 diseases. By January 15, 2023, entities  
8.25 receiving grants for potato breeding and wild  
8.26 rice breeding are requested to report to the  
8.27 chairs and ranking minority members of the  
8.28 legislative committees with jurisdiction over  
8.29 agriculture and higher education regarding the  
8.30 use of the grant money and to provide an  
8.31 update on the status of research and related  
8.32 accomplishments.

8.33 To the extent practicable, money expended  
8.34 under Minnesota Statutes, section 41A.14,  
8.35 subdivision 1, clauses (1) and (2), must  
8.36 supplement and not supplant existing sources



9.1 and levels of funding. The commissioner may  
 9.2 use up to one percent of this appropriation for  
 9.3 costs incurred to administer the program.

9.4 (b) \$16,028,000 the first year and ~~\$16,028,000~~  
 9.5 \$16,728,000 the second year are for the  
 9.6 agricultural growth, research, and innovation  
 9.7 program under Minnesota Statutes, section  
 9.8 41A.12. Except as provided below, the  
 9.9 commissioner may allocate the appropriation  
 9.10 each year among the following areas:  
 9.11 facilitating the start-up, modernization,  
 9.12 improvement, or expansion of livestock  
 9.13 operations including beginning and  
 9.14 transitioning livestock operations with  
 9.15 preference given to robotic dairy-milking  
 9.16 equipment; providing funding not to exceed  
 9.17 \$800,000 each year to develop and enhance  
 9.18 farm-to-school markets for Minnesota farmers  
 9.19 by providing more fruits, vegetables, meat,  
 9.20 grain, and dairy for Minnesota children in  
 9.21 school and child care settings including, at the  
 9.22 commissioner's discretion, reimbursing  
 9.23 schools for purchases from local farmers;  
 9.24 assisting value-added agricultural businesses  
 9.25 to begin or expand, to access new markets, or  
 9.26 to diversify, including aquaponics systems;  
 9.27 providing funding not to exceed \$600,000  
 9.28 each year for urban youth agricultural  
 9.29 education or urban agriculture community  
 9.30 development of which \$10,000 each year is  
 9.31 for transfer to the emerging farmer account  
 9.32 under Minnesota Statutes, section 17.055,  
 9.33 subdivision 1a; providing funding not to  
 9.34 exceed \$450,000 each year for the good food  
 9.35 access program under Minnesota Statutes,  
 9.36 section 17.1017; facilitating the start-up,

10.1 modernization, or expansion of other  
 10.2 beginning and transitioning farms including  
 10.3 by providing loans under Minnesota Statutes,  
 10.4 section 41B.056; sustainable agriculture  
 10.5 on-farm research and demonstration;  
 10.6 development or expansion of food hubs and  
 10.7 other alternative community-based food  
 10.8 distribution systems; enhancing renewable  
 10.9 energy infrastructure and use; crop research;  
 10.10 Farm Business Management tuition assistance;  
 10.11 and good agricultural practices and good  
 10.12 handling practices certification assistance. The  
 10.13 commissioner may use up to 6.5 percent of  
 10.14 this appropriation for costs incurred to  
 10.15 administer the program.

10.16 Of the amount appropriated for the agricultural  
 10.17 growth, research, and innovation program  
 10.18 under Minnesota Statutes, section 41A.12:

10.19 (1) \$1,000,000 the first year and \$1,000,000  
 10.20 the second year are for distribution in equal  
 10.21 amounts to each of the state's county fairs to  
 10.22 preserve and promote Minnesota agriculture;

10.23 (2) \$4,500,000 the first year and \$4,500,000  
 10.24 the second year are for incentive payments  
 10.25 under Minnesota Statutes, sections 41A.16,  
 10.26 41A.17, 41A.18, and 41A.20. Notwithstanding  
 10.27 Minnesota Statutes, section 16A.28, the first  
 10.28 year appropriation is available until June 30,  
 10.29 2023, and the second year appropriation is  
 10.30 available until June 30, 2024. If this  
 10.31 appropriation exceeds the total amount for  
 10.32 which all producers are eligible in a fiscal  
 10.33 year, the balance of the appropriation is  
 10.34 available for other purposes under this  
 10.35 paragraph;

11.1 (3) \$3,000,000 the first year and \$3,000,000  
 11.2 the second year are for grants that enable retail  
 11.3 petroleum dispensers, fuel storage tanks, and  
 11.4 other equipment to dispense biofuels to the  
 11.5 public in accordance with the biofuel  
 11.6 replacement goals established under  
 11.7 Minnesota Statutes, section 239.7911. A retail  
 11.8 petroleum dispenser selling petroleum for use  
 11.9 in spark ignition engines for vehicle model  
 11.10 years after 2000 is eligible for grant money  
 11.11 under this clause if the retail petroleum  
 11.12 dispenser has no more than 10 retail petroleum  
 11.13 dispensing sites and each site is located in  
 11.14 Minnesota. The grant money must be used to  
 11.15 replace or upgrade equipment that does not  
 11.16 have the ability to be certified for E25. A grant  
 11.17 award must not exceed 65 percent of the cost  
 11.18 of the appropriate technology. A grant award  
 11.19 must not exceed \$200,000 per station. The  
 11.20 commissioner must cooperate with biofuel  
 11.21 stakeholders in the implementation of the grant  
 11.22 program. The commissioner, in cooperation  
 11.23 with any economic or community development  
 11.24 financial institution and any other entity with  
 11.25 which it contracts, must submit a report on the  
 11.26 biofuels infrastructure financial assistance  
 11.27 program by January 15 of each year to the  
 11.28 chairs and ranking minority members of the  
 11.29 legislative committees and divisions with  
 11.30 jurisdiction over agriculture policy and  
 11.31 finance. The annual report must include but  
 11.32 not be limited to a summary of the following  
 11.33 metrics: (i) the number and types of projects  
 11.34 financed; (ii) the amount of dollars leveraged  
 11.35 or matched per project; (iii) the geographic  
 11.36 distribution of financed projects; (iv) any

12.1 market expansion associated with upgraded  
 12.2 infrastructure; (v) the demographics of the  
 12.3 areas served; (vi) the costs of the program;  
 12.4 and (vii) the number of grants to  
 12.5 minority-owned or female-owned businesses;  
 12.6 (4) \$750,000 the first year and ~~\$750,000~~  
 12.7 \$1,450,000 the second year are for grants to  
 12.8 facilitate the start-up, modernization, or  
 12.9 expansion of meat, poultry, egg, and milk  
 12.10 processing facilities. A grant award under this  
 12.11 clause must not exceed \$200,000. Any  
 12.12 unencumbered balance at the end of the second  
 12.13 year does not cancel until June 30, 2024, and  
 12.14 may be used for other purposes under this  
 12.15 paragraph. The appropriations under this  
 12.16 clause are onetime; and  
 12.17 (5) \$1,400,000 the first year and \$1,400,000  
 12.18 the second year are for livestock investment  
 12.19 grants under Minnesota Statutes, section  
 12.20 17.118. Any unencumbered balance at the end  
 12.21 of the second year does not cancel until June  
 12.22 30, 2024, and may be used for other purposes  
 12.23 under this paragraph. The appropriations under  
 12.24 this clause are onetime.  
 12.25 Notwithstanding Minnesota Statutes, section  
 12.26 16A.28, any unencumbered balance does not  
 12.27 cancel at the end of the first year and is  
 12.28 available for the second year, and  
 12.29 appropriations encumbered under contract on  
 12.30 or before June 30, 2023, for agricultural  
 12.31 growth, research, and innovation grants are  
 12.32 available until June 30, 2026.  
 12.33 The base amount for the agricultural growth,  
 12.34 research, and innovation program is  
 12.35 \$16,053,000 in fiscal year 2024 and

13.1 \$16,053,000 in fiscal year 2025, and includes  
13.2 funding for incentive payments under  
13.3 Minnesota Statutes, sections 41A.16, 41A.17,  
13.4 41A.18, and 41A.20.

