

44.28

ARTICLE 4

44.29

HOUSING STATUTORY CHANGES

44.30 Section 1. Minnesota Statutes 2018, section 299D.085, is amended by adding a subdivision
44.31 to read:

44.32 Subd. 3a. **Trailer use.** A vehicle or a combination of vehicles may tow a trailer during
44.33 the movement of an overdimensional load if:

45.1 (1) the party involved is a building mover licensed by the commissioner of transportation
45.2 under section 221.81;

45.3 (2) the building being moved is not a temporary structure;

45.4 (3) the overdimensional load is a manufactured home, as defined under section 327.31;
45.5 or

45.6 (4) the overdimensional load is a modular home, as defined under section 297A.668,
45.7 subdivision 8, paragraph (b).

45.8 Sec. 2. Minnesota Statutes 2018, section 326B.815, subdivision 1, is amended to read:

45.9 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
45.10 an initial or renewed residential contractor, residential remodeler, or residential roofer license
45.11 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
45.12 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

45.13 (b) All initial and renewal licenses, except for manufactured home installer licenses,
45.14 shall be effective for two years and shall expire on March 31 of the year after the year in
45.15 which the application is made.

45.16 (c) The commissioner shall in a manner determined by the commissioner, without the
45.17 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
45.18 residential remodeler, and residential roofer licenses from one year to two years. By June
45.19 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
45.20 licenses shall be two-year licenses.

45.21 Sec. 3. Minnesota Statutes 2018, section 327.31, is amended by adding a subdivision to
45.22 read:

45.23 Subd. 23. **Modular home.** For the purposes of this section, "modular home" means a
45.24 single-family dwelling constructed in accordance with applicable standards adopted in
45.25 Minnesota Rules, chapter 1360 or 1361, or in compliance with the 2015 Minnesota
45.26 Residential Code for a single-family dwelling with a floor area of 400 square feet or less.
45.27 The modular home must be attached to a foundation designed to the State Building Code.

1.19 Section 1. Minnesota Statutes 2018, section 326B.815, subdivision 1, is amended to read:

1.20 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
1.21 an initial or renewed residential contractor, residential remodeler, or residential roofer license
1.22 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
1.23 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

1.24 (b) All initial and renewal licenses, except for manufactured home installer licenses,
1.25 shall be effective for two years and shall expire on March 31 of the year after the year in
1.26 which the application is made.

1.27 (c) The commissioner shall in a manner determined by the commissioner, without the
1.28 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
2.1 residential remodeler, and residential roofer licenses from one year to two years. By June
2.2 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
2.3 licenses shall be two-year licenses.

2.4 Sec. 2. Minnesota Statutes 2018, section 327.31, is amended by adding a subdivision to
2.5 read:

2.6 Subd. 23. **Modular home.** For the purposes of this section, "modular home" means a
2.7 single-family dwelling constructed in accordance with applicable standards adopted in
2.8 Minnesota Rules, chapter 1360 or 1361, and attached to a foundation designed to the State
2.9 Building Code.

45.28 Sec. 4. [327.335] PLACEMENT OF MODULAR HOMES.

45.29 A modular home may be placed in a manufactured home park as defined in section
45.30 327.14, subdivision 3. A modular home placed in a manufactured home park is a
45.31 manufactured home for purposes of chapters 327, 327C, and 504B, and all rights, obligations,
46.1 and duties under those chapters apply. A modular home may not be placed in a manufactured
46.2 home park without prior written approval of the park owner. Nothing in this section shall
46.3 be construed to inhibit the application of zoning, subdivision, architectural, or esthetic
46.4 requirements pursuant to chapters 394 and 462 that otherwise apply to manufactured homes
46.5 and manufactured home parks. A modular home placed in a manufactured home park under
46.6 this section shall be assessed and taxed as a manufactured home.

46.7 Sec. 5. Minnesota Statutes 2018, section 327B.041, is amended to read:

46.8 **327B.041 MANUFACTURED HOME INSTALLERS.**

46.9 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
46.10 the requirements of sections 326B.802 to 326B.885, except for the following:

46.11 (1) manufactured home installers are not subject to the continuing education requirements
46.12 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
46.13 requirements established in rules adopted under section 327B.10;

46.14 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
46.15 home installers shall be satisfied by successful completion of a written examination
46.16 administered and developed specifically for the examination of manufactured home installers.
46.17 The examination must be administered and developed by the commissioner. The
46.18 commissioner and the state building official shall seek advice on the grading, monitoring,
46.19 and updating of examinations from the Minnesota Manufactured Housing Association;

46.20 (3) a local government unit may not place a surcharge on a license fee, and may not
46.21 charge a separate fee to installers;

46.22 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
46.23 from licensure under sections 326B.802 to 326B.885;

46.24 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
46.25 and

46.26 (6) manufactured home installers are not subject to the contractor recovery fund in
46.27 section 326B.89.

46.28 (b) The commissioner may waive all or part of the requirements for licensure as a
46.29 manufactured home installer for any individual who holds an unexpired license or certificate
46.30 issued by any other state or other United States jurisdiction if the licensing requirements of
46.31 that jurisdiction meet or exceed the corresponding licensing requirements of the department
46.32 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~

2.10 Sec. 3. [327.335] PLACEMENT OF MODULAR HOMES.

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2.12 327.14, subdivision 3. A modular home placed in a manufactured home park is a
2.13 manufactured home for purposes of chapters 327C and 504B and all rights, obligations, and
2.14 duties under those chapters apply. A modular home may not be placed in a manufactured
2.15 home park without prior written approval of the park owner. Nothing in this section shall
2.16 be construed to inhibit the application of zoning, subdivision, architectural, or esthetic
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2.25 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
2.26 requirements established in rules adopted under section 327B.10;

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2.30 The examination must be administered and developed by the commissioner. The
2.31 commissioner and the state building official shall seek advice on the grading, monitoring,
2.32 and updating of examinations from the Minnesota Manufactured Housing Association;

3.1 (3) a local government unit may not place a surcharge on a license fee, and may not
3.2 charge a separate fee to installers;

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3.4 from licensure under sections 326B.802 to 326B.885;

3.5 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
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3.7 (6) manufactured home installers are not subject to the contractor recovery fund in
3.8 section 326B.89.

3.9 (b) The commissioner may waive all or part of the requirements for licensure as a
3.10 manufactured home installer for any individual who holds an unexpired license or certificate
3.11 issued by any other state or other United States jurisdiction if the licensing requirements of
3.12 that jurisdiction meet or exceed the corresponding licensing requirements of the department
3.13 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~

47.1 purposes of calculating fees under section 326B.092, licensure as a manufactured home
47.2 installer is a business license.

3.14 purposes of calculating fees under section 326B.092, licensure as a manufactured home
3.15 installer is a business license.

3.16 Sec. 5. Minnesota Statutes 2018, section 327C.01, is amended by adding a subdivision to
3.17 read:

3.18 Subd. 8a. **Representative acting on behalf of residents.** "Representative acting on
3.19 behalf of residents" means a representative who is authorized to represent residents in the
3.20 purchase of property for the purposes of this chapter, and has gained that authorization by
3.21 obtaining the signature of support from at least one resident who is a signatory to the home's
3.22 lot lease agreement as defined by section 327C.01, subdivision 9, from at least 51 percent
3.23 of the occupied homes in a manufactured home park. The signature of a resident who is a
3.24 signatory to the home's lot lease agreement asserting that they are a resident of that
3.25 manufactured home park shall be presumptive evidence of the claim that the representative
3.26 is authorized to act on behalf of the resident and shall be exclusive to only one representative
3.27 acting on behalf of residents.

3.28 Sec. 6. Minnesota Statutes 2018, section 327C.095, subdivision 1, is amended to read:

3.29 Subdivision 1. **Conversion of use; minimum notice.** (a) At least ~~nine~~ 12 months before
3.30 the conversion of all or a portion of a manufactured home park to another use, or before
3.31 closure of a manufactured home park or cessation of use of the land as a manufactured home
3.32 park, the park owner must prepare a closure statement and provide a copy to the
4.1 commissioners of health and the housing finance agency, the local planning agency, and a
4.2 resident of each manufactured home where the residential use is being converted. The
4.3 closure statement must include the following language in a font no smaller than 14 point:
4.4 "YOU MAY BE ENTITLED TO COMPENSATION FROM THE MINNESOTA
4.5 MANUFACTURED HOME RELOCATION TRUST FUND ADMINISTERED BY THE
4.6 MINNESOTA HOUSING FINANCE AGENCY." A resident may not be required to vacate
4.7 until ~~60~~ 90 days after the conclusion of the public hearing required under subdivision 4. If
4.8 a lot is available in another section of the park that will continue to be operated as a park,
4.9 the park owner must allow the resident to relocate the home to that lot unless the home,
4.10 because of its size or local ordinance, is not compatible with that lot.

4.11 (b) Closure statements issued more than 24 months prior to the park closure must contain
4.12 a closure date. If the closure does not take place within 24 months and the original statement
4.13 does not contain a closure date, the statement must be reissued to the commissioners of
4.14 health and the Housing Finance Agency, the local planning agency, and a resident of each
4.15 manufactured home where the residential use is being converted.

4.16 Sec. 7. Minnesota Statutes 2018, section 327C.095, subdivision 2, is amended to read:

4.17 Subd. 2. **Notice of hearing; proposed change in land use.** If the planned conversion
4.18 or cessation of operation requires a variance or zoning change, the ~~municipality~~ local
4.19 government authority must mail a notice at least ten days before the hearing to a resident
4.20 of each manufactured home in the park stating the time, place, and purpose of the public

47.3 Sec. 6. Minnesota Statutes 2018, section 327C.095, subdivision 4, is amended to read:

47.4 Subd. 4. **Public hearing; relocation compensation; neutral third party.** Within 90
 47.5 days after receiving notice of a closure statement, the governing body of the affected
 47.6 municipality shall hold a public hearing to review the closure statement and any impact that
 47.7 the park closing may have on the displaced residents and the park owner. At the time of,
 47.8 and in the notice for, the public hearing, displaced residents must be informed that they may
 47.9 be eligible for payments from the Minnesota manufactured home relocation trust fund under
 47.10 section 462A.35 as compensation for reasonable relocation costs under subdivision 13,
 47.11 paragraphs (a) and (e).

47.12 The governing body of the municipality may also require that other parties, including
 47.13 the municipality, but excluding the park owner or its purchaser, involved in the park closing
 47.14 provide additional compensation to residents to mitigate the adverse financial impact of the
 47.15 park closing upon the residents.

47.16 At the public hearing, the municipality shall appoint a qualified neutral third party, to
 47.17 be agreed upon by both the manufactured home park owner and manufactured home owners,
 47.18 whose hourly cost must be reasonable and paid from the Minnesota manufactured home
 47.19 relocation trust fund. The neutral third party shall act as a paymaster and arbitrator, with
 47.20 decision-making authority to resolve any questions or disputes regarding any contributions
 47.21 or disbursements to and from the Minnesota manufactured home relocation trust fund by
 47.22 either the manufactured home park owner or the manufactured home owners. If the parties
 47.23 cannot agree on a neutral third party, the municipality will make a determination determine
 47.24 who shall act as the neutral third party.

47.25 The qualified neutral third party shall be familiar with manufactured housing and the
 47.26 requirements of this section. The neutral third party shall keep an overall receipts and cost
 47.27 summary together with a detailed accounting, for each manufactured lot, of the payments
 47.28 received by the manufactured home park owner, and expenses approved and payments

4.21 hearing. The park owner shall provide the municipality local government authority with a
 4.22 list of the names and addresses of at least one resident of each manufactured home in the
 4.23 park at the time application is made for a variance or zoning change.

4.24 Sec. 8. Minnesota Statutes 2018, section 327C.095, subdivision 3, is amended to read:

4.25 Subd. 3. **Closure statement.** Upon receipt of the closure statement from the park owner,
 4.26 the local planning agency shall submit the closure statement to the governing body of the
 4.27 municipality local government authority and request the governing body to schedule a public
 4.28 hearing. The municipality local government authority must mail a notice at least ten days
 4.29 before the hearing to a resident of each manufactured home in the park stating the time,
 4.30 place, and purpose of the public hearing. The park owner shall provide the municipality
 4.31 local government authority with a list of the names and addresses of at least one resident
 4.32 of each manufactured home in the park at the time the closure statement is submitted to the
 4.33 local planning agency.

5.1 Sec. 9. Minnesota Statutes 2018, section 327C.095, subdivision 4, is amended to read:

5.2 Subd. 4. **Public hearing; relocation compensation; neutral third party.** (a) The
 5.3 governing body of the affected municipality local government authority shall hold a public
 5.4 hearing to review the closure statement and any impact that the park closing may have on
 5.5 the displaced residents and the park owner. At the time of, and in the notice for, the public
 5.6 hearing, displaced residents must be informed that they may be eligible for payments from
 5.7 the Minnesota manufactured home relocation trust fund under section 462A.35 as
 5.8 compensation for reasonable relocation costs under subdivision 13, paragraphs (a) and (e).

5.9 (b) The governing body of the municipality local government authority may also require
 5.10 that other parties, including the municipality local government authority, but excluding the
 5.11 park owner or its purchaser, involved in the park closing provide additional compensation
 5.12 to residents to mitigate the adverse financial impact of the park closing upon the residents.

