

1.1 ..... moves to amend H.F. No. 2989 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[116.196] GREEN INFRASTRUCTURE GRANT PROGRAM.**

1.4 Subdivision 1. **Establishment of program.** The commissioner must establish a green  
1.5 infrastructure grant program to provide grants for green infrastructure projects.

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

1.8 (b) "Commissioner" means the commissioner of the Pollution Control Agency.

1.9 (c) "Green infrastructure" has the meaning given in United States Code, title 33, section  
1.10 1362, as amended through December 31, 2019, and also includes trails, bridges, roads, and  
1.11 recreational amenities designed to mitigate stormwater impacts.

1.12 (d) "Political subdivision" means a county, home rule charter or statutory city, town, or  
1.13 other political subdivision of the state.

1.14 (e) "Project" means a green infrastructure project or stormwater infrastructure project  
1.15 to be owned and administered by a political subdivision.

1.16 (f) "Stormwater infrastructure" means a project that does one or more of the following:

1.17 (1) increases stormwater capacity or stormwater storage;

1.18 (2) addresses environmental damage caused by weather extremes;

1.19 (3) prevents localized flooding;

1.20 (4) creates stormwater systems that can manage flows from heavy rains;

1.21 (5) addresses public safety concerns caused by undersized stormwater systems; or

2.1 (6) ensures continuation of critical services during severe weather.

2.2 Subd. 3. **Eligibility.** A political subdivision is eligible to apply for and receive a grant  
2.3 under this section.

2.4 Subd. 4. **Application.** An application by a political subdivision for a grant under this  
2.5 section must be made at the time and in the form and manner prescribed by the commissioner.

2.6 Subd. 5. **Eligible project.** A grant may be used to acquire land or an interest in land,  
2.7 predesign, design, renovate, construct, furnish, and equip a project.

2.8 Subd. 6. **Grants.** To be eligible for a grant under this section, a political subdivision  
2.9 must timely submit an application to the commissioner and pass a resolution in support of  
2.10 the project. The commissioner may give priority to a political subdivision that provides a  
2.11 local match of funds for the project.

2.12 Sec. 2. Minnesota Statutes 2022, section 446A.07, subdivision 1a, is amended to read:

2.13 Subd. 1a. **Definitions.** (a) For the purposes of this section, the terms in this subdivision  
2.14 have the meanings given them.

2.15 (b) "Eligible recipients" means governmental units or other entities eligible to receive  
2.16 loans or other assistance as provided in title VI of the Federal Water Pollution Control Act.

2.17 (c) "Federal Water Pollution Control Act" means the Federal Water Pollution Control  
2.18 Act, as amended, United States Code, title 33, sections 1251 et seq.

2.19 (d) "Supplemental demographic index" means an index in the Environmental Justice  
2.20 Screening and Mapping Tool developed by the United States Environmental Protection  
2.21 Agency that is based on socioeconomic indicators, including low income, unemployment,  
2.22 less than high school education, limited English speaking, and low life expectancy.

2.23 Sec. 3. Minnesota Statutes 2022, section 446A.07, subdivision 8, is amended to read:

2.24 Subd. 8. **Other uses of revolving fund.** (a) The clean water revolving fund may be used  
2.25 as provided in title VI of the Federal Water Pollution Control Act, including the following  
2.26 uses:

2.27 (1) to buy or refinance the debt obligation of governmental units for treatment works  
2.28 where debt was incurred and construction begun after March 7, 1985, at or below market  
2.29 rates;

2.30 (2) to guarantee or purchase insurance for local obligations to improve credit market  
2.31 access or reduce interest rates;

3.1 (3) to provide a source of revenue or security for the payment of principal and interest  
3.2 on revenue or general obligation bonds issued by the authority if the bond proceeds are  
3.3 deposited in the fund;

3.4 (4) to provide loan guarantees, loans, or set-aside for similar revolving funds established  
3.5 by a governmental unit other than state agencies, or state agencies under sections 17.117,  
3.6 103F.725, subdivision 1a, and 116J.617;

3.7 (5) to earn interest on fund accounts; and

3.8 (6) to pay the reasonable costs incurred by the authority and the Pollution Control Agency  
3.9 of administering the fund and conducting activities required under the Federal Water Pollution  
3.10 Control Act, including water quality management planning under section 205(j) of the act  
3.11 and water quality standards continuing planning under section 303(e) of the act;

3.12 (b) The clean water revolving fund may be used to provide additional subsidization as  
3.13 permitted under the Federal Water Pollution Control Act and other federal law based on  
3.14 affordability criteria and for projects that address water or energy efficiency improvements  
3.15 and mitigate stormwater runoff as follows:

3.16 ~~(7) (1) to provide principal forgiveness or grants to the extent permitted under the Federal~~  
3.17 ~~Water Pollution Control Act and other federal law, based on the affordability criteria and~~  
3.18 ~~requirements established for the wastewater projects in the water infrastructure funding~~  
3.19 ~~program under section 446A.072; and~~

3.20 ~~(8) (2) to provide loans, principal forgiveness, or grants to the extent permitted under~~  
3.21 ~~the Federal Water Pollution Control Act and other federal law for 50 percent of project costs~~  
3.22 ~~up to a maximum of \$2,000,000 for projects to address green infrastructure, water or energy~~  
3.23 ~~efficiency improvements, or other environmentally innovative activities; or~~

3.24 (3) to provide principal forgiveness or grants for 80 percent of project costs up to  
3.25 \$5,000,000 for green infrastructure projects that provide stormwater mitigation and treatment  
3.26 in a census block or blocks with a supplemental demographic index score of 70 percent or  
3.27 greater.