13.5 (c) \$15,000 the first year and \$29,000 the  
13.6 second year are to maintain the current level  
13.7 of service delivery.

13.8	Subd. 5. <b>Administration and Financial</b>	<del>9,977,000</del>	<del>9,839,000</del>
13.9	<b>Assistance</b>	<u>10,977,000</u>	<u>11,279,000</u>

13.10 (a) \$474,000 the first year and \$474,000 the  
13.11 second year are for payments to county and  
13.12 district agricultural societies and associations  
13.13 under Minnesota Statutes, section 38.02,  
13.14 subdivision 1. Aid payments to county and  
13.15 district agricultural societies and associations  
13.16 shall be disbursed no later than July 15 of each  
13.17 year. These payments are the amount of aid  
13.18 from the state for an annual fair held in the  
13.19 previous calendar year.

13.20 (b) \$387,000 the first year and \$337,000 the  
13.21 second year are for farm advocate services.  
13.22 Of these amounts, \$100,000 the first year and  
13.23 \$50,000 the second year are for a pilot  
13.24 program creating farmland access teams to  
13.25 provide technical assistance to potential  
13.26 beginning farmers. The farmland access teams  
13.27 must assist existing farmers and beginning  
13.28 farmers on transitioning farm ownership and  
13.29 operation. Services provided by teams may  
13.30 include but are not limited to providing  
13.31 mediation assistance, designing contracts,  
13.32 financial planning, tax preparation, estate  
13.33 planning, and housing assistance. Of this  
13.34 amount for farm transitions, up to \$50,000 the  
13.35 first year may be used to upgrade the

- 14.1 Minnesota FarmLink web application that
- 14.2 connects farmers looking for land with farmers
- 14.3 looking to transition their land.
- 14.4 (c) \$47,000 the first year and \$47,000 the
- 14.5 second year are for grants to the Northern
- 14.6 Crops Institute that may be used to purchase
- 14.7 equipment. These are onetime appropriations.
- 14.8 (d) \$238,000 the first year and \$238,000 the
- 14.9 second year are for ~~transfer to the Board of~~
- 14.10 ~~Trustees of the Minnesota State Colleges and~~
- 14.11 ~~Universities~~ a pass-through grant to Region
- 14.12 Five Development Commission, in
- 14.13 collaboration with Minnesota Farm Business
- 14.14 Management: (1) for statewide mental health
- 14.15 counseling support to ~~farm families and~~
- 14.16 ~~business operators through the Minnesota State~~
- 14.17 ~~Agricultural Centers of Excellence. South~~
- 14.18 ~~Central College and Central Lakes College~~
- 14.19 ~~shall serve as the fiscal agents~~ Minnesota farm
- 14.20 and ranch operators, families, and employees;
- 14.21 and (2) for support to individuals who work
- 14.22 with Minnesota farmers and ranchers in a
- 14.23 professional capacity.
- 14.24 (e) \$1,700,000 the first year and \$1,700,000
- 14.25 the second year are for grants to Second
- 14.26 Harvest Heartland on behalf of Minnesota's
- 14.27 six Feeding America food banks for the
- 14.28 following:
- 14.29 (1) to purchase milk for distribution to
- 14.30 Minnesota's food shelves and other charitable
- 14.31 organizations that are eligible to receive food
- 14.32 from the food banks. Milk purchased under
- 14.33 the grants must be acquired from Minnesota
- 14.34 milk processors and based on low-cost bids.
- 14.35 The milk must be allocated to each Feeding

15.1 America food bank serving Minnesota  
 15.2 according to the formula used in the  
 15.3 distribution of United States Department of  
 15.4 Agriculture commodities under The  
 15.5 Emergency Food Assistance Program. Second  
 15.6 Harvest Heartland may enter into contracts or  
 15.7 agreements with food banks for shared funding  
 15.8 or reimbursement of the direct purchase of  
 15.9 milk. Each food bank that receives funding  
 15.10 under this clause may use up to two percent  
 15.11 for administrative expenses;  
 15.12 (2) to compensate agricultural producers and  
 15.13 processors for costs incurred to harvest and  
 15.14 package for transfer surplus fruits, vegetables,  
 15.15 and other agricultural commodities that would  
 15.16 otherwise go unharvested, be discarded, or  
 15.17 sold in a secondary market. Surplus  
 15.18 commodities must be distributed statewide to  
 15.19 food shelves and other charitable organizations  
 15.20 that are eligible to receive food from the food  
 15.21 banks. Surplus food acquired under this clause  
 15.22 must be from Minnesota producers and  
 15.23 processors. Second Harvest Heartland may  
 15.24 use up to 15 percent of each grant awarded  
 15.25 under this clause for administrative and  
 15.26 transportation expenses; and  
 15.27 (3) to purchase and distribute protein products,  
 15.28 including but not limited to pork, poultry, beef,  
 15.29 dry legumes, cheese, and eggs to Minnesota's  
 15.30 food shelves and other charitable organizations  
 15.31 that are eligible to receive food from the food  
 15.32 banks. Second Harvest Heartland may use up  
 15.33 to two percent of each grant awarded under  
 15.34 this clause for administrative expenses. Protein  
 15.35 products purchased under the grants must be

16.1 acquired from Minnesota processors and  
16.2 producers.

16.3 Of the amount appropriated under this  
16.4 paragraph, at least \$600,000 each year must  
16.5 be allocated under clause (1). Notwithstanding  
16.6 Minnesota Statutes, section 16A.28, any  
16.7 unencumbered balance the first year does not  
16.8 cancel and is available in the second year.

16.9 Second Harvest Heartland must submit  
16.10 quarterly reports to the commissioner and the  
16.11 chairs and ranking minority members of the  
16.12 legislative committees with jurisdiction over  
16.13 agriculture finance in the form prescribed by  
16.14 the commissioner. The reports must include  
16.15 but are not limited to information on the  
16.16 expenditure of funds, the amount of milk or  
16.17 other commodities purchased, and the  
16.18 organizations to which this food was  
16.19 distributed.

16.20 (f) \$250,000 the first year and \$250,000 the  
16.21 second year are for grants to the Minnesota  
16.22 Agricultural Education and Leadership  
16.23 Council for programs of the council under  
16.24 Minnesota Statutes, chapter 41D.