5.13 (c) At the public hearing, the municipality local government authority shall appoint a
 5.14 neutral third party, to be agreed upon by both the manufactured home park owner and
 5.15 manufactured home owners, whose hourly cost must be reasonable and paid from the
 5.16 Minnesota manufactured home relocation trust fund. The neutral third party shall act as a
 5.17 paymaster and arbitrator, with decision-making authority to resolve any questions or disputes
 5.18 regarding any contributions or disbursements to and from the Minnesota manufactured
 5.19 home relocation trust fund by either the manufactured home park owner or the manufactured
 5.20 home owners. If the parties cannot agree on a neutral third party, the municipality will local
 5.21 government authority shall make a determination.

47.29 disbursed to the manufactured home owners, pursuant to subdivisions 12 and 13, as well
 47.30 as a record of all services and hours it provided and at what hourly rate it charged to the
 47.31 Minnesota manufactured home trust fund. This detailed accounting shall be provided to the
 47.32 manufactured home park owner, the municipality, and the Minnesota Housing Finance
 47.33 Agency to be included in its yearly October 15 report as required in subdivision 13, paragraph
 48.1 (h), not later than 30 days after the expiration of the nine-month notice provided in the
 48.2 closure statement.

48.3 Sec. 7. Minnesota Statutes 2018, section 327C.095, subdivision 6, is amended to read:

48.4 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of
 48.5 an agreement to purchase a manufactured home park, the purchaser must notify the park
 48.6 owner, in writing, if the purchaser intends to close the manufactured home park or convert
 48.7 it to another use within one year of the execution of the agreement. The park owner shall
 48.8 provide a resident of each manufactured home with a 45-day written notice of the purchaser's
 48.9 intent to close the park or convert it to another use. The notice must state that the park owner
 48.10 will provide information on the cash price and the terms and conditions of the purchaser's
 48.11 offer to residents requesting the information. The notice must be sent by first class mail to
 48.12 a resident of each manufactured home in the park. The notice period begins on the postmark
 48.13 date affixed to the notice and ends 45 days after it begins. During the notice period required
 48.14 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park
 48.15 or a nonprofit organization which has the written permission of the owners of at least 51
 48.16 percent of the manufactured homes in the park to represent them in the acquisition of the
 48.17 park shall have the right to meet the cash price and execute an agreement to purchase the
 48.18 park for the purposes of keeping the park as a manufactured housing community, provided
 48.19 that the owners or nonprofit organization will covenant and warrant to the park owner in
 48.20 the agreement that they will continue to operate the park for not less than six years from
 48.21 the date of closing. The covenant must be in writing and must be recorded with the office
 48.22 of the county recorder or registrar of titles to remain in effect. The park owner must accept
 48.23 the offer if it meets the cash price and the same terms and conditions set forth in the
 48.24 purchaser's offer except that the seller is not obligated to provide owner financing. For
 48.25 purposes of this section, cash price means the cash price offer or equivalent cash offer as
 48.26 defined in section 500.245, subdivision 1, paragraph (d).

5.22 (d) At the public hearing, the governing body of the local government authority shall
 5.23 determine if any ordinance was in effect on May 26, 2007, that would provide compensation
 5.24 to displaced residents and provide this information to the third party neutral to determine
 5.25 the applicable amount of compensation under subdivision 13, paragraph (f).

5.26 Sec. 10. Minnesota Statutes 2018, section 327C.095, subdivision 6, is amended to read:

5.27 Subd. 6. **Intent to convert use of park at time of purchase.** (a) Before the execution
 5.28 of an agreement to purchase a manufactured home park, the purchaser must notify the park
 5.29 owner, in writing, if the purchaser intends to close the manufactured home park or convert
 5.30 it to another use within one year of the execution of the agreement. If so, the park owner
 5.31 shall provide a resident of each manufactured home with a 45-day written notice of the
 5.32 purchaser's intent to close the park or convert it to another use and may not enter into a
 5.33 purchase agreement for the sale of the park other than with a representative acting on behalf
 5.34 of residents, until the 45 days have expired. The notice must state that the park owner will
 6.1 promptly provide information on the cash price and the terms and conditions of the
 6.2 purchaser's offer to residents requesting the information. The notice must be sent by first
 6.3 class mail to a resident of each manufactured home in the park and made available in
 6.4 alternative formats or translations if requested by a resident and the request is a reasonable
 6.5 accommodation due to a disability of an adult resident or because there is not an adult
 6.6 resident who is able to speak the language the notice is provided in. The notice period begins
 6.7 on the postmark date affixed to the notice and ends 45 days after it begins. During the notice
 6.8 period required in this subdivision, the owners of at least 51 percent of the manufactured
 6.9 homes in the park or a nonprofit organization which has the written permission of the owners
 6.10 of at least 51 percent of the manufactured homes in the park to represent them in the
 6.11 acquisition of the park a representative acting on behalf of residents shall have the right to
 6.12 make an offer to meet the cash price and execute an agreement to purchase the park for the
 6.13 purposes of keeping the park as a manufactured housing community to agree to material
 6.14 terms and conditions set forth in the purchaser's offer and to execute an agreement to purchase
 6.15 the park for the purposes of keeping the park as a manufactured housing community. The
 6.16 park owner must accept the offer if it meets in good faith negotiate a purchase agreement
 6.17 meeting the cash price and the same terms and conditions set forth in the purchaser's offer
 6.18 except that the seller is not obligated to provide owner financing. For purposes of this
 6.19 section, cash price means the cash price offer or equivalent cash offer as defined in section
 6.20 500.245, subdivision 1, paragraph (d). The purchase agreement must permit the representative

- 6.21 a commercially reasonable due diligence period with access by the representative to all
6.22 information reasonably necessary to make an informed decision regarding the purchase.
6.23 The representative may be required to enter into a confidentiality agreement regarding the
6.24 information.
- 6.25 (b) A representative acting on behalf of residents must provide ten percent of the offer
6.26 price as earnest money upon gaining the required number of signatures to represent the
6.27 residents in the purchase of a manufactured home park. The earnest money is refundable
6.28 after six months; however, the earnest money may become nonrefundable if the representative
6.29 acting on behalf of residents is unable to complete the purchase, and the original purchaser
6.30 withdraws the offer during the 45-day period in paragraph (a), and the manufactured home
6.31 park is sold to another purchaser for a lower price within six months of the notice to residents
6.32 in paragraph (a), then the park owner will be compensated from the earnest money for the
6.33 difference between the offer made by the original purchaser and the actual lower purchase
6.34 price.
- 7.1 (c) In the event of a sale to a representative acting on behalf of residents, the
7.2 representative must certify to the commissioner of commerce that the property will be
7.3 preserved as a manufactured home park for ten years from the date of the sale.
- 7.4 Sec. 11. Minnesota Statutes 2018, section 327C.095, subdivision 7, is amended to read:
- 7.5 Subd. 7. ~~Intent to convert~~ **Conversion of use of park after purchase.** If the purchaser
7.6 residents of a manufactured home park decides to convert the park to another use within
7.7 one year after the purchase of the park, the purchaser must offer the park for purchase by
7.8 the residents of the park have not been provided the written notice of intent to close the park
7.9 required by subdivision 6, the purchaser may not provide residents with the notice required
7.10 by subdivision 1 until 12 months after the date of purchase. For purposes of this subdivision,
7.11 the date of purchase is the date of the transfer of the title to the purchaser. The purchaser
7.12 must provide a resident of each manufactured home with a written notice of the intent to
7.13 close the park and all of the owners of at least 51 percent of the manufactured homes in the
7.14 park or a nonprofit organization which has the written permission of the owners of at least
7.15 51 percent of the manufactured homes in the park to represent them in the acquisition of
7.16 the park shall have 45 days to execute an agreement for the purchase of the park at a cash
7.17 price equal to the original purchase price paid by the purchaser plus any documented expenses
7.18 relating to the acquisition and improvement of the park property, together with any increase
7.19 in value due to appreciation of the park. The purchaser must execute the purchase agreement
7.20 at the price specified in this subdivision and pay the cash price within 90 days of the date
7.21 of the purchase agreement. The notice must be sent by first class mail to a resident of each
7.22 manufactured home in the park. The notice period begins on the postmark date affixed to
7.23 the notice and ends 45 days after it begins.
- 7.24 Sec. 12. Minnesota Statutes 2018, section 327C.095, subdivision 9, is amended to read:
- 7.25 Subd. 9. **Effect of noncompliance.** If a manufactured home park is finally sold or
7.26 converted to another use in violation of subdivision 6 or 7, the residents do not have any

48.27 Sec. 8. Minnesota Statutes 2018, section 327C.095, subdivision 12, is amended to read:

48.28 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)

48.29 If a manufactured home owner is required to move due to the conversion of all or a portion

48.30 of a manufactured home park to another use, the closure of a park, or cessation of use of

48.31 the land as a manufactured home park, the manufactured park owner shall, upon the change

48.32 in use, pay to the commissioner of management and budget for deposit in the Minnesota

48.33 manufactured home relocation trust fund under section 462A.35, the lesser amount of the

48.34 actual costs of moving or purchasing the manufactured home approved by the neutral third

49.1 party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph

49.2 (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each

49.3 multisection manufactured home, for which a manufactured home owner has made

49.4 application for payment of relocation costs under subdivision 13, paragraph (c). The

49.5 manufactured home park owner shall make payments required under this section to the

49.6 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice

49.7 from the neutral third party.

49.8 (b) A manufactured home park owner is not required to make the payment prescribed

49.9 under paragraph (a), nor is a manufactured home owner entitled to compensation under

49.10 subdivision 13, paragraph (a) or (e), if:

49.11 (1) the manufactured home park owner relocates the manufactured home owner to

49.12 another space in the manufactured home park or to another manufactured home park at the

49.13 park owner's expense;

7.27 ~~continuing right to purchase the park as a result of that sale or conversion. A violation of~~

7.28 ~~subdivision 6 or 7 is subject to have a right to any remedy provided in section 8.31, except~~

7.29 ~~that relief shall be limited so that questions of marketability of title shall not be affected.~~

7.30 Sec. 13. Minnesota Statutes 2018, section 327C.095, subdivision 11, is amended to read:

7.31 Subd. 11. **Affidavit of compliance.** After a park is sold, a ~~park owner or other person~~

7.32 ~~with personal knowledge~~ bona fide purchaser acting in good faith may record an affidavit

7.33 with the county recorder or registrar of titles in the county in which the park is located

8.1 certifying compliance with subdivision 6 ~~or 7~~ or that ~~subdivisions~~ subdivision 6 and 7 are

8.2 is not applicable. The affidavit may be used as ~~proof of the facts stated in the affidavit. A~~

8.3 ~~person acquiring an interest in a park or a title insurer or attorney who prepares, furnishes,~~

8.4 ~~or examines evidence of title may rely on the truth and accuracy of statements made in the~~

8.5 ~~affidavit and is not required to inquire further as to the park owner's compliance with~~

8.6 ~~subdivisions 6 and 7. When an affidavit is recorded, the right to purchase provided under~~

8.7 ~~subdivisions 6 and 7 terminate, and if registered property, the registrar of titles shall delete~~

8.8 ~~the memorials of the notice and affidavit from future certificates of title~~ presumptive evidence

8.9 of compliance.

8.10 Sec. 14. Minnesota Statutes 2018, section 327C.095, subdivision 12, is amended to read:

8.11 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)

8.12 If a manufactured home owner is required to move due to the conversion of all or a portion

8.13 of a manufactured home park to another use, the closure of a park, or cessation of use of

8.14 the land as a manufactured home park, the manufactured park owner shall, upon the change

8.15 in use, pay to the commissioner of management and budget for deposit in the Minnesota

8.16 manufactured home relocation trust fund under section 462A.35, the lesser amount of the

8.17 actual costs of moving or purchasing the manufactured home approved by the neutral third

8.18 party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph

8.19 (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each

8.20 multisection manufactured home, for which a manufactured home owner has made

8.21 application for payment of relocation costs under subdivision 13, paragraph (c). The

8.22 manufactured home park owner shall make payments required under this section to the

8.23 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice

8.24 from the neutral third party.

8.25 (b) A manufactured home park owner is not required to make the payment prescribed

8.26 under paragraph (a), nor is a manufactured home owner entitled to compensation under

8.27 subdivision 13, paragraph (a) or (e), if:

8.28 (1) the manufactured home park owner relocates the manufactured home owner to

8.29 another space in the manufactured home park or to another manufactured home park at the

8.30 park owner's expense;

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

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

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

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

49.27 (6) the owner of the manufactured home is not a resident of the manufactured home
 49.28 park, as defined in section 327C.01, subdivision 9, ~~or~~ the owner of the manufactured home
 49.29 is a resident, but came to reside in the manufactured home park after the mailing date of
 49.30 the closure statement under subdivision 1; or the owner of the manufactured home has not
 49.31 paid the \$15 assessment under paragraph (c).

