

**HF2463 - 0 - Radon in Rental Properties; Publication, Testing**

Chief Author: **Liz Reyer**  
 Committee: **Housing Finance and Policy**  
 Date Completed: **3/7/2022 2:23:51 PM**  
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	134	134	134	
<b>Total</b>	-	-	<b>134</b>	<b>134</b>	<b>134</b>	
<b>Biennial Total</b>			<b>134</b>			<b>268</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	1	1	1
<b>Total</b>	-	-	<b>1</b>	<b>1</b>	<b>1</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	134	134	134
<b>Total</b>		-	-	<b>134</b>	<b>134</b>	<b>134</b>
<b>Biennial Total</b>					<b>134</b>	<b>268</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	-	-	134	134	134
<b>Total</b>		-	-	<b>134</b>	<b>134</b>	<b>134</b>
<b>Biennial Total</b>					<b>134</b>	<b>268</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>					-	-

**Bill Description**

The bill requires radon testing in residential rental buildings at least every 5 years, and mitigation if radon levels are found to be elevated. The bill also requires reporting results to current tenants, prospective tenants, and the inspector. Individuals licensed by MDH must conduct the testing and mitigation. MDH must develop a publication about radon in rental properties. The bill is effective December 1, 2022. The bill contains no appropriation.

**Assumptions**

There were 620,733 rental households, according to the Minnesota Housing Partnership, in 2021. Most of these households will need tests, since the radon standards requires all ground contact units and a percentage of upper floor units to be tested. The bill would result in the majority of these households having a radon test conducted initially, then every 5 years.

The bill specifies that radon data must be reported to the inspector. The department assumes that, if enacted, the new requirements will be placed under landlord and tenant law (Minnesota Statute, chapter 504B) and apply the definition of inspector per section 504B.001. The inspector is usually a local government official that licenses or otherwise regulates rental housing, or, in its absence, the community health board. For manufactured home parks, MDH or its designee is the inspector. There are about 50,000 manufactured homes in 900 licensed parks in Minnesota, of which 13% are rental homes (according to the All Parks Alliance for Change). The department estimates up to 6,500 manufactured home park rental units would be tested every 5 years. MDH is the inspector for about half of these homes and our designees are inspectors for the other half. This means about 3,250 rental homes under MDH's authority will be tested every 5 years, meaning 650 test results submitted to MDH annually.

The bill also requires MDH to produce a publication "Radon in Rental Properties," to be distributed to landlords and tenants. The department assumes that the publication would be provided on its website for download and distributed electronically, so there are no anticipated print and distribution costs. We estimate that a 1.0 FTE Research Scientist 2 would produce the publication and provide ad hoc technical assistance. MDH would begin preparing the publication and engaging with relevant parties at the beginning of fiscal year 2023 in order to prepare for the effective date of the bill on December 1, 2022. Staff effort would be needed on an ongoing basis to update guidance, provide ad hoc technical assistance, and also receive, review, and file up to 650 test result records from manufactured home parks per year.

**Expenditure and/or Revenue Formula**

Expenditure (Actual Dollars)	Amount	FY 2022	FY 2023	FY 2024	FY 2025
Salary & Fringe:		FTE	FTE	FTE	FTE

Research Scientist 2	109,994		1	1	1
	<b>FTE</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
	<b>Subtotal</b>	<b>0</b>	<b>109,994</b>	<b>109,994</b>	<b>109,994</b>
<b>Information Technology:</b>					
	<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Operating Costs:</b>					
	<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grants, Aids &amp; Subsidies:</b>					
	<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Indirect (21.7% Eligible Costs)</b>	<b>Subtotal</b>	<b>0</b>	<b>23,869</b>	<b>23,869</b>	<b>23,869</b>
<b>Expenditure</b>	<b>Total</b>	<b>0</b>	<b>133,863</b>	<b>133,863</b>	<b>133,863</b>
<b>Fiscal Tracking (Dollars in Thousands)</b>		<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Health Protection</b>	<b>BACT 03</b>	<b>0</b>	<b>134</b>	<b>134</b>	<b>134</b>
Administration		0	134	134	134
Grants		0	0	0	0

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

The bill requires the landlord to report radon test results to inspectors. Inspector is not defined in this bill, but it is defined under Minnesota Statutes, section 504B.001, subdivision 6. We assume the inspector is the local agency that regulates housing or rental properties, and, if there is no such agency, it is the community health board. Therefore, there may be fiscal consideration for local governments collecting, processing, and providing the data when requested.

**References/Sources**

Minnesota Housing Partnership. (2021). State of the State's Housing: a biennial report of the Minnesota Housing Partnership. <https://www.mhponline.org/publications/1168-state-of-the-state-s-housing-2022>

North Country Cooperative Foundation. (2017). Minnesota Manufactured Housing Communities. [https://www.senate.mn/committees/2017-2018/3088\\_Committee\\_on\\_Agriculture\\_Rural\\_Development\\_and\\_Housing\\_Finance/MN%20MHCs%20and%20MH%20Facts.pdf](https://www.senate.mn/committees/2017-2018/3088_Committee_on_Agriculture_Rural_Development_and_Housing_Finance/MN%20MHCs%20and%20MH%20Facts.pdf)

All Parks Alliance for Change (2022). Fact sheet: manufactured home parks in Minnesota. <http://allparksallianceforchange.org/?q=reports/mnparks>

**Agency Contact:**

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