16.25 (g) \$1,437,000 the first year and \$1,437,000  
16.26 the second year are for transfer to the  
16.27 agricultural and environmental revolving loan  
16.28 account established under Minnesota Statutes,  
16.29 section 17.117, subdivision 5a, for low-interest  
16.30 loans under Minnesota Statutes, section  
16.31 17.117. The base for appropriations under this  
16.32 paragraph in fiscal year 2024 and thereafter  
16.33 is \$1,425,000. The commissioner must  
16.34 examine how the department could use up to  
16.35 one-third of the amount transferred to the



17.1 agricultural and environmental revolving loan  
 17.2 account under this paragraph to award grants  
 17.3 to rural landowners to replace septic systems  
 17.4 that inadequately protect groundwater. No  
 17.5 later than February 1, 2022, the commissioner  
 17.6 must report to the legislative committees with  
 17.7 jurisdiction over agriculture finance and  
 17.8 environment finance on the results of the  
 17.9 examination required under this paragraph.  
 17.10 The commissioner's report may include other  
 17.11 funding sources for septic system replacement  
 17.12 that are available to rural landowners.  
 17.13 (h) \$50,000 the second year is for the  
 17.14 agriculture best management practices grant  
 17.15 program under Minnesota Statutes, section  
 17.16 17.1162. This is a onetime appropriation.  
 17.17 (i) \$150,000 the first year and \$150,000 the  
 17.18 second year are for grants to the Center for  
 17.19 Rural Policy and Development. These are  
 17.20 onetime appropriations.  
 17.21 ~~(+)~~ (j) \$150,000 the first year is to provide  
 17.22 grants to Central Lakes College for the  
 17.23 purposes of designing, building, and offering  
 17.24 credentials in the area of meat cutting and  
 17.25 butchery that align with industry needs as  
 17.26 advised by local industry advisory councils.  
 17.27 Notwithstanding Minnesota Statutes, section  
 17.28 16A.28, any unencumbered balance does not  
 17.29 cancel at the end of the first year and is  
 17.30 available for the second year. The  
 17.31 commissioner may only award a grant under  
 17.32 this paragraph if the grant is matched by a like  
 17.33 amount from another funding source. The  
 17.34 commissioner must seek matching dollars  
 17.35 from Minnesota State Colleges and

18.1 Universities or other entities. The  
18.2 appropriation is onetime and is available until  
18.3 June 30, 2024. Any money remaining on June  
18.4 30, 2024, must be transferred to the  
18.5 agricultural growth, research, and innovation  
18.6 program under Minnesota Statutes, section  
18.7 41A.12, and is available until June 30, 2025.  
18.8 Grants may be used for costs including but  
18.9 not limited to:  
18.10 (1) facility renovation to accommodate meat  
18.11 cutting;  
18.12 (2) curriculum design and approval from the  
18.13 Higher Learning Commission;  
18.14 (3) program operational start-up costs;  
18.15 (4) equipment required for a meat cutting  
18.16 program; and  
18.17 (5) meat handling start-up costs in regard to  
18.18 meat access and market channel building.  
18.19 No later than January 15, 2023, Central Lakes  
18.20 College must submit a report outlining the use  
18.21 of grant money to the chairs and ranking  
18.22 minority members of the legislative  
18.23 committees and divisions with jurisdiction  
18.24 over agriculture and higher education.  
18.25 ~~(j)~~ (k) \$2,000 the first year is for grants to the  
18.26 Minnesota State Poultry Association. This is  
18.27 a onetime appropriation. Notwithstanding  
18.28 Minnesota Statutes, section 16A.28, any  
18.29 unencumbered balance does not cancel at the  
18.30 end of the first year and is available for the  
18.31 second year.  
18.32 ~~(k)~~ (l) \$17,000 the first year and \$17,000 the  
18.33 second year are for grants to the Minnesota

19.1 State Horticultural Society. These are onetime  
19.2 appropriations.

19.3 ~~(t)~~ (m) \$18,000 the first year and \$18,000 the  
19.4 second year are for grants to the Minnesota  
19.5 Livestock Breeders Association. These are  
19.6 onetime appropriations.

19.7 ~~(m)~~ (n) The commissioner shall continue to  
19.8 increase connections with ethnic minority and  
19.9 immigrant farmers to farming opportunities  
19.10 and farming programs throughout the state.

19.11 ~~(n)~~ (o) \$25,000 the first year and \$25,000 the  
19.12 second year are for grants to the Southern  
19.13 Minnesota Initiative Foundation to promote  
19.14 local foods through an annual event that raises  
19.15 public awareness of local foods and connects  
19.16 local food producers and processors with  
19.17 potential buyers.

19.18 ~~(o)~~ (p) \$75,000 the first year and \$75,000 the  
19.19 second year are for grants to Greater Mankato  
19.20 Growth, Inc., for assistance to  
19.21 agriculture-related businesses to promote jobs,  
19.22 innovation, and synergy development. These  
19.23 are onetime appropriations.

19.24 ~~(p)~~ (q) \$75,000 the first year and \$75,000 the  
19.25 second year are for grants to the Minnesota  
19.26 Turf Seed Council for basic and applied  
19.27 research. The Minnesota Turf Seed Council  
19.28 may subcontract with a qualified third party  
19.29 for some or all of the basic or applied research.  
19.30 No later than January 15, 2023, the Minnesota  
19.31 Turf Seed Council must submit a report  
19.32 outlining the use of the grant money and  
19.33 related accomplishments to the chairs and  
19.34 ranking minority members of the legislative

20.1 committees with jurisdiction over agriculture.

20.2 These are onetime appropriations. Any

20.3 unencumbered balance does not cancel at the

20.4 end of the first year and is available for the

20.5 second year.

20.6 ~~(q)~~ (r) \$150,000 the first year and \$150,000

20.7 the second year are to establish an emerging

20.8 farmer office and hire a full-time emerging

20.9 farmer outreach coordinator. The emerging

20.10 farmer outreach coordinator must engage and

20.11 support emerging farmers regarding resources

20.12 and opportunities available throughout the

20.13 Department of Agriculture and the state. For

20.14 purposes of this paragraph, "emerging farmer"

20.15 has the meaning provided in Minnesota

20.16 Statutes, section 17.055, subdivision 1. Of the

20.17 amount appropriated each year, \$25,000 is for

20.18 translation services for farmers and cottage

20.19 food producers.

20.20 ~~(r)~~ (s) \$222,000 the first year and \$286,000

20.21 the second year are to maintain the current

20.22 level of service delivery.

20.23 (t) \$1,000,000 the second year is to provide

20.24 grants to secondary career and technical

20.25 education programs for the purpose of offering

20.26 instruction in meat cutting and butchery. By

20.27 January 15, 2023, the commissioner must

20.28 report to the chairs and ranking minority

20.29 members of the committees with jurisdiction

20.30 over agriculture finance and education finance

20.31 by listing the grants made under this paragraph

20.32 by county and noting the number and amount

20.33 of grant requests not fulfilled. The report may

20.34 include additional information as determined

20.35 by the commissioner, including but not limited

21.1 to information regarding the outcomes  
 21.2 produced by these grants. If additional grants  
 21.3 are awarded under this paragraph that were  
 21.4 not covered in the report due by January 15,  
 21.5 2023, the commissioner must submit an  
 21.6 additional report to the chairs and ranking  
 21.7 minority members of the committees with  
 21.8 jurisdiction over agriculture finance and  
 21.9 education finance regarding all grants issued  
 21.10 under this paragraph by November 1, 2023.  
 21.11 This is a onetime appropriation. Grants may  
 21.12 be used for costs, including but not limited to:  
 21.13 (1) equipment required for a meat cutting  
 21.14 program;  
 21.15 (2) facility renovation to accommodate meat  
 21.16 cutting; and  
 21.17 (3) training faculty to teach the fundamentals  
 21.18 of meat processing.  
 21.19 The commissioner may receive applications  
 21.20 from eligible programs and make grants of up  
 21.21 to \$100,000, up to ten percent of which may  
 21.22 be used for training faculty.  
 21.23 Priority may be given to applicants who are  
 21.24 coordinating with meat cutting and butchery  
 21.25 programs at Minnesota State Colleges and  
 21.26 Universities system and local industry  
 21.27 partners.  
 21.28 (u) \$50,000 the second year is for grants to  
 21.29 organizations in Minnesota to develop  
 21.30 enterprises, supply chains, markets for  
 21.31 continuous living cover crops and cropping  
 21.32 systems in the early stage of commercial  
 21.33 development, Kernza perennial grain, winter  
 21.34 camelina, hybrid hazelnuts, and elderberry. A

22.1 multiyear project may receive grant money  
22.2 for up to three years. This is a onetime  
22.3 appropriation and is available until June 30,  
22.4 2027.