49.32 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
 49.33 is less than \$1,000,000 as of June 30 of each year, the commissioner of management and
 50.1 budget shall assess each manufactured home park owner by mail the total amount of \$15
 50.2 for each licensed lot in their park, payable on or before ~~September~~ November 15 of that
 50.3 year. ~~The commissioner of management Failure to notify and budget shall deposit any~~
 50.4 ~~payments in the Minnesota~~ timely assess the manufactured home relocation trust fund. On
 50.5 or before July 15 of park owner by August 30 of any year shall waive the assessment and
 50.6 payment obligations of the manufactured home park owner for that year. Together with said
 50.7 assessment notice, each year; the commissioner of management and budget shall prepare
 50.8 and distribute to park owners a letter explaining whether funds are being collected for that
 50.9 year, information about the collection, an invoice for all licensed lots, and a sample form
 50.10 for the park owners to collect information on which park residents have been accounted
 50.11 for. If assessed under this paragraph, the park owner may recoup the cost of the \$15
 50.12 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park
 50.13 residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park
 50.14 owners may adjust payment for lots in their park that are vacant or otherwise not eligible
 50.15 for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b),
 50.16 and for park residents who have not paid the \$15 assessment to the park owner by October
 50.17 15, and deduct from the assessment accordingly. The commissioner of management and
 50.18 budget shall deposit any payments in the Minnesota manufactured home relocation trust
 50.19 fund.

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

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

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

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

9.11 (6) the owner of the manufactured home is not a resident of the manufactured home
 9.12 park, as defined in section 327C.01, subdivision 9, ~~or~~ the owner of the manufactured home
 9.13 is a resident, but came to reside in the manufactured home park after the mailing date of
 9.14 the closure statement under subdivision 1.

9.15 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
 9.16 is less than ~~\$1,000,000~~ \$3,000,000 as of June 30 of each year, the commissioner of
 9.17 management and budget shall assess each manufactured home park owner by mail the total
 9.18 amount of \$15 for each licensed lot in their park, payable on or before September 15 of that
 9.19 year. ~~The commissioner of management and budget shall deposit any payments in the~~
 9.20 Minnesota ~~manufactured home relocation trust fund. On or before July 15 of each year,~~ the
 9.21 commissioner of management and budget shall prepare and distribute to park owners a letter
 9.22 explaining whether funds are being collected for that year, information about the collection,
 9.23 an invoice for all licensed lots, and a sample form for the park owners to collect information
 9.24 on which park residents have been accounted for. If assessed under this paragraph, the park
 9.25 owner may recoup the cost of the \$15 assessment as a lump sum or as a monthly fee of no
 9.26 more than \$1.25 collected from park residents together with monthly lot rent as provided
 9.27 in section 327C.03, subdivision 6. Park owners may adjust payment for lots in their park
 9.28 that are vacant or otherwise not eligible for contribution to the trust fund under section
 9.29 327C.095, subdivision 12, paragraph (b), and deduct from the assessment accordingly.

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

50.24 Sec. 9. Minnesota Statutes 2018, section 327C.095, subdivision 13, is amended to read:

50.25 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a
50.26 manufactured home owner is required to relocate due to the conversion of all or a portion
50.27 of a manufactured home park to another use, the closure of a manufactured home park, or
50.28 cessation of use of the land as a manufactured home park under subdivision 1, and the
50.29 manufactured home owner complies with the requirements of this section, the manufactured
50.30 home owner is entitled to payment from the Minnesota manufactured home relocation trust
50.31 fund equal to the manufactured home owner's actual relocation costs for relocating the
50.32 manufactured home to a new location within a ~~25~~ 50-mile radius of the park that is being
50.33 closed, up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection
50.34 manufactured home. The actual relocation costs must include the reasonable cost of taking
50.35 down, moving, and setting up the manufactured home, including equipment rental, utility
51.1 connection and disconnection charges, minor repairs, modifications necessary for
51.2 transportation of the home, necessary moving permits and insurance, moving costs for any
51.3 appurtenances, which meet applicable local, state, and federal building and construction
51.4 codes.

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

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

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

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

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

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

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

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

10.1 Sec. 15. Minnesota Statutes 2018, section 327C.095, subdivision 13, is amended to read:

10.2 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a
10.3 manufactured home owner is required to relocate due to the conversion of all or a portion
10.4 of a manufactured home park to another use, the closure of a manufactured home park, or
10.5 cessation of use of the land as a manufactured home park under subdivision 1, and the
10.6 manufactured home owner complies with the requirements of this section, the manufactured
10.7 home owner is entitled to payment from the Minnesota manufactured home relocation trust
10.8 fund equal to the manufactured home owner's actual relocation costs for relocating the
10.9 manufactured home to a new location within a ~~25-mile~~ 50-mile radius of the park that is
10.10 being closed, up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection
10.11 manufactured home. The actual relocation costs must include the reasonable cost of taking
10.12 down, moving, and setting up the manufactured home, including equipment rental, utility
10.13 connection and disconnection charges, minor repairs, modifications necessary for
10.14 transportation of the home, necessary moving permits and insurance, moving costs for any
10.15 appurtenances, which meet applicable local, state, and federal building and construction
10.16 codes.

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

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

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

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

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

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

10.31 (5) a statement from the manufactured park owner that the lot rental is current ~~and that~~
10.32 ~~the annual \$15 payments to the Minnesota manufactured home relocation trust fund have~~
10.33 ~~been paid when due~~; and

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

51.24 (d) The neutral third party shall promptly process all payments for completed applications
51.25 within 14 days. If the neutral third party has acted reasonably and does not approve or deny
51.26 payment within 45 days after receipt of the information set forth in paragraph (c), the
51.27 payment is deemed approved. Upon approval and request by the neutral third party, the
51.28 Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent
51.29 of the contract price payable to the mover and towing contractor for relocating the
51.30 manufactured home in the amount of the actual relocation cost, plus a check to the home
51.31 owner for additional certified costs associated with third-party vendors, that were necessary
51.32 in relocating the manufactured home. The moving or towing contractor shall receive 50
51.33 percent upon execution of the contract and 50 percent upon completion of the relocation
52.1 and approval by the manufactured home owner. The moving or towing contractor may not
52.2 apply the funds to any other purpose other than relocation of the manufactured home as
52.3 provided in the contract. A copy of the approval must be forwarded by the neutral third
52.4 party to the park owner with an invoice for payment of the amount specified in subdivision
52.5 12, paragraph (a).

52.6 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home
52.7 relocation trust fund under paragraph (a), the manufactured home owner may collect an
52.8 amount from the fund after reasonable efforts to relocate the manufactured home have failed
52.9 due to the age or condition of the manufactured home, or because there are no manufactured
52.10 home parks willing or able to accept the manufactured home within a 25-mile radius. A
52.11 manufactured home owner may tender title of the manufactured home in the manufactured
52.12 home park to the manufactured home park owner, and collect an amount to be determined
52.13 by an independent appraisal. The appraiser must be agreed to by both the manufactured
52.14 home park owner and the manufactured home owner. If the appraised market value cannot
52.15 be determined, the tax market value, averaged over a period of five years, can be used as a
52.16 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a
52.17 single-section and \$14,500 for a multisection manufactured home. The minimum amount
52.18 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a
52.19 multisection manufactured home. The manufactured home owner shall deliver to the
52.20 manufactured home park owner the current certificate of title to the manufactured home
52.21 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate
52.22 of title, and a statement from the county where the manufactured home is located evidencing
52.23 that the personal property taxes have been paid. The manufactured home owner's application
52.24 for funds under this paragraph must include a document certifying that the manufactured
52.25 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the
52.26 Minnesota manufactured home relocation trust fund have been paid when due, that the
52.27 manufactured home owner has chosen to tender title under this section, and that the park
52.28 owner agrees to make a payment to the commissioner of management and budget in the
52.29 amount established in subdivision 12, paragraph (a), less any documented costs submitted
52.30 to the neutral third party, required for demolition and removal of the home, and any debris

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

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

11.17 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home
11.18 relocation trust fund under paragraph (a), the manufactured home owner may collect an
11.19 amount from the fund after reasonable efforts to relocate the manufactured home have failed
11.20 due to the age or condition of the manufactured home, or because there are no manufactured
11.21 home parks willing or able to accept the manufactured home within a 25-mile radius. A
11.22 manufactured home owner may tender title of the manufactured home in the manufactured
11.23 home park to the manufactured home park owner, and collect an amount to be determined
11.24 by an independent appraisal. The appraiser must be agreed to by both the manufactured
11.25 home park owner and the manufactured home owner. If the appraised market value cannot
11.26 be determined, the tax market value, averaged over a period of five years, can be used as a
11.27 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a
11.28 single-section and \$14,500 for a multisection manufactured home. The minimum amount
11.29 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a
11.30 multisection manufactured home. The manufactured home owner shall deliver to the
11.31 manufactured home park owner the current certificate of title to the manufactured home
11.32 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate
11.33 of title, and a statement from the county where the manufactured home is located evidencing
11.34 that the personal property taxes have been paid. The manufactured home owner's application
11.35 for funds under this paragraph must include a document certifying that the manufactured
12.1 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the
12.2 Minnesota manufactured home relocation trust fund have been paid when due, that the
12.3 manufactured home owner has chosen to tender title under this section, and that the park
12.4 owner agrees to make a payment to the commissioner of management and budget in the
12.5 amount established in subdivision 12, paragraph (a), less any documented costs submitted
12.6 to the neutral third party, required for demolition and removal of the home, and any debris

52.31 or refuse left on the lot, not to exceed ~~\$1,000~~ \$3,000. The manufactured home owner must
 52.32 also provide a copy of the certificate of title endorsed by the owner of record, and certify
 52.33 to the neutral third party, with a copy to the park owner, that none of the exceptions to
 52.34 receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the
 52.35 manufactured home owner, and that the home owner will vacate the home within 60 days
 53.1 after receipt of payment or the date of park closure, whichever is earlier, provided that the
 53.2 monthly lot rent is kept current.

53.3 (f) The Minnesota Housing Finance Agency must make a determination of the amount
 53.4 of payment a manufactured home owner would have been entitled to under a local ordinance
 53.5 in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured home owner's
 53.6 compensation for relocation costs from the fund under section 462A.35, is the greater of
 53.7 the amount provided under this subdivision, or the amount under the local ordinance in
 53.8 effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this
 53.9 paragraph is intended to increase the liability of the park owner.

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

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

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

12.7 or refuse left on the lot, not to exceed \$1,000. The manufactured home owner must also
 12.8 provide a copy of the certificate of title endorsed by the owner of record, and certify to the
 12.9 neutral third party, with a copy to the park owner, that none of the exceptions to receipt of
 12.10 compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the
 12.11 manufactured home owner, and that the home owner will vacate the home within 60 days
 12.12 after receipt of payment or the date of park closure, whichever is earlier, provided that the
 12.13 monthly lot rent is kept current.

12.14 (f) ~~The Minnesota Housing Finance Agency must make a determination of the amount~~
 12.15 ~~of payment a manufactured home owner would have been entitled to under a local ordinance~~
 12.16 ~~in effect on May 26, 2007.~~ Notwithstanding paragraph (a), the manufactured home owner's
 12.17 compensation for relocation costs from the fund under section 462A.35, is the greater of
 12.18 the amount provided under this subdivision, or the amount under the local ordinance in
 12.19 effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this
 12.20 paragraph is intended to increase the liability of the park owner.

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

12.25 (h) The agency shall report to the chairs of the senate Finance Committee and house of
 12.26 representatives Ways and Means Committee by January 15 of each year on the Minnesota
 12.27 manufactured home relocation trust fund, including the account balance, payments to
 12.28 claimants, the amount of any advances to the fund, the amount of any insufficiencies
 12.29 encountered during the previous calendar year, and any administrative charges or expenses
 12.30 deducted from the trust fund balance. If sufficient funds become available, the Minnesota
 12.31 Housing Finance Agency shall pay the manufactured home owner whose unpaid claim is
 12.32 the earliest by time and date of approval.

54.1 Sec. 10. Minnesota Statutes 2018, section 327C.095, is amended by adding a subdivision
54.2 to read:

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

54.11 Sec. 11. Minnesota Statutes 2018, section 428A.11, subdivision 4, is amended to read:

54.12 Subd. 4. **Housing improvements.** "Housing improvements" has the meaning given in
54.13 the city's enabling ordinance. Housing improvements may include improvements to common
54.14 elements of a condominium or other common interest community, or to a manufactured
54.15 home park.

54.16 Sec. 12. Minnesota Statutes 2018, section 428A.11, subdivision 6, is amended to read:

54.17 Subd. 6. **Housing unit.** "Housing unit" means real property and improvements thereon
54.18 consisting of a one-dwelling unit, or an apartment or unit as described in chapter 515, 515A,
54.19 or 515B, respectively, or a manufactured home in a manufactured home park that is occupied
54.20 by a person or family for use as a residence.

54.21 Sec. 13. Minnesota Statutes 2018, section 462A.2035, subdivision 1a, is amended to read:

54.22 Subd. 1a. **Individual assistance grants.** Eligible recipients may use individual assistance
54.23 grants and loans under this program to:

13.1 Sec. 16. Minnesota Statutes 2018, section 327C.095, is amended by adding a subdivision
13.2 to read:

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

13.11 Sec. 17. Minnesota Statutes 2018, section 428A.11, subdivision 4, is amended to read:

13.12 Subd. 4. **Housing improvements.** "Housing improvements" has the meaning given in
13.13 the city's enabling ordinance. Housing improvements may include improvements to common
13.14 elements of a condominium or other common interest community or to a manufactured
13.15 home park.

13.16 Sec. 18. Minnesota Statutes 2018, section 428A.11, subdivision 6, is amended to read:

13.17 Subd. 6. **Housing unit.** "Housing unit" means real property and improvements thereon
13.18 consisting of a one-dwelling unit, or an apartment or unit as described in chapter 515, 515A,
13.19 or 515B, respectively, or a manufactured home in a manufactured home park that is occupied
13.20 by a person or family for use as a residence.