3.28 ~~(b) Amounts spent under paragraph (a), clause (6), may not exceed the amount allowed~~  
3.29 ~~under the Federal Water Pollution Control Act.~~

3.30 ~~(c) Principal forgiveness or grants provided under paragraph (a), clause (8), may not~~  
3.31 ~~exceed 25 percent of the eligible project costs as determined by the Pollution Control Agency~~  
3.32 ~~for project components directly related to green infrastructure, water or energy efficiency~~

4.1 ~~improvements, or other environmentally innovative activities, up to a maximum of~~  
4.2 ~~\$1,000,000.~~

4.3 Sec. 4. Minnesota Statutes 2022, section 446A.081, subdivision 1, is amended to read:

4.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this  
4.5 subdivision have the meanings given them.

4.6 (b) "Eligible recipient" means governmental units or other entities eligible to receive  
4.7 loans or other assistance as provided in the federal Safe Drinking Water Act.

4.8 (c) "Federal Safe Drinking Water Act" means the federal Safe Drinking Water Act, as  
4.9 amended, United States Code, title 42, sections 300f et seq.

4.10 (d) "Supplemental demographic index" means an index in the Environmental Justice  
4.11 Screening and Mapping Tool developed by the United States Environmental Protection  
4.12 Agency that is based on socioeconomic indicators, including low income, unemployment,  
4.13 less than high school education, limited English speaking, and low life expectancy.

4.14 Sec. 5. Minnesota Statutes 2022, section 446A.081, subdivision 9, is amended to read:

4.15 Subd. 9. **Other uses of fund.** (a) The drinking water revolving loan fund may be used  
4.16 as provided in the act, including the following uses:

4.17 (1) to buy or refinance the debt obligations, at or below market rates, of public water  
4.18 systems for drinking water systems, where the debt was incurred after the date of enactment  
4.19 of the act, for the purposes of construction of the necessary improvements to comply with  
4.20 the national primary drinking water regulations under the federal Safe Drinking Water Act;

4.21 (2) to purchase or guarantee insurance for local obligations to improve credit market  
4.22 access or reduce interest rates;

4.23 (3) to provide a source of revenue or security for the payment of principal and interest  
4.24 on revenue or general obligation bonds issued by the authority if the bond proceeds are  
4.25 deposited in the fund;

4.26 (4) to provide loans or loan guarantees for similar revolving funds established by a  
4.27 governmental unit or state agency;

4.28 (5) to earn interest on fund accounts;

4.29 (6) to pay the reasonable costs incurred by the authority, the Department of Employment  
4.30 and Economic Development, and the Department of Health for conducting activities as  
4.31 authorized and required under the act up to the limits authorized under the act; and

5.1 (7) to develop and administer programs for water system supervision, source water  
5.2 protection, and related programs required under the act;

5.3 (b) The drinking water revolving fund may be used to provide additional subsidization  
5.4 as permitted under the Safe Drinking Water Act and other federal law to disadvantaged  
5.5 communities as follows:

5.6 ~~(8) (1) to provide principal forgiveness or grants to the extent permitted under the federal~~  
5.7 ~~Safe Drinking Water Act and other federal law, based on the affordability criteria and~~  
5.8 requirements established for drinking water projects under the water infrastructure funding  
5.9 program under section 446A.072;

5.10 ~~(9) (2) to provide loans, principal forgiveness or grants to the extent permitted under the~~  
5.11 ~~federal Safe Drinking Water Act and other federal law to address green infrastructure, water~~  
5.12 ~~or energy efficiency improvements, or other environmentally innovative activities for 50~~  
5.13 ~~percent of project costs up to a maximum of \$2,000,000 for water main replacement projects~~  
5.14 ~~in a census block or blocks with documented water main breaks and a supplemental~~  
5.15 ~~demographic index score of 70 percent or greater;~~

5.16 ~~(10) (3) to provide principal forgiveness, or grants for 80 percent of project costs up to~~  
5.17 ~~a maximum of \$100,000 for projects needed to comply with national primary drinking water~~  
5.18 ~~standards a maximum contaminant level as defined by the federal Safe Drinking Water Act~~  
5.19 ~~for an existing nonmunicipal community public water system; and~~

5.20 ~~(11) (4) to provide principal forgiveness or grants to the extent permitted under the~~  
5.21 ~~federal Safe Drinking Water Act and other federal laws for 50 percent of the project costs~~  
5.22 ~~up to a maximum of \$250,000 for projects to replace the privately owned portion of drinking~~  
5.23 ~~water lead service lines;~~

5.24 (5) to provide principal forgiveness or grants for 50 percent of project costs up to a  
5.25 maximum of \$3,000,000 for projects needed to comply with a maximum contaminant level  
5.26 as defined by the federal Safe Drinking Water Act; or

5.27 (6) to provide principal forgiveness or grants for 50 percent of project costs up to a  
5.28 maximum of \$3,000,000 for projects to address emerging contaminants in drinking water  
5.29 as defined by the United States Environmental Protection Agency.

5.30 ~~(b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not~~  
5.31 ~~exceed 25 percent of the eligible project costs as determined by the Department of Health~~  
5.32 ~~for project components directly related to green infrastructure, water or energy efficiency~~

6.1 ~~improvements, or other environmentally innovative activities, up to a maximum of~~  
6.2 ~~\$1,000,000.~~

6.3 Sec. 6. **APPROPRIATIONS; GREEN INFRASTRUCTURE PROGRAM.**

6.4 \$..... in fiscal year 2024 is appropriated from the general fund to the Pollution Control  
6.5 Agency for grants under Minnesota Statutes, section 116.196.

6.6 **EFFECTIVE DATE.** This section is effective July 1, 2023."

6.7 Amend the title accordingly