22.5 In consultation with interested stakeholders,  
22.6 the commissioner must develop a process to  
22.7 award grants. At the time of application, the  
22.8 commissioner must provide to the applicant  
22.9 information about requirements for grant  
22.10 recipients. The commissioner must appoint a  
22.11 technical review panel to review and rank  
22.12 eligible applicants and give preference to  
22.13 applicants that are well-positioned to expand  
22.14 the profitable commercialization of the Kernza  
22.15 perennial grain, winter camelina, hybrid  
22.16 hazelnuts, and elderberry. The technical  
22.17 review panel must include at least one  
22.18 representative from the Forever Green  
22.19 Initiative and one representative from the  
22.20 Agricultural Utilization Research Institute.  
22.21 The commissioner must consider the technical  
22.22 review panel recommendations when selecting  
22.23 grant recipients.

22.24 Beginning February 1, 2023, and annually  
22.25 thereafter until February 1, 2028, the  
22.26 commissioner shall submit a report on the  
22.27 utilization of the grants to the chairs and  
22.28 ranking minority members of the legislative  
22.29 committees and divisions with jurisdiction  
22.30 over agriculture policy and finance.

22.31 (v) \$10,000 the second year is to provide  
22.32 technical assistance and leadership in the  
22.33 development of a comprehensive and  
22.34 well-documented state aquaculture plan. The  
22.35 commissioner must provide the state

23.1 aquaculture plan to the legislative committees  
 23.2 with jurisdiction over agriculture finance and  
 23.3 policy by February 15, 2023. This is a onetime  
 23.4 appropriation.

23.5 (w) \$500,000 the first year is for continuing  
 23.6 construction of the soybean processing and  
 23.7 research facility at the Ag Innovation Campus.  
 23.8 This is a onetime appropriation and is  
 23.9 available until December 31, 2026.

23.10 (x) \$30,000 the second year is for grants or  
 23.11 other forms of financial assistance to meat and  
 23.12 poultry processors for reimbursing the cost of  
 23.13 attending courses or training and receiving  
 23.14 technical assistance in fiscal year 2023 that  
 23.15 support developing sanitation standard  
 23.16 operating procedures, hazard analysis and  
 23.17 critical control points plans, or business plans.  
 23.18 A meat processor with 50 full-time equivalent  
 23.19 employees or less is eligible for grant money  
 23.20 under this paragraph. This is a onetime  
 23.21 appropriation.

23.22 (y) \$500,000 the first year is for transfer to the  
 23.23 agricultural emergency account established  
 23.24 under Minnesota Statutes, section 17.041. This  
 23.25 is a onetime transfer. This transfer is in  
 23.26 addition to the appropriations made in Laws  
 23.27 2022, chapter 47, section 2.

23.28 Notwithstanding Minnesota Statutes, section  
 23.29 17.041, the commissioner may use the amount  
 23.30 to be transferred for the purposes identified  
 23.31 under Laws 2022, chapter 47, section 2,  
 23.32 paragraph (b). This paragraph expires on  
 23.33 December 31, 2022.

24.1 (z) \$300,000 the second year is for grants to  
24.2 organizations to provide technical assistance  
24.3 and culturally appropriate services to emerging  
24.4 farmers with preference given to organizations  
24.5 that serve African immigrants and refugees  
24.6 and African-American populations. This is a  
24.7 onetime appropriation. No later than January  
24.8 15, 2024, the commissioner must report grant  
24.9 activity and outcomes to the legislative  
24.10 committees with jurisdiction over agriculture  
24.11 finance.

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

24.13	Sec. 4. <b>AGRICULTURAL UTILIZATION</b>			<b><del>4,043,000</del></b>
24.14	<b>RESEARCH INSTITUTE</b>	\$	<b>4,543,000</b>	\$ <u>4,343,000</u>

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

24.17 (b) \$500,000 the first year is for grants to  
24.18 organizations to acquire, host, and operate a  
24.19 mobile slaughter unit. The mobile unit must  
24.20 coordinate with Minnesota state two-year  
24.21 colleges that have meat cutting programs to  
24.22 accommodate training as it relates to animal  
24.23 slaughter. The mobile unit may coordinate  
24.24 with livestock producers who desire to provide  
24.25 value-added meat products by utilizing the  
24.26 mobile slaughter unit. The mobile unit may  
24.27 be used for research, training outside of the  
24.28 two-year colleges, and other activities that  
24.29 align with industry needs. The Agricultural  
24.30 Utilization Research Institute may only award  
24.31 a grant under this paragraph if the grant  
24.32 amount is matched by a like amount from  
24.33 another funding source. The Agricultural  
24.34 Utilization Research Institute must seek  
24.35 matching dollars from Minnesota State



25.1 Colleges and Universities or other entities for  
 25.2 purposes of this paragraph. The appropriation  
 25.3 under this paragraph is onetime and is  
 25.4 available until June 30, 2024. Any money  
 25.5 remaining on June 30, 2024, must be  
 25.6 transferred to the commissioner of agriculture  
 25.7 for the agricultural growth, research, and  
 25.8 innovation program under Minnesota Statutes,  
 25.9 section 41A.12, and is available until June 30,  
 25.10 2025. By January 15, 2023, the institute must  
 25.11 report to the chairs and ranking minority  
 25.12 members of the legislative committees with  
 25.13 jurisdiction over agriculture regarding the  
 25.14 status of the project, including the status of  
 25.15 the use of any state or matching dollars to  
 25.16 complete the project.

25.17 (c) \$300,000 the second year is for equipment  
 25.18 upgrades, equipment replacement, installation  
 25.19 expenses, and laboratory infrastructure at  
 25.20 laboratories in Crookston, Marshall, and  
 25.21 Waseca, Minnesota. This is a onetime  
 25.22 appropriation and is available until June 30,  
 25.23 2026.

## ARTICLE 2

### BROADBAND APPROPRIATIONS

25.26 Section 1. Laws 2021, First Special Session chapter 10, article 1, section 7, is amended  
 25.27 to read:

25.28 Sec. 7. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**  
 25.29 **FUNDING; APPROPRIATION.**

25.30 (a) The commissioner of employment and economic development must prepare and  
 25.31 submit an application to the United States Department of the Treasury requesting that  
 25.32 \$70,000,000 of Minnesota's capital projects fund allocation under Public Law 117-2 be  
 25.33 awarded to the state. The commissioner must submit the application required under this

paragraph by the later of September 30, 2021, or 90 days after the date on which the United States Department of the Treasury begins accepting capital projects fund applications. The commissioner must specify in the application that the award will be used for grants ~~and~~ that satisfy the purposes specified under Minnesota Statutes, section 116J.395.