13.21 Sec. 19. Minnesota Statutes 2018, section 462A.05, is amended by adding a subdivision
13.22 to read:

13.23 Subd. 42. **30-year affordability covenants.** The agency may impose rent, income, or
13.24 rent and income restrictions on a multifamily rental housing development as a condition of
13.25 agency loans as required in this chapter, or as a condition of an allocation or award of federal
13.26 low-income housing tax credits. If the agency imposes rent, income, or rent and income
13.27 restrictions on a multifamily rental housing development, the rent, income, or rent and
13.28 income restrictions must be contained and maintained in a covenant running with the land
13.29 for at least 30 years. The agency may waive this requirement if it determines a waiver is
13.30 necessary to finance an affordable multifamily rental housing development that furthers the
13.31 policies in this chapter.

14.1 **EFFECTIVE DATE.** This section is effective July 1, 2020, and applies on or after that
14.2 date to any multifamily rental housing development for which the agency makes a loan or
14.3 allocates or awards low-income housing tax credits.

14.4 Sec. 20. Minnesota Statutes 2018, section 462A.2035, subdivision 1a, is amended to read:

14.5 Subd. 1a. **Individual assistance grants.** Eligible recipients may use individual assistance
14.6 grants and loans under this program to:

54.24 (1) provide current residents of manufactured home parks with buy-out assistance not
 54.25 to exceed \$4,000 per home with preference given to older manufactured homes; and

54.26 (2) provide down-payment assistance for the purchase of new and preowned manufactured
 54.27 homes that comply with the current version of the State Building United States Department
 54.28 of Housing and Urban Development's Manufactured Housing Code in effect at the time of
 54.29 the sale, not to exceed \$10,000 per home.

55.1 Sec. 14. Minnesota Statutes 2018, section 462A.2035, subdivision 1b, is amended to read:

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

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

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

55.6 Sec. 15. Minnesota Statutes 2018, section 462A.209, subdivision 8, is amended to read:

55.7 Subd. 8. **Report.** (a) By January 10 of every year, each nonprofit organization or political
 55.8 subdivision that delivers services under this section and capacity building under section
 55.9 462A.21, subdivision 3b, must submit a report to the agency that summarizes the number
 55.10 of people served and the sources and amounts of nonstate money used to fund the services.
 55.11 The report must include, at a minimum, the following information:

55.12 (1) details of program costs;

55.13 (2) the number of staff, both within the organization and any outside organization;

55.14 (3) the number of program participants;

55.15 (4) the demographic information including, but not limited to, race, age, gender, and
 55.16 income of program participants;

55.17 (5) a list of any and all subgrantees receiving funds from the program, as well as the
 55.18 amount of funding received;

55.19 (6) information about other sources of funding including other public or private funding
 55.20 or in-kind donations;

55.21 (7) evidence that the organization administering a program or a subgrantee of a program
 55.22 is in good standing with the Minnesota Secretary of State and the Minnesota Department
 55.23 of Revenue;

55.24 (8) a short description of what each program does; and

55.25 (9) to the extent practicable, quantifiable measures of program success.

55.26 (b) The agency shall annually submit a report containing the information received from
 55.27 nonprofit organizations and political subdivisions under paragraph (a) to the legislature

14.7 (1) provide current residents of manufactured home parks with buy-out assistance not
 14.8 to exceed \$4,000 per home with preference given to older manufactured homes; and

14.9 (2) provide down-payment assistance for the purchase of new and preowned manufactured
 14.10 homes that comply with the current version of the State Building United States Department
 14.11 of Housing and Urban Development's Manufactured Housing Code in effect at the time of
 14.12 the sale, not to exceed \$10,000 per home.

14.13 Sec. 21. Minnesota Statutes 2018, section 462A.2035, subdivision 1b, is amended to read:

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

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

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

55.28 members of the legislative housing policy and finance committees and divisions by February
55.29 15.

56.1 (c) A program required to report under paragraph (a) is ineligible for future state funding
56.2 if it does not submit all of the information required under paragraph (a).

14.18 Sec. 22. Minnesota Statutes 2018, section 462A.222, subdivision 3, is amended to read:

14.19 Subd. 3. **Allocation procedure.** (a) Projects will be awarded tax credits in two
14.20 competitive rounds on an annual basis. The date for applications for each round must be
14.21 determined by the agency. No allocating agency may award tax credits prior to the application
14.22 dates established by the agency.

14.23 (b) Each allocating agency must meet the requirements of section 42(m) of the Internal
14.24 Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax
14.25 credits and the selection of projects.

14.26 (c) For projects that are eligible for an allocation of credits pursuant to section 42(h)(4)
14.27 of the Internal Revenue Code of 1986, as amended, tax credits may only be allocated if the
14.28 project satisfies the requirements of the allocating agency's qualified allocation plan. For
14.29 projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the
14.30 Internal Revenue Code of 1986, as amended, for which the agency is the issuer of the bonds
14.31 for the project, or the issuer of the bonds for the project is located outside the jurisdiction
15.1 of a city or county that has received reserved tax credits, the applicable allocation plan is
15.2 the agency's qualified allocation plan.

15.3 (d)(1) To maximize the resources available for and increase the supply of affordable
15.4 housing in Minnesota by leveraging the benefits to Minnesota from the use of tax-exempt
15.5 bonds to finance multifamily housing and to allow local units of government more flexibility
15.6 to address specific affordable housing needs in their communities, the agency shall make
15.7 residential rental housing projects financed with an allocation of tax-exempt bonds under
15.8 chapter 474A the highest strategic priority for tax credits under the agency's qualified
15.9 allocation plan under section 42(m)(1)(D) of the Internal Revenue Code of 1986, as amended.

15.10 (2) For projects eligible for an allocation of tax credits under section 42(h)(4) of the
15.11 Internal Revenue Code of 1986, as amended, the agency's qualified allocation plan and
15.12 other related agency guidance and requirements:

15.13 (i) shall not include any selection criteria other than (A) the criteria of section 42(m)(1)(C)
15.14 of the Internal Revenue Code of 1986, as amended, and (B) whether the project has received
15.15 an allocation of tax-exempt bonds under chapter 474A, with subitem (B) as the most
15.16 important criteria;

- 15.17 ~~(ii) shall grant projects receiving an allocation of tax-exempt bonds under chapter 474A~~
15.18 ~~the highest possible preference and, to the extent applicable, ahead of any preference~~
15.19 ~~described in section 42(m)(1)(B) of the Internal Revenue Code of 1986, as amended;~~
- 15.20 ~~(iii) shall exclude any per-unit cost limitations, cost reasonableness, or other similar~~
15.21 ~~restrictions for residential rental housing projects financed with an allocation of tax-exempt~~
15.22 ~~bonds under chapter 474A; and~~
- 15.23 ~~(iv) shall not adopt or impose any additional rules, requirements, regulations, or~~
15.24 ~~restrictions other than those required by section 42 of the Internal Revenue Code of 1986,~~
15.25 ~~as amended, regarding the allocation of credits.~~
- 15.26 ~~Each developer of a residential rental housing project that has received an allocation of~~
15.27 ~~tax-exempt bonds under chapter 474A and the proposed issuer of such tax-exempt bonds~~
15.28 ~~shall have standing to challenge the agency's qualified allocation plan for failure to comply~~
15.29 ~~with this clause.~~
- 15.30 ~~In the event of any conflict or inconsistency between this paragraph and section 462A.04,~~
15.31 ~~the provisions of this paragraph shall govern and control. The provisions of paragraph (d)~~
15.32 ~~shall not apply to any allocating agency other than the agency.~~
- 16.1 (e) For applications submitted for the first round, an allocating agency may allocate tax
16.2 credits only to the following types of projects:
- 16.3 (1) in the metropolitan area:
- 16.4 (i) new construction or substantial rehabilitation of projects in which, for the term of the
16.5 extended use period, at least 75 percent of the total tax credit units are single-room
16.6 occupancy, efficiency, or one bedroom units and which are affordable by households whose
16.7 income does not exceed 30 percent of the median income;
- 16.8 (ii) new construction or substantial rehabilitation family housing projects that are not
16.9 restricted to persons who are 55 years of age or older and in which, for the term of the
16.10 extended use period, at least 75 percent of the tax credit units contain two or more bedrooms
16.11 and at least one-third of the 75 percent contain three or more bedrooms; or
- 16.12 (iii) substantial rehabilitation projects in neighborhoods targeted by the city for
16.13 revitalization;
- 16.14 (2) outside the metropolitan area, projects which meet a locally identified housing need
16.15 and which are in short supply in the local housing market as evidenced by credible data
16.16 submitted with the application;
- 16.17 (3) projects that are not restricted to persons of a particular age group and in which, for
16.18 the term of the extended use period, a percentage of the units are set aside and rented to
16.19 persons;

- 16.20 (i) with a serious and persistent mental illness as defined in section 245.462, subdivision
16.21 20, paragraph (c);
- 16.22 (ii) with a developmental disability as defined in United States Code, title 42, section
16.23 6001, paragraph (5), as amended through December 31, 1990;
- 16.24 (iii) who have been assessed as drug dependent persons as defined in section 254A.02,
16.25 subdivision 5, and are receiving or will receive care and treatment services provided by an
16.26 approved treatment program as defined in section 254A.02, subdivision 2;
- 16.27 (iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or
- 16.28 (v) with permanent physical disabilities that substantially limit one or more major life
16.29 activities, if at least 50 percent of the units in the project are accessible as provided under
16.30 Minnesota Rules, chapter 1340;
- 16.31 (4) projects, whether or not restricted to persons of a particular age group, which preserve
16.32 existing subsidized housing, if the use of tax credits is necessary to prevent conversion to
17.1 market rate use or to remedy physical deterioration of the project which would result in loss
17.2 of existing federal subsidies; or
- 17.3 (5) projects financed by the Farmers Home Administration, or its successor agency,
17.4 which meet statewide distribution goals.
- 17.5 (f) Before the date for applications for the final round, the allocating agencies other than
17.6 the agency shall return all uncommitted and unallocated tax credits to a unified pool for
17.7 allocation by the agency on a statewide basis.
- 17.8 (g) Unused portions of the state ceiling for low-income housing tax credits reserved to
17.9 cities and counties for allocation may be returned at any time to the agency for allocation.
- 17.10 (h) If an allocating agency determines, at any time after the initial commitment or
17.11 allocation for a specific project, that a project is no longer eligible for all or a portion of the
17.12 low-income housing tax credits committed or allocated to the project, the credits must be
17.13 transferred to the agency to be reallocated pursuant to the procedures established in
17.14 paragraphs (f) to (h); provided that if the tax credits for which the project is no longer eligible
17.15 are from the current year's annual ceiling and the allocating agency maintains a waiting list,
17.16 the allocating agency may continue to commit or allocate the credits until not later than the
17.17 date of applications for the final round, at which time any uncommitted credits must be
17.18 transferred to the agency.
- 17.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

UES2226-1

57.10

ARTICLE 6

57.11

HOUSING PROGRAMS

57.12

Section 1. **[462A.2095] LEAD SAFE HOMES GRANT PROGRAM.**

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Subdivision 1. **Establishment.** The Housing Finance Agency shall establish a lead safe homes grant program to increase lead testing in residential rental housing and make residential rental housing units lead safe. The agency shall give priority to grantees that target landlords and tenants in areas with a high concentration of lead poisoning in children based on information provided by the commissioner of health.

Subd. 2. **Eligibility.** (a) An eligible grantee must be a nonprofit organization or political subdivision capable of administering funding and services to a defined geographic area.

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

Subd. 3. **Inspection; lead hazard reduction.** (a) A grantee must provide lead risk assessments completed by a lead inspector or a lead risk assessor licensed by the commissioner of health pursuant to section 144.9505 for properties built before 1978 to determine the presence of lead hazards and to provide interim controls to reduce lead health hazards. The grantee must conduct testing and provide lead hazard reduction to:

(1) landlords of residential buildings with 11 units or less where the tenants have incomes that do not exceed 60 percent of area median income;

(2) landlords of residential buildings with 12 units or more where at least 50 percent of the tenants have incomes that are below 60 percent of the median income; and

(3) tenants with an income that does not exceed 60 percent of area median income.

(b) A landlord or tenant must first access other available state and federal funding related to lead testing and lead hazard reduction for which they are eligible.

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

EFFECTIVE DATE. This section is effective July 1, 2019.

56.3 Sec. 16. Minnesota Statutes 2018, section 462A.22, subdivision 9, is amended to read:

56.4 Subd. 9. **Biennial report.** The agency shall also submit a biennial report of its activities
56.5 and receipts, and a plan for the next biennium, to the governor and the legislature on or
56.6 before February 15 in each odd-numbered year. The report shall include: (1) the distribution
56.7 of money under each agency program by county, except for counties containing a city of
56.8 the first class, where the distribution shall be reported by municipality; and (2) the cost per
56.9 unit of housing and the cost per square foot of housing financed under each agency program.

56.10 In addition, the report shall include the cost to the agency of the issuance of its bonds
56.11 for each issue in the biennium, along with comparable information for other state housing
56.12 finance agencies.

56.13 Sec. 17. Minnesota Statutes 2018, section 462A.24, is amended to read:

56.14 **462A.24 CONSTRUCTION; GRANTS AND LOANS; PRIORITIES.**

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

56.17 (b) To the extent practicable, grants and loans shall be made so that an approximately
56.18 equal amount of financing is provided in the metropolitan area and in the nonmetropolitan
56.19 area.