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

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

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

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

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

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

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

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

(a) The commissioner of employment and economic development must prepare and submit a grant plan application to the United States Department of the Treasury requesting that \$110,703,000 of Minnesota's capital projects fund allocation under Public Law 117-2

be used for grants that satisfy the purposes specified under Minnesota Statutes, section 116J.395, and sections 2, 5, and 6 of this article. The commissioner must submit the application required under this paragraph by September 24, 2022.

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

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

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

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

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

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

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

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

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

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

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

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

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

**ARTICLE 3**

**AGRICULTURE AND RURAL DEVELOPMENT POLICY**

Section 1. **[17.1016] COOPERATIVE GRANTS.**

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

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

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

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

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

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

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

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

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

(c) The commissioner may receive applications and make grants up to \$50,000 to eligible grantees for feasibility, marketing analysis, assistance with organizational development, financing and managing new cooperatives, product development, development of business

and marketing plans, and predesign of facilities, including site analysis, the development of bid specifications, preliminary blueprints and schematics, and the completion of purchase agreements and other necessary legal documents.

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

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

**Sec. 2. [17.1162] AGRICULTURE BEST MANAGEMENT PRACTICES GRANT PROGRAM.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(i)~~ (h) The local lender is responsible for collecting repayments from borrowers. If a borrower defaults on a loan issued by the local lender, it is the responsibility of the local lender to obtain repayment from the borrower. Default on the part of borrowers shall have



33.1 no effect on the local lender's responsibility to repay its obligations to the commissioner  
33.2 whether or not the local lender fully recovers defaulted amounts from borrowers.

33.3 ~~(f)~~ (i) The local lender shall provide sufficient collateral or protection to the commissioner  
33.4 for the funds provided to the local lender. The commissioner must approve the collateral  
33.5 or protection provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) otherwise meets the requirements of this section.

Sec. 8. Minnesota Statutes 2020, section 18E.04, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

Sec. 9. Minnesota Statutes 2020, section 35.155, subdivision 12, is amended to read:

Subd. 12. **Importation.** If there is an antemortem test for chronic wasting disease validated by the United States Department of Agriculture, a person may only import white-tailed deer that have tested negative immediately prior to importation. A person must not import Cervidae into the state from a herd that is infected or exposed to chronic wasting disease or from a known chronic wasting disease endemic area, as determined by the board. A person may import Cervidae into the state only from a herd that is not in a known chronic wasting disease endemic area, as determined by the board, and the herd has been subject to a state or provincial approved chronic wasting disease monitoring program for at least three years. Cervidae imported in violation of this section may be seized and destroyed by the commissioner of natural resources.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39.2 (i) a balance sheet;

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

39.4 (iii) a statement of retained earnings;

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

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

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

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

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

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

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

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

39.31 (d) The commissioner shall annually provide information on a person's fiduciary duties  
39.32 to each licensee. To the extent practicable, the commissioner must direct each licensee to

provide this information to all persons required to certify the licensee's financial statement under paragraph (a), clause (3).

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

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

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

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

(2) a wildlife sanctuary;

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

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

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

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

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

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

## ARTICLE 4

### BROADBAND POLICY

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

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

Subd. 2. **Portal.** No later than November 1, 2022, the department must develop and implement a portal on the department's website that allows a person to report (1) that broadband service is unavailable at the physical address of the person's residence or business, and (2) any additional information that the department deems necessary to ensure that the



broadband line extension grant program functions effectively. The department must develop a form that allows the information identified in this subdivision to be submitted on paper.

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

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

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

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

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

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

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

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

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

(4) any additional information required by the department.

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

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

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

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

(1) the broadband service provider agrees to extend broadband infrastructure to support broadband service scalable to speeds of at least 100 megabits per second download and 100 megabits per second upload to each address included in the broadband service provider's winning bid;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Subd. 2. Use of existing easements for broadband services.** (a) A provider, provider's affiliate, or another entity that has entered into an agreement with a provider, may use the provider, affiliate, or entity's existing or subsequently acquired easements to install broadband infrastructure and provide broadband service, which may include an agreement to lease fiber capacity.

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

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

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

(b) The notice must include:

- 44.1 (1) the provider's name and mailing address;
- 44.2 (2) a narrative describing the nature and purpose of the intended easement use;
- 44.3 (3) a description of any trenching or other underground work expected to result from  
44.4 the intended use, and the anticipated time frame for the work;
- 44.5 (4) a phone number for an employee of the provider that the property owner may contact  
44.6 regarding the easement; and
- 44.7 (5) the following statement, in bold red lettering: "It is important to make any challenge  
44.8 by the deadline to preserve any legal rights you may have."
- 44.9 (c) The provider must file copies of the notices with the county recorder.
- 44.10 Subd. 4. **Action for damages.** (a) Notwithstanding any other law to the contrary, this  
44.11 subdivision governs an action under this section and is the exclusive means to bring a claim  
44.12 for compensation with respect to a notice of intent to use a provider's existing easement to  
44.13 install broadband infrastructure and provide broadband service.
- 44.14 (b) Within six months after the date notice is received under subdivision 3, a property  
44.15 owner may file an action seeking to recover damages for a provider's use of an existing  
44.16 easement to install broadband infrastructure and provide broadband service. Claims for  
44.17 damages under \$15,000 may be brought in conciliation court.
- 44.18 (c) To initiate an action under this subdivision, a property owner must serve a complaint  
44.19 upon the provider in the same manner as in a civil action and must file the complaint with  
44.20 the district court for the county in which the easement is located. The complaint must state  
44.21 whether the property owner:
- 44.22 (1) challenges the provider's right to use the easement for broadband services or  
44.23 infrastructure as provided under subdivision 5, paragraph (a);
- 44.24 (2) seeks damages as provided under subdivision 5, paragraph (b); or
- 44.25 (3) seeks to proceed under both clauses (1) and (2).
- 44.26 Subd. 5. **Deposit and hearing required.** (a) If a property owner files a complaint  
44.27 challenging a provider's right to use an easement to install broadband infrastructure and  
44.28 provide broadband service, after the provider answers the complaint, the district court must  
44.29 promptly hold a hearing on the complaint. If the district court denies the property owner's  
44.30 complaint, the provider may proceed to use the easement to install broadband infrastructure  
44.31 and provide broadband service, unless the complaint also seeks damages. If the complaint  
44.32 seeks damages, the provider may proceed under paragraph (b).

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

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

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

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

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

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

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

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

Subd. 9. **Railroad rights-of-way crossing.** The placement of broadband infrastructure for use to provide broadband service under subdivisions 1 to 7 or section 308A.201,

subdivision 12, in any portion of an existing easement located in a railroad right-of-way is  
subject to sections 237.04 and 237.045.

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

**ARTICLE 5**  
**HOUSING APPROPRIATIONS**

**Section 1. APPROPRIATIONS.**

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

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

**Sec. 2. HOUSING FINANCE AGENCY**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>50,000,000</u></b>
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(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.