56.20 (c) Programs of the agency shall give priority to projects in communities with lower
56.21 infrastructure development costs.

56.22 (d) After final decisions are made on applications for programs of the agency, the results
56.23 of any quantitative scoring system used to rank applications shall be posted on the agency
56.24 website.

56.25 Sec. 18. Minnesota Statutes 2018, section 462A.33, subdivision 1, is amended to read:

56.26 Subdivision 1. **Created.** The economic development and housing challenge program is
56.27 created to be administered by the agency. Notwithstanding section 462A.24, this section
56.28 shall be construed based on the specific language within this section and within an
56.29 appropriation pursuant to this section.

56.30 (a) The program shall provide grants or loans for the purpose of construction, acquisition,
56.31 rehabilitation, demolition or removal of existing structures, construction financing, permanent
57.1 financing, interest rate reduction, refinancing, and gap financing of housing or manufactured
57.2 home parks, as defined in section 327C.01, to support economic development and
57.3 redevelopment activities or job creation or job preservation within a community or region
57.4 by meeting locally identified housing needs. "Locally identified housing needs" means
57.5 housing for the area work force supported by the local municipality, housing redevelopment
57.6 authority, economic development authority, or other political subdivision responsible for
57.7 housing.

57.8 Gap financing is either:

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

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

57.13 (b) Preference for grants and loans shall be given to comparable proposals that include
57.14 regulatory changes or waivers that result in identifiable cost avoidance or cost reductions,

57.15 such as increased density, flexibility in site development standards, or zoning code
57.16 requirements. Preference must also be given among comparable proposals to proposals for
57.17 projects that are accessible to transportation systems, jobs, schools, and other services.

57.18 (c) If a grant or loan is used for demolition or removal of existing structures, the cleared
57.19 land must be used for the construction of housing to be owned or rented by persons who
57.20 meet the income limits of this section or for other housing-related purposes that primarily
57.21 benefit the persons residing in the adjacent housing. In making selections for grants or loans
57.22 for projects that demolish affordable housing units, the agency must review the potential
57.23 displacement of residents and consider the extent to which displacement of residents is
57.24 minimized.

57.25 Sec. 19. Minnesota Statutes 2018, section 462A.33, subdivision 2, is amended to read:

57.26 Subd. 2. **Eligible recipients.** Challenge grants or loans may be made to a city, a federally
57.27 recognized American Indian tribe or subdivision located in Minnesota, a tribal housing
57.28 corporation, a private developer, a nonprofit organization, or the owner of the housing or
57.29 the manufactured home park, including individuals. For the purpose of this section, "city"
57.30 has the meaning given it in section 462A.03, subdivision 21. To the extent practicable,
57.31 grants and loans shall be made so that an approximately equal number of housing units are
57.32 financed in the metropolitan area and in the nonmetropolitan area.

58.1 Sec. 20. Minnesota Statutes 2018, section 462A.33, subdivision 3, is amended to read:

58.2 Subd. 3. **Contribution requirement.** Fifty percent of the funds appropriated for this
58.3 section must be used for challenge grants or loans for housing proposals with financial or
58.4 in-kind contributions from nonstate resources that reduce the need for deferred loan or grant
58.5 funds from state resources. Challenge grants or loans must be used for economically viable
58.6 homeownership or rental housing proposals that address the housing needs of the local work
58.7 force. "Housing needs of the local work force" means one or more businesses located in
58.8 the project area or within 25 miles of the area that employs a minimum of 20 full-time
58.9 equivalent employees in aggregate and have provided a written statement to the local housing
58.10 authority indicating that the lack of available housing has impeded their ability to recruit
58.11 and hire employees.

58.12 Among comparable proposals, preference must be given to proposals that include
58.13 contributions from nonstate resources for the greatest portion of the total development cost.
58.14 Comparable proposals with contributions from local units of government or private
58.15 philanthropic, religious, or charitable organizations must be given preference in awarding
58.16 grants or loans.

58.17 For the purpose of this subdivision, a contribution may consist partially or wholly of the
58.18 premium paid for federal housing tax credits.

58.19 Sec. 21. Minnesota Statutes 2018, section 462A.37, subdivision 2, is amended to read:

58.20 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
58.21 principal amount of housing infrastructure bonds in one or more series to which the payment
58.22 made under this section may be pledged. The housing infrastructure bonds authorized in
58.23 this subdivision may be issued to fund loans, or grants for the purposes of clause (4), on
58.24 terms and conditions the agency deems appropriate, made for one or more of the following
58.25 purposes:

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

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

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

59.1 (4) to finance ~~that portion of the acquisition, improvement, and infrastructure of~~
59.2 ~~manufactured home parks under section 462A.2035, subdivision 1b, that is attributable to~~
59.3 ~~land to be leased to low- and moderate-income manufactured home owners;~~

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

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

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

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

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

59.18 (c) Among comparable proposals for senior housing, the agency must give priority to
59.19 requests for projects that:

59.20 (1) demonstrate a commitment to maintaining the housing financed as affordable to
59.21 seniors;

59.22 (2) leverage other sources of funding to finance the project, including the use of
59.23 low-income housing tax credits;

59.24 (3) provide access to services to residents and demonstrate the ability to increase physical
59.25 supports and support services as residents age and experience increasing levels of disability;

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

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

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

60.7 Sec. 22. Minnesota Statutes 2018, section 462A.38, subdivision 1, is amended to read:

60.8 Subdivision 1. **Establishment.** A workforce and affordable homeownership development
60.9 program is established to award homeownership development grants to cities, tribal
60.10 governments, nonprofit organizations, cooperatives created under chapter 308A or 308B,
60.11 and community land trusts created for the purposes outlined in section 462A.31, subdivision
60.12 1, for development of workforce and affordable homeownership projects. The purpose of
60.13 the program is to increase the supply of workforce and affordable, owner-occupied
60.14 multifamily or single-family housing throughout Minnesota.

60.15 Sec. 23. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
60.16 to read:

60.17 Subd. 1a. **Aggregate bond limitation.** "Aggregate bond limitation" means up to 55
60.18 percent of the reasonably expected aggregate basis of a residential rental project and the
60.19 land on which the project is or will be located.

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17.20 Sec. 23. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
17.21 to read:

17.22 Subd. 1a. **Aggregate bond limitation.** "Aggregate bond limitation" means up to 55
17.23 percent of the reasonably expected aggregate basis of a residential rental project and the
17.24 land on which the project is or will be located.

17.25 **EFFECTIVE DATE.** This section is effective January 1, 2020.

60.20 Sec. 24. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
60.21 to read:

60.22 Subd. 1b. **AMI.** "AMI" means the area median income for the applicable county or
60.23 metropolitan area as published by the Department of Housing and Urban Development, as
60.24 adjusted for household size.

60.25 Sec. 25. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
60.26 to read:

60.27 Subd. 12a. **LIHTC.** "LIHTC" means low-income housing tax credits under section 42
60.28 of the Internal Revenue Code of 1986, as amended.

61.1 Sec. 26. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
61.2 to read:

61.3 Subd. 21a. **Preservation project.** "Preservation project" means any residential rental
61.4 project, regardless of whether or not ~~such~~ project is restricted to persons of a certain age or
61.5 older, that is expected to generate low-income housing tax credits under section 42 of the
61.6 Internal Revenue Code of 1986, as amended, and (1) receives federal project-based rental
61.7 assistance, or (2) is funded through a loan from or guaranteed by the United States
61.8 Department of Agriculture's Rural Development Program. In addition, to qualify as a
61.9 preservation project, the amount of bonds requested in the application must not exceed the
61.10 aggregate bond limitation.

61.11 Sec. 27. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
61.12 to read:

61.13 Subd. 30. **30 percent AMI residential rental project.** "30 percent AMI residential
61.14 rental project" means a residential rental project that does not otherwise qualify as a
61.15 preservation project, is expected to generate low-income housing tax credits under section
61.16 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential
61.17 units, and:

61.18 (1) all the residential units of the project:

61.19 (i) are reserved for tenants whose income, on average, is 30 percent of AMI or less;

61.20 (ii) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code
61.21 of 1986, as amended; and

61.22 (iii) are subject to rent and income restrictions for a period of not less than 30 years; or

17.26 Sec. 24. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
17.27 to read:

17.28 Subd. 1b. **AMI.** "AMI" means the area median income for the applicable county or
17.29 metropolitan area as published by the Department of Housing and Urban Development, as
17.30 adjusted for household size.

17.31 **EFFECTIVE DATE.** This section is effective January 1, 2020.

18.1 Sec. 25. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
18.2 to read:

18.3 Subd. 12a. **LIHTC.** "LIHTC" means low-income housing tax credits under section 42
18.4 of the Internal Revenue Code of 1986, as amended.

18.5 **EFFECTIVE DATE.** This section is effective January 1, 2020.

18.6 Sec. 26. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
18.7 to read:

18.8 Subd. 21a. **Preservation project.** "Preservation project" means any residential rental
18.9 project, regardless of whether or not ~~the~~ project is restricted to persons of a certain age or
18.10 older, that is expected to generate low-income housing tax credits under section 42 of the
18.11 Internal Revenue Code of 1986, as amended, and (1) receives federal project-based rental
18.12 assistance, or (2) is funded through a loan from or guaranteed by the United States
18.13 Department of Agriculture's Rural Development Program. In addition, to qualify as a
18.14 preservation project, the amount of bonds requested in the application must not exceed the
18.15 aggregate bond limitation.

18.16 **EFFECTIVE DATE.** This section is effective January 1, 2020.

18.17 Sec. 27. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
18.18 to read:

18.19 Subd. 30. **30 percent AMI residential rental project.** "30 percent AMI residential
18.20 rental project" means a residential rental project that does not otherwise qualify as a
18.21 preservation project, is expected to generate low-income housing tax credits under section
18.22 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential
18.23 units, and ~~in which:~~

18.24 (1) all the residential units of the project:

18.25 (i) are reserved for tenants whose income, on average, is 30 percent of AMI or less;

18.26 (ii) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code
18.27 of 1986, as amended; and

18.28 (iii) are subject to rent and income restrictions for a period of not less than 30 years; or

61.23 (2)(i) is located outside of the metropolitan area as defined in section 473.121, subdivision
61.24 2, and within a county or metropolitan area that has a current median area gross income
61.25 that is less than the statewide area median income for Minnesota;

61.26 (ii) all of the units of the project are rent-restricted in accordance with section 42(g)(2)
61.27 of the Internal Revenue Code of 1986, as amended; and

61.28 (iii) all of the units of the project are subject to the applicable rent and income restrictions
61.29 for a period of not less than 30 years.

61.30 In addition, to qualify as a 30 percent AMI residential project, the amount of bonds
61.31 requested in the application must not exceed the aggregate bond limitation.

62.1 Sec. 28. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
62.2 to read:

62.3 Subd. 31. **50 percent AMI residential rental project.** "50 percent AMI residential
62.4 rental project" means a residential rental project that does not qualify as a preservation
62.5 project or 30 percent AMI residential rental project, is expected to generate low-income
62.6 housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended,
62.7 from 100 percent of its residential units, and in which all the residential units of the project:

62.8 (1) are reserved for tenants whose income, on average, is 50 percent of AMI or less;

62.9 (2) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code
62.10 of 1986, as amended; and

62.11 (3) are subject to rent and income restrictions for a period of not less than 30 years.

62.12 In addition, to qualify as a 50 percent AMI residential rental project, the amount of bonds
62.13 requested in the application must not exceed the aggregate bond limitation.

18.29 (2)(i) is located outside of the metropolitan area as defined in section 473.121, subdivision
18.30 2, and within a county or metropolitan area that has a current median area gross income
18.31 that is less than the statewide area median income for Minnesota;

19.1 (ii) all of the units of the project are rent-restricted in accordance with section 42(g)(2)
19.2 of the Internal Revenue Code of 1986, as amended; and

19.3 (iii) all of the units of the project are subject to the applicable rent and income restrictions
19.4 for a period of not less than 30 years.

19.5 In addition, to qualify as a 30 percent AMI residential project, the amount of bonds
19.6 requested in the application must not exceed the aggregate bond limitation.

19.7 For purposes of this subdivision, "on average" means the average of the applicable
19.8 income limitation level for a project determined on a unit-by-unit basis for example, a project
19.9 with one-half of its units subject to income limitations of not greater than 20 percent AMI
19.10 and one-half subject to income limitations of not greater than 40 percent AMI would be
19.11 subject to an income limitation on average of not greater than 30 percent AMI.

19.12 **EFFECTIVE DATE.** This section is effective January 1, 2020.

19.13 Sec. 28. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
19.14 to read:

19.15 Subd. 31. **50 percent AMI residential rental project.** "50 percent AMI residential
19.16 rental project" means a residential rental project that does not qualify as a preservation
19.17 project or 30 percent AMI residential rental project, is expected to generate low-income
19.18 housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended,
19.19 from 100 percent of its residential units, and in which all the residential units of the project:

19.20 (1) are reserved for tenants whose income, on average, is 50 percent of AMI or less;

19.21 (2) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code
19.22 of 1986, as amended; and

19.23 (3) are subject to rent and income restrictions for a period of not less than 30 years.

19.24 In addition, to qualify as a 50 percent AMI residential rental project, the amount of bonds
19.25 requested in the application must not exceed the aggregate bond limitation.

19.26 For purposes of this subdivision, "on average" means the average of the applicable
19.27 income limitation level for a project determined on a unit-by-unit basis for example, a project
19.28 with one-half of its units subject to income limitations of not greater than 40 percent AMI
19.29 and one-half subject to income limitations of not greater than 60 percent AMI would be
19.30 subject to an income limitation on average of not greater than 50 percent AMI.

19.31 **EFFECTIVE DATE.** This section is effective January 1, 2020.

62.14 Sec. 29. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
62.15 to read:

62.16 Subd. 32. **100 percent LIHTC project.** "100 percent LIHTC project" means a residential
62.17 rental project that is expected to generate low-income housing tax credits under section 42
62.18 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units
62.19 and does not otherwise qualify as a preservation project, 30 percent AMI residential rental
62.20 project, or 50 percent AMI residential rental project. In addition, to qualify as a 100 percent
62.21 LIHTC project, the amount of bonds requested in the application must not exceed the
62.22 aggregate bond limitation.

62.23 Sec. 30. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
62.24 to read:

62.25 Subd. 33. **20 percent LIHTC project.** "20 percent LIHTC project" means a residential
62.26 rental project that is expected to generate low-income housing tax credits under section 42
62.27 of the Internal Revenue Code of 1986, as amended, from at least 20 percent of its residential
62.28 units and does not otherwise qualify as a preservation project, 30 percent AMI residential
62.29 rental project, 50 percent AMI residential rental project, or 100 percent LIHTC project. In
62.30 addition, to qualify as a 20 percent LIHTC project, the amount of bonds requested in the
62.31 application must not exceed the aggregate bond limitation.

63.1 Sec. 31. Minnesota Statutes 2018, section 474A.03, subdivision 1, is amended to read:

63.2 Subdivision 1. **Under federal tax law; allocations.** At the beginning of each calendar
63.3 year after December 31, 2001, the commissioner shall determine the aggregate dollar amount
63.4 of the annual volume cap under federal tax law for the calendar year, and of this amount
63.5 the commissioner shall make the following allocation:

63.6 (1) \$74,530,000 to the small issue pool;

63.7 (2) \$122,060,000 to the housing pool, of which 31 percent of the adjusted allocation is
63.8 reserved until the last Monday in July for single-family housing programs;

63.9 (3) \$12,750,000 to the public facilities pool; and

63.10 (4) amounts to be allocated as provided in subdivision 2a.

63.11 If the annual volume cap is greater or less than the amount of bonding authority allocated
63.12 under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation
63.13 must be adjusted so that each adjusted allocation is the same percentage of the annual volume
63.14 cap as each original allocation is of the total bonding authority originally allocated.

20.1 Sec. 29. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
20.2 to read:

20.3 Subd. 32. **100 percent LIHTC project.** "100 percent LIHTC project" means a residential
20.4 rental project that is expected to generate low-income housing tax credits under section 42
20.5 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units
20.6 and does not otherwise qualify as a preservation project, 30 percent AMI residential rental
20.7 project, or 50 percent AMI residential rental project. In addition, to qualify as a 100 percent
20.8 LIHTC project, the amount of bonds requested in the application must not exceed the
20.9 aggregate bond limitation.

20.10 **EFFECTIVE DATE.** This section is effective January 1, 2020.

20.11 Sec. 30. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
20.12 to read:

20.13 Subd. 33. **20 percent LIHTC project.** "20 percent LIHTC project" means a residential
20.14 rental project that is expected to generate low-income housing tax credits under section 42
20.15 of the Internal Revenue Code of 1986, as amended, from at least 20 percent of its residential
20.16 units and does not otherwise qualify as a preservation project, 30 percent AMI residential
20.17 rental project, 50 percent AMI residential rental project, or 100 percent LIHTC project. In
20.18 addition, to qualify as a 20 percent LIHTC project, the amount of bonds requested in the
20.19 application must not exceed the aggregate bond limitation.

20.20 **EFFECTIVE DATE.** This section is effective January 1, 2020.

20.21 Sec. 31. Minnesota Statutes 2018, section 474A.03, subdivision 1, is amended to read:

20.22 Subdivision 1. **Under federal tax law; allocations.** At the beginning of each calendar
20.23 year after December 31, 2001, the commissioner shall determine the aggregate dollar amount
20.24 of the annual volume cap under federal tax law for the calendar year, and of this amount
20.25 the commissioner shall make the following allocation:

20.26 (1) \$74,530,000 to the small issue pool;

20.27 (2) \$122,060,000 to the housing pool, of which 31 percent of the adjusted allocation is
20.28 reserved until the last Monday in July June for single-family housing programs;

20.29 (3) \$12,750,000 to the public facilities pool; and

20.30 (4) amounts to be allocated as provided in subdivision 2a.

21.1 If the annual volume cap is greater or less than the amount of bonding authority allocated
21.2 under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation
21.3 must be adjusted so that each adjusted allocation is the same percentage of the annual volume
21.4 cap as each original allocation is of the total bonding authority originally allocated.

21.5 **EFFECTIVE DATE.** This section is effective January 1, 2020.

63.15 Sec. 32. Minnesota Statutes 2018, section 474A.061, subdivision 1, is amended to read:

63.16 Subdivision 1. **Allocation application; small issue pool and public facilities pool.** (a)

63.17 ~~For any requested allocations from the small issue pool and the public facilities pool, an~~

63.18 ~~issuer may apply for an allocation under this section by submitting to the department an~~

63.19 ~~application on forms provided by the department, accompanied by (1) a preliminary~~

63.20 ~~resolution, (2) a statement of bond counsel that the proposed issue of obligations requires~~

63.21 ~~an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified~~

63.22 ~~bonds to be issued, (4) an application deposit in the amount of one percent of the requested~~

63.23 ~~allocation before the last Monday in July, or in the amount of two percent of the requested~~

63.24 ~~allocation on or after the last Monday in July, and (5) a public purpose scoring worksheet~~

63.25 ~~for manufacturing project and enterprise zone facility project applications; and (6) for~~

63.26 ~~residential rental projects, a statement from the applicant or bond counsel as to whether the~~

63.27 ~~project preserves existing federally subsidized housing for residential rental project~~

63.28 ~~applications and whether the project is restricted to persons who are 55 years of age or older.~~

63.29 ~~The issuer must pay the application deposit by a check made payable to the Department of~~

63.30 ~~Management and Budget. The Minnesota Housing Finance Agency, the Minnesota Rural~~

63.31 ~~Finance Authority, and the Minnesota Office of Higher Education may apply for and receive~~

63.32 ~~an allocation under this section without submitting an application deposit.~~

64.1 (b) ~~An entitlement issuer may not apply for an allocation from the public facilities pool~~

64.2 ~~under this subdivision unless it has either permanently issued bonds equal to the amount of~~

64.3 ~~its entitlement allocation for the current year plus any amount of bonding authority carried~~

64.4 ~~forward from previous years or returned for reallocation all of its unused entitlement~~

64.5 ~~allocation. An entitlement issuer may not apply for an allocation from the housing pool~~

64.6 ~~unless it either has permanently issued bonds equal to any amount of bonding authority~~

64.7 ~~carried forward from a previous year or has returned for reallocation any unused bonding~~

64.8 ~~authority carried forward from a previous year. For purposes of this subdivision, its~~

64.9 ~~entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.~~

64.10 ~~This paragraph does not apply to an application from the Minnesota Housing Finance Agency~~

64.11 ~~for an allocation under subdivision 2a for cities who choose to have the agency issue bonds~~

64.12 ~~on their behalf.~~

64.13 (c) If an application is rejected under this section, the commissioner must notify the

64.14 applicant and return the application deposit to the applicant within 30 days unless the

21.6 Sec. 32. Minnesota Statutes 2018, section 474A.04, subdivision 1a, is amended to read:

21.7 Subd. 1a. **Entitlement reservations.** Any amount returned by an entitlement issuer

21.8 ~~before July 15 the third Monday in June shall be reallocated through the housing pool. Any~~

21.9 ~~amount returned on or after July 15 the third Monday in June shall be reallocated through~~

21.10 ~~the unified pool. An amount returned after the last Monday in November shall be reallocated~~

21.11 ~~to the Minnesota Housing Finance Agency.~~

21.12 **EFFECTIVE DATE.** This section is effective January 1, 2020.

21.13 Sec. 33. Minnesota Statutes 2018, section 474A.061, subdivision 1, is amended to read:

21.14 Subdivision 1. **Allocation application; small issue pool and public facilities pool.** (a)

21.15 ~~For any requested allocations from the small issue pool and the public facilities pool, an~~

21.16 ~~issuer may apply for an allocation under this section by submitting to the department an~~

21.17 ~~application on forms provided by the department, accompanied by (1) a preliminary~~

21.18 ~~resolution, (2) a statement of bond counsel that the proposed issue of obligations requires~~

21.19 ~~an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified~~

21.20 ~~bonds to be issued, (4) an application deposit in the amount of one percent of the requested~~

21.21 ~~allocation before the last Monday in July June, or in the amount of two percent of the~~

21.22 ~~requested allocation on or after the last Monday in July June, and (5) a public purpose~~

21.23 ~~scoring worksheet for manufacturing project and enterprise zone facility project applications;~~

21.24 ~~and (6) for residential rental projects, a statement from the applicant or bond counsel as to~~

21.25 ~~whether the project preserves existing federally subsidized housing for residential rental~~

21.26 ~~project applications and whether the project is restricted to persons who are 55 years of age~~

21.27 ~~or older. The issuer must pay the application deposit by a check made payable to the~~

21.28 ~~Department of Management and Budget. The Minnesota Housing Finance Agency, the~~

21.29 ~~Minnesota Rural Finance Authority, and the Minnesota Office of Higher Education may~~

21.30 ~~apply for and receive an allocation under this section without submitting an application~~

21.31 ~~deposit.~~

21.32 (b) ~~An entitlement issuer may not apply for an allocation from the public facilities pool~~

21.33 ~~under this subdivision unless it has either permanently issued bonds equal to the amount of~~

22.1 ~~its entitlement allocation for the current year plus any amount of bonding authority carried~~

22.2 ~~forward from previous years or returned for reallocation all of its unused entitlement~~

22.3 ~~allocation. An entitlement issuer may not apply for an allocation from the housing pool~~

22.4 ~~unless it either has permanently issued bonds equal to any amount of bonding authority~~

22.5 ~~carried forward from a previous year or has returned for reallocation any unused bonding~~

22.6 ~~authority carried forward from a previous year. For purposes of this subdivision, its~~

22.7 ~~entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.~~

22.8 ~~This paragraph does not apply to an application from the Minnesota Housing Finance Agency~~

22.9 ~~for an allocation under subdivision 2a for cities who choose to have the agency issue bonds~~

22.10 ~~on their behalf.~~

22.11 (c) If an application is rejected under this section, the commissioner must notify the

22.12 applicant and return the application deposit to the applicant within 30 days unless the

64.15 applicant requests in writing that the application be resubmitted. The granting of an allocation
64.16 of bonding authority under this section must be evidenced by a certificate of allocation.

64.17 Sec. 33. Minnesota Statutes 2018, section 474A.061, is amended by adding a subdivision
64.18 to read:

64.19 Subd. 1a. **Allocation application; housing pool.** (a) For any requested allocations from
64.20 the housing pool, an issuer may apply for an allocation under this section by submitting to
64.21 the department an application on forms provided by the department, accompanied by (1) a
64.22 preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations
64.23 requires an allocation under this chapter and the Internal Revenue Code, (3) an application
64.24 deposit in the amount of two percent of the requested allocation, (4) a sworn statement from
64.25 the applicant identifying the project as either a preservation project, 30 percent AMI
64.26 residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC
64.27 project, 20 percent LIHTC project, or any other residential rental project, and (5) a
64.28 certification from the applicant or its accountant stating whether the requested allocation
64.29 exceeds the aggregate bond limitation. The issuer must pay the application deposit to the
64.30 Department of Management and Budget. The Minnesota Housing Finance Agency may
64.31 apply for and receive an allocation under this section without submitting an application
64.32 deposit.

64.33 (b) An entitlement issuer may not apply for an allocation from the housing pool unless
64.34 it either has permanently issued bonds equal to any amount of bonding authority carried
65.1 forward from a previous year or has returned for reallocation any unused bonding authority
65.2 carried forward from a previous year. For purposes of this subdivision, its entitlement
65.3 allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph
65.4 does not apply to an application from the Minnesota Housing Finance Agency for an
65.5 allocation under subdivision 2a for cities who choose to have the agency issue bonds on the
65.6 city's behalf.

65.7 (c) If an application is rejected under this section, the commissioner must notify the
65.8 applicant and return the application deposit to the applicant within 30 days unless the
65.9 applicant requests in writing that the application be resubmitted. The granting of an allocation
65.10 of bonding authority under this section must be evidenced by a certificate of allocation.

65.11 Sec. 34. Minnesota Statutes 2018, section 474A.061, subdivision 2a, is amended to read:

65.12 Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January
65.13 and continuing on each Monday through July 15, the commissioner shall allocate available
65.14 bonding authority from the housing pool to applications received on or before the Monday
65.15 of the preceding week for residential rental projects that meet the eligibility criteria under
65.16 section 474A.047. Allocations of available bonding authority from the housing pool for
65.17 eligible residential rental projects shall be awarded in the following order of priority: (→)

22.13 applicant requests in writing that the application be resubmitted. The granting of an allocation
22.14 of bonding authority under this section must be evidenced by a certificate of allocation.