<b><u>Subd. 2. Workforce Homeownership Program</u></b>	<b><u>10,000,000</u></b>
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This appropriation is for the workforce  
homeownership program under Minnesota  
Statutes, section 462A.38. This is a onetime  
appropriation.

47.1	<u>Subd. 3. <b>Homeownership Investment Grants</b></u>	<u>35,000,000</u>
47.2	<u>This appropriation is for homeownership</u>	
47.3	<u>investment grants under section 4. This is a</u>	
47.4	<u>onetime appropriation.</u>	
47.5	<u>Subd. 4. <b>Targeted Loan Pool</b></u>	<u>5,000,000</u>
47.6	<u>This appropriation is for a grant to Build</u>	
47.7	<u>Wealth Minnesota to establish the 9,000</u>	
47.8	<u>Equities Fund, a targeted loan pool, to provide</u>	
47.9	<u>affordable first mortgages or equivalent</u>	
47.10	<u>financing opportunities to households</u>	
47.11	<u>struggling to access mortgages in underserved</u>	
47.12	<u>communities of color. The goal for this</u>	
47.13	<u>appropriation for Build Wealth Minnesota and</u>	
47.14	<u>the 9,000 Equities Fund is to create at least</u>	
47.15	<u>4,500 new homeownership opportunities and</u>	
47.16	<u>to close the homeownership disparity gap by</u>	
47.17	<u>eight percent in the Twin Cities metropolitan</u>	
47.18	<u>area in five years. By February 15, 2023, and</u>	
47.19	<u>for the next eight years, Build Wealth</u>	
47.20	<u>Minnesota shall report to the Minnesota</u>	
47.21	<u>Housing Finance Agency and the legislature</u>	
47.22	<u>on activities and expenditures of the 9,000</u>	
47.23	<u>Equities Fund and its homeownership</u>	
47.24	<u>outcomes. Up to ten percent of the</u>	
47.25	<u>appropriation may be used by Build Wealth</u>	
47.26	<u>Minnesota to administer the target loan pool.</u>	
47.27	<u>This is a onetime appropriation.</u>	
47.28	<u>Sec. 3. <b>HOUSING AFFORDABILITY FUND; FISCAL YEAR 2023 ALLOCATION.</b></u>	
47.29	<u>(a) \$10,000,000 of the allocations from the Housing Finance Agency's housing</u>	
47.30	<u>affordability fund, or Pool 3, in fiscal year 2023 shall be for a revolving loan fund under</u>	
47.31	<u>Minnesota Statutes, section 462A.05, subdivision 35, to provide loans with a two percent</u>	
47.32	<u>interest rate for residents of manufactured home parks to purchase the manufactured home</u>	
47.33	<u>park in which they reside for the purpose of conversion of the manufactured home park to</u>	
47.34	<u>cooperative ownership. Repayments of principal and interest from loans issued under this</u>	

section must be used for the purposes of this section. The commissioner must make a determination regarding the issuance of a loan under this section and disburse the funds within 90 days of receiving a completed application. No money from the allocation under this paragraph may be used to administer this program. The commissioner must not supplant other homeownership programs out of Pool 3 to capitalize this revolving loan fund.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

(2) financing programs, including revolving loans, 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;

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

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

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

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

Subd. 4. **Commissioner duties.** (a) 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. The commissioner shall develop a grant award scoring system that ensures

50.1 a distribution of awards throughout the state based on population and eligible households  
50.2 and communities.

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

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

50.8 **ARTICLE 6**  
50.9 **HOUSING POLICY**

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

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

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

50.20 Sec. 2. **[462.3575] LIMITING REGULATIONS ON RESIDENTIAL**  
50.21 **DEVELOPMENT.**

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

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

50.28 (b) A planned unit development agreement must be made available to the public by  
50.29 posting the agreement on the website of the municipality at least seven days before the  
50.30 governing body's review of the agreement. If the municipality does not have a website, a  
50.31 copy of the planned unit development agreement must be available for review at the city

51.1 hall building of the municipality. If the agreement is approved by the governing body, the  
51.2 agreement cannot be modified unless all parties to the agreement concur.

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

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

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

51.12 Subd. 13. **Eligible mortgagor.** "Eligible mortgagor" means a nonprofit or cooperative  
51.13 housing corporation; the Department of Administration for the purpose of developing  
51.14 community-based programs as defined in section 252.50; a limited profit entity or a builder  
51.15 as defined by the agency in its rules, which sponsors or constructs residential housing as  
51.16 defined in subdivision 7; or a natural person of low or moderate income, except that the  
51.17 return to a limited dividend entity shall not exceed 15 percent of the capital contribution of  
51.18 the investors or such lesser percentage as the agency shall establish in its rules, provided  
51.19 that residual receipts funds of a limited dividend entity may be used for agency-approved,  
51.20 housing-related investments owned by the limited dividend entity without regard to the  
51.21 limitation on returns. Owners of existing residential housing occupied by renters shall be  
51.22 eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner  
51.23 agrees to conditions established by the agency in its rules relating to rental or other matters  
51.24 that will ~~insure~~ ensure that the housing will be occupied by persons and families of low or  
51.25 moderate income. The agency shall require by rules that the owner give preference to those  
51.26 persons of low or moderate income who occupied the residential housing at the time of  
51.27 application for the loan.

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

51.30 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may  
51.31 make loans to persons and families of low and moderate income to rehabilitate or to assist  
51.32 in rehabilitating existing residential housing owned and occupied by those persons or  
51.33 families. Rehabilitation may include replacement of manufactured homes. No loan shall be

52.1 made unless the agency determines that the loan will be used primarily for rehabilitation  
52.2 work necessary for health or safety, essential accessibility improvements, or to improve the  
52.3 energy efficiency of the dwelling. No loan for rehabilitation of owner-occupied residential  
52.4 housing shall be denied solely because the loan will not be used for placing the residential  
52.5 housing in full compliance with all state, county or municipal building, housing maintenance,  
52.6 fire, health or similar codes and standards applicable to housing. The amount of any loan  
52.7 shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted  
52.8 by the agency not to exceed ~~\$37,500~~ \$40,000, or (b) the actual cost of the work performed,  
52.9 or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise  
52.10 be paid by the person or family without the expenditure of an unreasonable portion of the  
52.11 income of the person or family. Loans made in whole or in part with federal funds may  
52.12 exceed the maximum loan amount to the extent necessary to comply with federal lead  
52.13 abatement requirements prescribed by the funding source. In making loans, the agency shall  
52.14 determine the circumstances under which and the terms and conditions under which all or  
52.15 any portion of the loan will be repaid and shall determine the appropriate security for the  
52.16 repayment of the loan. Loans pursuant to this subdivision may be made with or without  
52.17 interest or periodic payments.