22.15 **EFFECTIVE DATE.** This section is effective January 1, 2020.

22.16 Sec. 34. Minnesota Statutes 2018, section 474A.061, is amended by adding a subdivision
22.17 to read:

22.18 Subd. 1a. **Allocation application; housing pool.** (a) For any requested allocations from
22.19 the housing pool, an issuer may apply for an allocation under this section by submitting to
22.20 the department an application on forms provided by the department, accompanied by (1) a
22.21 preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations
22.22 requires an allocation under this chapter and the Internal Revenue Code, (3) an application
22.23 deposit in the amount of two percent of the requested allocation, (4) a sworn statement from
22.24 the applicant identifying the project as either a preservation project, 30 percent AMI
22.25 residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC
22.26 project, 20 percent LIHTC project, or any other residential rental project, and (5) a
22.27 certification from the applicant or its accountant stating that the requested allocation does
22.28 not exceed the aggregate bond limitation. The issuer must pay the application deposit to the
22.29 Department of Management and Budget. The Minnesota Housing Finance Agency may
22.30 apply for and receive an allocation under this section without submitting an application
22.31 deposit.

22.32 (b) An entitlement issuer may not apply for an allocation from the housing pool unless
22.33 it either has permanently issued bonds equal to any amount of bonding authority carried
22.34 forward from a previous year or has returned for reallocation any unused bonding authority
23.1 carried forward from a previous year. For purposes of this subdivision, its entitlement
23.2 allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph
23.3 does not apply to an application from the Minnesota Housing Finance Agency for an
23.4 allocation under subdivision 2a for cities who choose to have the agency issue bonds on the
23.5 city's behalf.

23.6 (c) If an application is rejected under this section, the commissioner must notify the
23.7 applicant and return the application deposit to the applicant within 30 days unless the
23.8 applicant requests in writing that the application be resubmitted. The granting of an allocation
23.9 of bonding authority under this section must be evidenced by a certificate of allocation.

23.10 **EFFECTIVE DATE.** This section is effective January 1, 2020.

23.11 Sec. 35. Minnesota Statutes 2018, section 474A.061, subdivision 2a, is amended to read:

23.12 Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January
23.13 and continuing on each Monday through July 15 ~~the third Monday in June~~, the commissioner
23.14 shall allocate available bonding authority from the housing pool to applications received
23.15 on or before the Monday of the preceding week for residential rental projects that meet the
23.16 eligibility criteria under section 474A.047. Allocations of available bonding authority from
23.17 the housing pool for eligible residential rental projects shall be awarded in the following

65.18 projects that preserve existing federally subsidized housing; (2) projects that are not restricted
65.19 to persons who are 55 years of age or older; and (3) other residential rental projects. Prior
65.20 to May 15, no allocation shall be made to a project restricted to persons who are 55 years
65.21 of age or older

65.22 (1) preservation projects;

65.23 (2) 30 percent AMI residential rental projects;

65.24 (3) 50 percent AMI residential rental projects;

65.25 (4) 100 percent LIHTC projects;

65.26 (5) 20 percent LIHTC projects; and

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

65.29 If an issuer that receives an allocation under this paragraph does not issue obligations equal
65.30 to all or a portion of the allocation received within 120 days of the allocation or returns the
65.31 allocation to the commissioner, the amount of the allocation is canceled and returned for
65.32 reallocation through the housing pool or to the unified pool after July 15.

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;

23.18 order of priority: (1) projects that preserve existing federally subsidized housing; (2) projects
23.19 that are not restricted to persons who are 55 years of age or older; and (3) other residential
23.20 rental projects. Prior to May 15, no allocation shall be made to a project restricted to persons
23.21 who are 55 years of age or older;

23.22 (1) preservation projects;

23.23 (2) 30 percent AMI residential rental projects;

23.24 (3) 50 percent AMI residential rental projects;

23.25 (4) 100 percent LIHTC projects;

23.26 (5) 20 percent LIHTC projects; and

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

23.29 If an issuer that receives an allocation under this paragraph does not issue obligations equal
23.30 to all or a portion of the allocation received within 120 days of the allocation or returns the
23.31 allocation to the commissioner, the amount of the allocation is canceled and returned for
23.32 reallocation through the housing pool or to the unified pool after July 15. If there are two
24.1 or more applications for residential rental projects at the same priority level and there is
24.2 insufficient bonding authority to provide allocations for all the projects in any one allocation
24.3 period, available bonding authority shall be randomly awarded by lot but only for projects
24.4 that can receive the full amount of their respective requested allocations. If a residential
24.5 rental project does not receive any of its requested allocation pursuant to this paragraph and
24.6 the project applies for an allocation of bonds again in the same calendar year or to the next
24.7 successive housing pool, the project shall be fully funded up to its original application
24.8 request for bonding authority before any new project, applying in the same allocation period,
24.9 that has an equal priority shall receive bonding authority. An issuer that receives an allocation
24.10 under this paragraph must issue obligations equal to all or a portion of the allocation received
24.11 on or before 180 days of the allocation. If an issuer that receives an allocation under this
24.12 paragraph does not issue obligations equal to all or a portion of the allocation received
24.13 within the time period provided in this paragraph or returns the allocation to the
24.14 commissioner, the amount of the allocation is canceled and returned for reallocation through
24.15 the housing pool or to the unified pool after July 1.

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

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

24.21 (2) the adjusted income of home buyers may not exceed 80 percent of the greater of
24.22 statewide or area median income as published by the Department of Housing and Urban
24.23 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 July 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 July 15 shall notify
66.32 the Minnesota Housing Finance Agency by July 15. The Minnesota Housing Finance Agency
66.33 shall notify each city making a request of the amount of its allocation within three business
66.34 days after July 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.

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

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

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

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

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

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

25.20 (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser
25.21 of: (i) the amount requested, or (ii) the product of the total amount available for mortgage
25.22 bonds from the housing pool, multiplied by the ratio of each applicant's population as
25.23 determined by the most recent estimate of the city's population released by the state
25.24 demographer's office to the total of all the applicants' population, except that each applicant
25.25 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount
25.26 determined under the formula in clause (ii). If a city applying for an allocation is located
25.27 within a county that has also applied for an allocation, the city's population will be deducted
25.28 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 31 percent of the adjusted allocation to the housing pool until after July 15.~~

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

67.31 (f) A city may choose to issue bonds on its own behalf or through a joint powers
 67.32 agreement and may request an allocation from the commissioner by forwarding an application
 67.33 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
 67.34 application deposit to the commissioner no later than the Monday of the week preceding
 68.1 an allocation. If the total amount requested by all applicants exceeds the amount available
 68.2 in the pool, the city may not receive a greater allocation than the amount it would have
 68.3 received under the list forwarded by the Minnesota Housing Finance Agency to the
 68.4 commissioner. No city may request or receive an allocation from the commissioner until
 68.5 the list under paragraph (d) has been forwarded to the commissioner. A city must request
 68.6 an allocation from the commissioner no later than the last Monday in ~~July~~. No city may
 68.7 receive an allocation from the housing pool for mortgage bonds which has not first applied
 68.8 to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested
 68.9 amount to the city or cities subject to the limitations under this paragraph.

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

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

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

25.33 ~~Total allocations from the housing pool for single-family housing programs may not~~
 25.34 ~~exceed 31 percent of the adjusted allocation to the housing pool until after July 15.~~

26.1 (e) The agency may issue bonds on behalf of participating cities. The agency shall request
 26.2 an allocation from the commissioner for all applicants who choose to have the agency issue
 26.3 bonds on their behalf and the commissioner shall allocate the requested amount to the
 26.4 agency. The agency may request an allocation at any time after the second Tuesday in
 26.5 January and through the last Monday in ~~July~~ June. After awarding an allocation and receiving
 26.6 a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the
 26.7 commissioner shall transfer the application deposits to the Minnesota Housing Finance
 26.8 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency
 26.9 shall return any application deposit to a city that paid an application deposit under paragraph
 26.10 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph
 26.11 (d).

26.12 (f) A city may choose to issue bonds on its own behalf or through a joint powers
 26.13 agreement and may request an allocation from the commissioner by forwarding an application
 26.14 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
 26.15 application deposit to the commissioner no later than the Monday of the week preceding
 26.16 an allocation. If the total amount requested by all applicants exceeds the amount available
 26.17 in the pool, the city may not receive a greater allocation than the amount it would have
 26.18 received under the list forwarded by the Minnesota Housing Finance Agency to the
 26.19 commissioner. No city may request or receive an allocation from the commissioner until
 26.20 the list under paragraph (d) has been forwarded to the commissioner. A city must request
 26.21 an allocation from the commissioner no later than the last Monday in ~~July~~ June. No city
 26.22 may receive an allocation from the housing pool for mortgage bonds which has not first
 26.23 applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the
 26.24 requested amount to the city or cities subject to the limitations under this paragraph.

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

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

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

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

27.14 **EFFECTIVE DATE.** This section is effective January 1, 2020.

27.15 Sec. 36. Minnesota Statutes 2018, section 474A.061, subdivision 2b, is amended to read:

27.16 Subd. 2b. **Small issue pool allocation.** Commencing on the second Tuesday in January
27.17 and continuing on each Monday through the last Monday in July June, the commissioner
27.18 shall allocate available bonding authority from the small issue pool to applications received
27.19 on or before the Monday of the preceding week for manufacturing projects and enterprise
27.20 zone facility projects. From the second Tuesday in January through the last Monday in July
27.21 June, the commissioner shall reserve \$5,000,000 of the available bonding authority from
27.22 the small issue pool for applications for agricultural development bond loan projects of the
27.23 Minnesota Rural Finance Authority.

27.24 Beginning in calendar year 2002, on the second Tuesday in January through the last
27.25 Monday in July June, the commissioner shall reserve \$10,000,000 of available bonding
27.26 authority in the small issue pool for applications for student loan bonds of or on behalf of
27.27 the Minnesota Office of Higher Education. The total amount of allocations for student loan
27.28 bonds from the small issue pool may not exceed \$10,000,000 per year.

27.29 The commissioner shall reserve \$10,000,000 until the day after the last Monday in
27.30 February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until
27.31 the day after the last Monday in June in the small issue pool for enterprise zone facility
27.32 projects and manufacturing projects. The amount of allocation provided to an issuer for a
27.33 specific enterprise zone facility project or manufacturing project will be based on the number
27.34 of points received for the proposed project under the scoring system under section 474A.045.

28.1 If there are two or more applications for manufacturing and enterprise zone facility
28.2 projects from the small issue pool and there is insufficient bonding authority to provide
28.3 allocations for all projects in any one week, the available bonding authority shall be awarded
28.4 based on the number of points awarded a project under section 474A.045, with those projects
28.5 receiving the greatest number of points receiving allocation first. If two or more applications

28.6 receive an equal number of points, available bonding authority shall be awarded by lot
28.7 unless otherwise agreed to by the respective issuers.

28.8 **EFFECTIVE DATE.** This section is effective January 1, 2020.

28.9 Sec. 37. Minnesota Statutes 2018, section 474A.061, subdivision 2c, is amended to read:

28.10 Subd. 2c. **Public facilities pool allocation.** From the beginning of the calendar year and
28.11 continuing for a period of 120 days, the commissioner shall reserve \$5,000,000 of the
28.12 available bonding authority from the public facilities pool for applications for public facilities
28.13 projects to be financed by the Western Lake Superior Sanitary District. Commencing on
28.14 the second Tuesday in January and continuing on each Monday through the last Monday
28.15 in ~~July~~ June, the commissioner shall allocate available bonding authority from the public
28.16 facilities pool to applications for eligible public facilities projects received on or before the
28.17 Monday of the preceding week. If there are two or more applications for public facilities
28.18 projects from the pool and there is insufficient available bonding authority to provide
28.19 allocations for all projects in any one week, the available bonding authority shall be awarded
28.20 by lot unless otherwise agreed to by the respective issuers.

28.21 **EFFECTIVE DATE.** This section is effective January 1, 2020.

28.22 Sec. 38. Minnesota Statutes 2018, section 474A.061, subdivision 4, is amended to read:

28.23 Subd. 4. **Return of allocation; deposit refund for small issue pool or public facilities**
28.24 **pool.** (a) For any requested allocations from the small issue pool or the public facilities
28.25 pool, if an issuer that receives an allocation under this section determines that it will not
28.26 issue obligations equal to all or a portion of the allocation received under this section within
28.27 120 days of allocation or within the time period permitted by federal tax law, whichever is
28.28 less, the issuer must notify the department. If the issuer notifies the department or the 120-day
28.29 period since allocation has expired prior to the last Monday in ~~July~~ June, the amount of
28.30 allocation is canceled and returned for reallocation through the pool from which it was
28.31 originally allocated. If the issuer notifies the department or the 120-day period since allocation
28.32 has expired on or after the last Monday in ~~July~~ June, the amount of allocation is canceled
28.33 and returned for reallocation through the unified pool. If the issuer notifies the department
29.1 after the last Monday in November, the amount of allocation is canceled and returned for
29.2 reallocation to the Minnesota Housing Finance Agency. To encourage a competitive
29.3 application process, the commissioner shall reserve, for new applications, the amount of
29.4 allocation that is canceled and returned for reallocation under this section for a minimum
29.5 of seven calendar days.