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

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

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

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

52.26 (2) the total number of loans and total amount of outstanding rehabilitation loans per  
52.27 program;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54.2 Subd. 14. **American Indians.** (a) It may engage in housing programs for low- and  
54.3 moderate-income American Indians developed and administered separately or in combination  
54.4 by the Minnesota Chippewa tribe, the Red Lake band of Chippewa Indians, and the Sioux  
54.5 communities as determined by such tribe, band, or communities. In furtherance of the policy  
54.6 of economic integration stated in section 462A.02, subdivision 6, it may engage in housing  
54.7 programs for American Indians who intend to reside on reservations and who are not persons  
54.8 of low and moderate income, provided that the aggregate dollar amount of the loans for  
54.9 persons who are not of low- or moderate-income closed in each lender's fiscal year shall  
54.10 not exceed an amount equal to 25 percent of the total dollar amount of all loans closed by  
54.11 that lender during the same fiscal year. In developing such housing programs, the tribe,  
54.12 band, or communities shall take into account the housing needs of all American Indians  
54.13 residing both on and off reservations within the state. A plan for each such program, which  
54.14 specifically describes the program content, utilization of funds, administration, operation,  
54.15 implementation and other matter, as determined by the agency, must be submitted to the  
54.16 agency for its review and approval prior to the making of eligible loans pursuant to section  
54.17 462A.21. All such programs must conform to rules promulgated by the agency concerning  
54.18 program administration, including but not limited to rules concerning costs of administration;  
54.19 the quality of housing; interest rates, fees, and charges in connection with making eligible  
54.20 loans; and other matters determined by the agency to be necessary in order to effectuate the  
54.21 purposes of this subdivision and section 462A.21, subdivisions 4b and 4c. All such programs  
54.22 must provide for a reasonable balance in the distribution of funds appropriated for the  
54.23 purpose of this section between American Indians residing on and off reservations within  
54.24 the state. Nothing in this section shall preclude such tribe, band, or communities from  
54.25 requesting and receiving cooperation, advice, and assistance from the agency as regards  
54.26 program development, operation, delivery, financing, or administration. As a condition to  
54.27 the making of such eligible loans, the Minnesota Chippewa tribe, the Red Lake band of  
54.28 Chippewa Indians, and the Sioux communities shall:

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

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

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

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

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

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

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

(1) grants requested and grants 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; and

(2) the average amounts of grants awarded.

Sec. 12. Minnesota Statutes 2020, 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.~~

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

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

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

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

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

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

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

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

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

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

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

(c) Beginning with applications made in response to requests for proposals issued after July 1, 2020, after final decisions are made on applications for programs of the agency, the



57.1 results of any quantitative scoring system used to rank applications shall be posted on the  
57.2 agency website.

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

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

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

57.10 (1) the number of units of new construction and number of rehabilitated units funded  
57.11 by county; and

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

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

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

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

57.29 (c) If as a result of the issuance of refunding bonds the amount of debt service for an  
57.30 annual period is less than the amount transferred by the commissioner of management and  
57.31 budget to pay debt service for that annual period, the agency must deduct the excess amount

58.1 from the actual amount of debt service on those bonds certified for the next subsequent  
58.2 annual period.

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

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

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

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

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

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

58.24 (b) In the refunding of housing infrastructure bonds, each bond must be called for  
58.25 redemption prior to its maturity in accordance with its terms no later than the earliest date  
58.26 on which it may be redeemed. No refunding bonds may be issued unless as of the date of  
58.27 the refunding bonds the present value of the dollar amount of the debt service on the  
58.28 refunding bonds, computed to their stated maturity dates, is lower than the present value of  
58.29 the dollar amount of debt service on all housing infrastructure bonds refunded computed to  
58.30 their stated maturity dates. For purposes of this subdivision, "present value of the dollar  
58.31 amount of debt service" means the dollar amount of debt service to be paid, discounted to  
58.32 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. 19. Minnesota Statutes 2020, 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. 20. Minnesota Statutes 2021 Supplement, section 462A.37, subdivision 5, is amended to read:

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

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

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those

60.1 bonds, remain outstanding, the commissioner of management and budget must transfer to  
60.2 the housing infrastructure bond account established under section 462A.21, subdivision 33,  
60.3 the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts  
60.4 necessary to make the transfers are appropriated from the general fund to the commissioner  
60.5 of management and budget.

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

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

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

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

60.31 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure  
60.32 bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those  
60.33 bonds, remain outstanding, the commissioner of management and budget must transfer to  
60.34 the housing infrastructure bond account established under section 462A.21, subdivision 33,

61.1 the amount certified under paragraph (a). The amounts necessary to make the transfers are  
61.2 appropriated from the general fund to the commissioner of management and budget.

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

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

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

61.12 Subdivision 1. **Establishment.** A workforce and affordable homeownership development  
61.13 program is established to award homeownership development grants to cities, counties,  
61.14 Tribal governments, nonprofit organizations, cooperatives created under chapter 308A or  
61.15 308B, and community land trusts created for the purposes outlined in section 462A.31,  
61.16 subdivision 1, for development of workforce and affordable homeownership projects. The  
61.17 purpose of the program is to increase the supply of workforce and affordable, owner-occupied  
61.18 multifamily or single-family housing throughout Minnesota.

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

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

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

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

61.28 (b) "Eligible project area" means a home rule charter or statutory city located outside  
61.29 of the metropolitan area as defined in section 473.121, subdivision 2, with a population  
61.30 exceeding 500; a community that has a combined population of 1,500 residents located  
61.31 within 15 miles of a home rule charter or statutory city located outside the metropolitan

62.1 area as defined in section 473.121, subdivision 2; federally recognized Tribal Reservations;  
62.2 or an area served by a joint county-city economic development authority.

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

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

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

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

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

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

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

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

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

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

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

Subd. 5. **Allocation.** The amount of a grant or deferred loans may not exceed 25 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. 26. Minnesota Statutes 2020, section 462A.39, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

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

64.1       Sec. 28. **[462A.41] PROGRAM FOR MANUFACTURED HOME MORTGAGE**  
64.2 **FINANCING AND DOWN PAYMENT ASSISTANCE FOR CERTAIN**  
64.3 **MANUFACTURED HOMES.**

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

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

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

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

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

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

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

64.24       (2) to contract with a property owner;

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

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

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

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



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

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

(1) preservation projects;

(2) 30 percent AMI residential rental projects;

(3) 50 percent AMI residential rental projects;

(4) 100 percent LIHTC projects;

(5) 20 percent LIHTC projects; and

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

If there are two or more applications for residential rental projects at the same priority level and there is insufficient bonding authority to provide allocations for all the projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded by lot giving preference for projects with a lower cost per square foot but only for projects that can receive the full amount of their respective requested allocations. If a residential rental project does not receive any of its requested allocation pursuant to this paragraph and the project applies for an allocation of bonds again in the same calendar year or to the next successive housing pool, the project shall be fully funded up to its original application request for bonding authority before any new project, applying in the same allocation period, that has an equal priority shall receive bonding authority. An issuer that receives an allocation under this paragraph must issue obligations equal to all or a portion of the allocation received on or before 180 days of the allocation. If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within the time period provided in this paragraph or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the housing pool or to the unified pool after July 1.

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

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

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

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

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

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

66.22 (c) Any amounts remaining in the housing pool after June 15 are available for  
66.23 single-family housing programs for cities that applied in January and received an allocation  
66.24 under this section in the same calendar year. For a city that chooses to issue bonds on its  
66.25 own behalf or pursuant to a joint powers agreement, the agency must allot available bonding  
66.26 authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by  
66.27 loan, on a first-come, first-served basis among cities on whose behalf the Minnesota Housing  
66.28 Finance Agency issues bonds.

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

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

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

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

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

67.22 (e) The agency may issue bonds on behalf of participating cities. The agency shall request  
67.23 an allocation from the commissioner for all applicants who choose to have the agency issue  
67.24 bonds on their behalf and the commissioner shall allocate the requested amount to the  
67.25 agency. The agency may request an allocation at any time after the second Tuesday in  
67.26 January and through the last Monday in June. After awarding an allocation and receiving  
67.27 a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the  
67.28 commissioner shall transfer the application deposits to the Minnesota Housing Finance  
67.29 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency  
67.30 shall return any application deposit to a city that paid an application deposit under paragraph  
67.31 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph  
67.32 (d).

67.33 (f) A city may choose to issue bonds on its own behalf or through a joint powers  
67.34 agreement and may request an allocation from the commissioner by forwarding an application

with an application fee pursuant to section 474A.03, subdivision 4, and a one percent application deposit to the commissioner no later than the Monday of the week preceding an allocation. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the list forwarded by the Minnesota Housing Finance Agency to the commissioner. No city may request or receive an allocation from the commissioner until the list under paragraph (d) has been forwarded to the commissioner. A city must request an allocation from the commissioner no later than the last Monday in June. No city may receive an allocation from the housing pool for mortgage bonds which has not first applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.

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

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

(h) A city that does not use at least 50 percent of its allotment by the date applications are due for the first allocation that is made from the housing pool for single-family housing programs in the immediately succeeding calendar year may not apply to the housing pool for a single-family mortgage bond or mortgage credit certificate program allocation that exceeds the amount of its allotment for the preceding year that was used by the city in the immediately preceding year or receive an allotment from the housing pool in the succeeding calendar year that exceeds the amount of its allotment for the preceding year that was used in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to June 15, regardless of the amount used in the preceding calendar year, except that a city whose allocation in the preceding year was the minimum amount of \$100,000 and who did not use at least 50 percent of its allocation from the preceding year is ineligible for an allocation in the immediate succeeding calendar year. Each local government unit in a consortium must meet the requirements of this paragraph.

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

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

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

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

69.11 (1) applications for residential rental project bonds;

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

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

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

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

69.18 (2) applications for mortgage bonds;

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

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

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

69.22 (6) applications for residential rental project bonds;

69.23 (7) applications for enterprise zone facility bonds;

69.24 (8) applications for governmental bonds; and

69.25 (9) applications for redevelopment bonds.

69.26 (d) If there are two or more applications for manufacturing projects from the unified  
69.27 pool and there is insufficient bonding authority to provide allocations for all manufacturing  
69.28 projects in any one allocation period, the available bonding authority shall be awarded based  
69.29 on the number of points awarded a project under section 474A.045 with those projects  
69.30 receiving the greatest number of points receiving allocation first. If two or more applications

70.1 for manufacturing projects receive an equal amount of points, available bonding authority  
70.2 shall be awarded by lot unless otherwise agreed to by the respective issuers.

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

70.11 (f) If there are two or more applications for residential rental projects from the unified  
70.12 pool and there is insufficient bonding authority to provide allocations for all residential  
70.13 rental projects in any one allocation period, the available bonding authority shall be awarded  
70.14 in the following order of priority: (1) preservation projects; (2) 30 percent AMI residential  
70.15 rental projects; (3) 50 percent AMI residential rental projects for which the amount of bonds  
70.16 requested in their respective applications do not exceed the aggregate bond limitations; (4)  
70.17 100 percent LIHTC projects; (5) 20 percent LIHTC projects; and (6) other residential rental  
70.18 projects. If there are two or more applications for residential rental projects at the same  
70.19 priority level and there is insufficient bonding authority to provide allocations for all the  
70.20 projects in any one allocation period, available bonding authority shall be ~~randomly~~ awarded  
70.21 by lot giving preference for projects with a lower cost per square foot but only for projects  
70.22 that can receive the full amount of their respective requested allocations. If a residential  
70.23 rental project does not receive any of its requested allocation pursuant to this paragraph and  
70.24 the project applies in the next successive housing pool or the next successive unified pool  
70.25 for an allocation of bonds, the project shall be fully funded up to its original application  
70.26 request for bonding authority before any new project, applying in the same allocation period,  
70.27 that has an equal priority shall receive bonding authority.

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

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

71.1 (1) \$10,000,000 for any one city; or

71.2 (2) \$20,000,000 for any number of cities in any one county.

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

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

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

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

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

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

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

71.21 (b) No later than ~~August 31, 2022~~ December 15, 2022, the task force shall submit a final  
71.22 report to the chairs and ranking minority members of the house of representatives and senate  
71.23 committees and divisions with jurisdiction over housing and preventing homelessness on  
71.24 its findings and recommendations.

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

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

71.28 Sec. 34. **REPORT ON HOMEOWNERSHIP OPPORTUNITIES.**

71.29 (a) The Housing Finance Agency must complete a report regarding the impact on the  
71.30 housing market and homeownership opportunities of corporate entities, including but not

72.1 limited to pension funds, investment funds, an employee welfare benefit fund, a mutual  
 72.2 fund, life insurance companies, a common trust of a bank or other trustee established for  
 72.3 the investment and reinvestment of money contributed to it, a real estate investment trust,  
 72.4 or an investment company as defined in United States Code, title 15, section 80a-3,  
 72.5 purchasing single-family homes and converting them to rental properties. The report must  
 72.6 review the impact corporate entities are having on the availability and the purchase price  
 72.7 of single-family homes and the ability of prospective home buyers to purchase  
 72.8 owner-occupied homes throughout the United States. The report must also include but is  
 72.9 not limited to an examination of the following:

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

72.12 (2) the impact, both nationally and within Minnesota, on homeownership opportunities,  
 72.13 including opportunities for Black, Indigenous, and people of color in cities or regions where  
 72.14 corporate entities have purchased 20 or more single-family homes and converted them to  
 72.15 single-family rentals as compared to similar communities where corporate entities are not  
 72.16 buying single-family homes and converting them to rental properties;

72.17 (3) the impact of corporate ownership on the maintenance of the residential properties  
 72.18 and the impact on nearby property values;

72.19 (4) whether the purchase of single-family homes by corporate entities has led to increases  
 72.20 in regulatory burdens and costs for renters and the local governments where the corporate  
 72.21 entities are purchasing homes; and

72.22 (5) if other states or local governments across the country have proposed any conditions  
 72.23 or solutions to mitigate the impact of corporate entities buying single-family homes.

72.24 (b) The agency must consult with stakeholders, including renters, realtors, local landlords,  
 72.25 financers and lending institutions, home investors, nonprofits supporting renters, and local  
 72.26 units of government during the preparation of this report. The agency must also consult  
 72.27 relevant academic literature and may consult with academic institutions and the Federal  
 72.28 Reserve during the preparation of this report.

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

72.31 **Sec. 35. REPORT ON RENT CONTROL; PROHIBITION ON USE OF FUNDS.**

72.32 (a) The Housing Finance Agency must complete a report regarding the impact of rent  
 72.33 control on housing markets. The report must explore the impact of rent control throughout



73.1 the United States, and may explore international housing markets. The report must also  
73.2 include but is not limited to an examination of the following:

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

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

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

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

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

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

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

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

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

73.27 Sec. 36. **REPEALER.**

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

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

**471.9996 RENT CONTROL PROHIBITED.**

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

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