29.6 (b) An issuer that returns for reallocation all or a portion of an allocation received under
29.7 this ~~section~~ subdivision within 120 days of allocation shall receive within 30 days a refund
29.8 equal to:

29.9 (1) one-half of the application deposit for the amount of bonding authority returned
29.10 within 30 days of receiving allocation;

- 29.11 (2) one-fourth of the application deposit for the amount of bonding authority returned
29.12 between 31 and 60 days of receiving allocation; and
- 29.13 (3) one-eighth of the application deposit for the amount of bonding authority returned
29.14 between 61 and 120 days of receiving allocation.
- 29.15 (c) No refund shall be available for allocations returned 120 or more days after receiving
29.16 the allocation or beyond the last Monday in November.
- 29.17 **EFFECTIVE DATE.** This section is effective January 1, 2020.
- 29.18 Sec. 39. Minnesota Statutes 2018, section 474A.061, is amended by adding a subdivision
29.19 to read:
- 29.20 Subd. 7. **Return of allocation; deposit refund for housing pool.** (a) For any requested
29.21 allocations from the housing pool, if an issuer that receives an allocation under this section
29.22 determines that it will not permanently issue obligations equal to all or a portion of the
29.23 allocation received under this section within the time period provided under section
29.24 474A.061, subdivision 2a, paragraph (a), or within the time period permitted by federal tax
29.25 law, whichever is less, the issuer must notify the department. If the issuer notifies the
29.26 department or the time period provided under section 474A.061, subdivision 2a, paragraph
29.27 (a), has expired prior to the last Monday in June, the amount of allocation is canceled and
29.28 returned for reallocation through the housing pool. If the issuer notifies the department or
29.29 the time period provided under section 474A.061, subdivision 2a, paragraph (a), has expired
29.30 on or after the last Monday in June, the amount of allocation is canceled and returned for
29.31 reallocation through the unified pool. If the issuer notifies the department after the last
29.32 Monday in November, the amount of allocation is canceled and returned for reallocation
29.33 to the Minnesota Housing Finance Agency. To encourage a competitive application process,
30.1 the commissioner shall reserve, for new applications, the amount of allocation that is canceled
30.2 and returned for reallocation under this section for a minimum of seven calendar days.
- 30.3 (b) An issuer that returns for reallocation all or a portion of an allocation received under
30.4 this subdivision within 180 days of allocation shall receive within 30 days a refund equal
30.5 to:
- 30.6 (1) one-half of the application deposit for the amount of bonding authority returned
30.7 within 45 days of receiving allocation;
- 30.8 (2) one-fourth of the application deposit for the amount of bonding authority returned
30.9 between 46 and 90 days of receiving allocation; and
- 30.10 (3) one-eighth of the application deposit for the amount of bonding authority returned
30.11 between 91 and 180 days of receiving allocation.
- 30.12 (c) No refund shall be available for allocations returned 180 or more days after receiving
30.13 the allocation or beyond the last Monday in November.

69.1 Sec. 35. Minnesota Statutes 2018, section 474A.091, subdivision 2, is amended to read:

69.2 Subd. 2. **Application.** (a) Issuers may apply for an allocation under this section by

69.3 submitting to the department an application on forms provided by the department

69.4 accompanied by:

69.5 (1) a preliminary resolution;

69.6 (2) a statement of bond counsel that the proposed issue of obligations requires an

69.7 allocation under this chapter and the Internal Revenue Code;

69.8 (3) ~~the type of qualified bonds to be issued,~~ (4) an application deposit in the amount of

69.9 two percent of the requested allocation, ~~(5) a public purpose scoring worksheet for~~

69.10 ~~manufacturing and enterprise zone applications, and (6) for residential rental projects, a~~

69.11 ~~statement from the applicant or bond counsel as to whether the project preserves existing~~

69.12 ~~federally subsidized housing and whether the project is restricted to persons who are 55~~

69.13 ~~years of age or older; and~~

69.14 (4) a sworn statement from the applicant identifying the project as either a preservation

69.15 project, 30 percent AMI residential rental project, 50 percent AMI residential rental project,

69.16 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project.

30.14 **EFFECTIVE DATE.** This section is effective January 1, 2020.

30.15 Sec. 40. Minnesota Statutes 2018, section 474A.062, is amended to read:

30.16 **474A.062 MINNESOTA OFFICE OF HIGHER EDUCATION 120-DAY ISSUANCE**

30.17 **EXEMPTION.**

30.18 The Minnesota Office of Higher Education is exempt from ~~the 120-day any time~~

30.19 ~~limitation on issuance requirements~~ of bonds set forth in this chapter and may carry forward

30.20 allocations for student loan bonds, subject to carryforward notice requirements of section

30.21 474A.131, subdivision 2.

30.22 **EFFECTIVE DATE.** This section is effective January 1, 2020.

30.23 Sec. 41. Minnesota Statutes 2018, section 474A.091, subdivision 1, is amended to read:

30.24 Subdivision 1. **Unified pool amount.** On the day after the last Monday in ~~July~~ June any

30.25 bonding authority remaining unallocated from the small issue pool, the housing pool, and

30.26 the public facilities pool is transferred to the unified pool and must be reallocated as provided

30.27 in this section.

30.28 **EFFECTIVE DATE.** This section is effective January 1, 2020.

31.1 Sec. 42. Minnesota Statutes 2018, section 474A.091, subdivision 2, is amended to read:

31.2 Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an

31.3 allocation for residential rental bonds under this section by submitting to the department

31.4 an application on forms provided by the department accompanied by:

31.5 (1) a preliminary resolution;

31.6 (2) a statement of bond counsel that the proposed issue of obligations requires an

31.7 allocation under this chapter and the Internal Revenue Code;

31.8 (3) ~~the type of qualified bonds to be issued,~~ (4) an application deposit in the amount of

31.9 two percent of the requested allocation, ~~(5) a public purpose scoring worksheet for~~

31.10 ~~manufacturing and enterprise zone applications, and (6) for residential rental projects, a~~

31.11 ~~statement from the applicant or bond counsel as to whether the project preserves existing~~

31.12 ~~federally subsidized housing and whether the project is restricted to persons who are 55~~

31.13 ~~years of age or older;~~

31.14 (4) a sworn statement from the applicant identifying the project as a preservation project,

31.15 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100

31.16 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project;

31.17 and

31.18 (5) a certification from the applicant or its accountant stating that the requested allocation

31.19 does not exceed the aggregate bond limitation.

69.17 The issuer must pay the application deposit ~~by check to the Department of Management~~
69.18 ~~and Budget. An entitlement issuer may not apply for an allocation for public facility bonds,~~
69.19 ~~residential rental project bonds, or mortgage bonds~~ under this section unless it has either
69.20 permanently issued bonds equal to the amount of its entitlement allocation for the current
69.21 year plus any amount carried forward from previous years or returned for reallocation all
69.22 of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation
69.23 includes an amount obtained under section 474A.04, subdivision 6.

69.24 (b) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,
69.25 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds
69.26 under this section prior to the first Monday in October, but may be awarded allocations for
69.27 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota
69.28 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota
69.29 Rural Finance Authority may apply for and receive an allocation under this section without
69.30 submitting an application deposit.

31.20 The issuer must pay the application deposit ~~by check to the Department of Management~~
31.21 ~~and Budget. An entitlement issuer may not apply for an allocation for public facility bonds,~~
31.22 ~~residential rental project bonds, or mortgage bonds~~ under this section unless it has either
31.23 permanently issued bonds equal to the amount of its entitlement allocation for the current
31.24 year plus any amount carried forward from previous years or returned for reallocation all
31.25 of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation
31.26 includes an amount obtained under section 474A.04, subdivision 6.

31.27 (b) An issuer that receives an allocation under this subdivision must permanently issue
31.28 obligations equal to all or a portion of the allocation received on or before 180 days of the
31.29 allocation. If an issuer that receives an allocation under this subdivision does not permanently
31.30 issue obligations equal to all or a portion of the allocation received within the time period
31.31 provided in this paragraph or returns the allocation to the commissioner, the amount of the
31.32 allocation is canceled and returned for reallocation through the unified pool.

32.1 (c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,
32.2 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds
32.3 under this section prior to the first Monday in October, but may be awarded allocations for
32.4 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota
32.5 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota
32.6 Rural Finance Authority may apply for and receive an allocation under this section without
32.7 submitting an application deposit.

32.8 **EFFECTIVE DATE.** This section is effective January 1, 2020.

32.9 Sec. 43. Minnesota Statutes 2018, section 474A.091, is amended by adding a subdivision
32.10 to read:

32.11 Subd. 2a. **Application for all other types of qualified bonds.** (a) Issuers may apply
32.12 for an allocation for all types of qualified bonds other than residential rental bonds under
32.13 this section by submitting to the department an application on forms provided by the
32.14 department accompanied by:

32.15 (1) a preliminary resolution;

32.16 (2) a statement of bond counsel that the proposed issue of obligations requires an
32.17 allocation under this chapter and the Internal Revenue Code;

32.18 (3) the type of qualified bonds to be issued;

32.19 (4) an application deposit in the amount of two percent of the requested allocation; and

32.20 (5) a public purpose scoring worksheet for manufacturing and enterprise zone
32.21 applications.

32.22 The issuer must pay the application deposit to the Department of Management and Budget.
32.23 An entitlement issuer may not apply for an allocation for public facility bonds or mortgage
32.24 bonds under this section unless it has either permanently issued bonds equal to the amount

69.31 Sec. 36. Minnesota Statutes 2018, section 474A.091, subdivision 3, is amended to read:

69.32 Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding

69.33 authority under this section on the Monday of every other week beginning with the first

70.1 Monday in August through and on the last Monday in November. Applications for allocations

70.2 must be received by the department by 4:30 p.m. on the Monday preceding the Monday on

70.3 which allocations are to be made. If a Monday falls on a holiday, the allocation will be made

70.4 or the applications must be received by the next business day after the holiday.

70.5 (b) Prior to October 1, only the following applications shall be awarded allocations from

70.6 the unified pool. Allocations shall be awarded in the following order of priority:

70.7 (1) applications for residential rental project bonds;

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

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

70.10 (c) On the first Monday in October through the last Monday in November, allocations

70.11 shall be awarded from the unified pool in the following order of priority:

70.12 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office

70.13 of Higher Education;

70.14 (2) applications for mortgage bonds;

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

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

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

70.18 (6) applications for residential rental project bonds;

70.19 (7) applications for enterprise zone facility bonds;

32.25 of its entitlement allocation for the current year plus any amount carried forward from

32.26 previous years or returned for reallocation all of its unused entitlement allocation. For

32.27 purposes of this subdivision, an entitlement allocation includes an amount obtained under

32.28 section 474A.04, subdivision 6.

32.29 (b) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,

32.30 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds

32.31 under this section prior to the first Monday in October, but may be awarded allocations for

32.32 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota

33.1 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota

33.2 Rural Finance Authority may apply for and receive an allocation under this section without

33.3 submitting an application deposit.

33.4 **EFFECTIVE DATE.** This section is effective January 1, 2020.

33.5 Sec. 44. Minnesota Statutes 2018, section 474A.091, subdivision 3, is amended to read:

33.6 Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding

33.7 authority under this section on the Monday of every other week beginning with the first

33.8 Monday in August ~~July~~ through and on the last Monday in November. Applications for

33.9 allocations must be received by the department by 4:30 p.m. on the Monday preceding the

33.10 Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation

33.11 will be made or the applications must be received by the next business day after the holiday.

33.12 (b) Prior to October 1, only the following applications shall be awarded allocations from

33.13 the unified pool. Allocations shall be awarded in the following order of priority:

33.14 (1) applications for residential rental project bonds;

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

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

33.17 (c) On the first Monday in October through the last Monday in November, allocations

33.18 shall be awarded from the unified pool in the following order of priority:

33.19 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office

33.20 of Higher Education;

33.21 (2) applications for mortgage bonds;

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

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

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

33.25 (6) applications for residential rental project bonds;

33.26 (7) applications for enterprise zone facility bonds;

70.20 (8) applications for governmental bonds; and

70.21 (9) applications for redevelopment bonds.

70.22 (d) If there are two or more applications for manufacturing projects from the unified
70.23 pool and there is insufficient bonding authority to provide allocations for all manufacturing
70.24 projects in any one allocation period, the available bonding authority shall be awarded based
70.25 on the number of points awarded a project under section 474A.045 with those projects
70.26 receiving the greatest number of points receiving allocation first. If two or more applications
70.27 for manufacturing projects receive an equal amount of points, available bonding authority
70.28 shall be awarded by lot unless otherwise agreed to by the respective issuers.

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

71.6 (f) If there are two or more applications for residential rental projects from the unified
71.7 pool and there is insufficient bonding authority to provide allocations for all residential
71.8 rental projects in any one allocation period, the available bonding authority shall be awarded
71.9 in the following order of priority: ~~(1) projects that preserve existing federally subsidized~~
71.10 ~~housing; (2) projects that are not restricted to persons who are 55 years of age or older; and~~
71.11 ~~(3) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI~~
71.12 ~~residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects;~~
71.13 ~~and (6) other residential rental projects. If there are two or more applications for residential~~
71.14 ~~rental projects at the same priority level and there is insufficient bonding authority to provide~~
71.15 ~~allocations for all the projects in any one allocation period, available bonding authority shall~~
71.16 ~~be randomly awarded by lot but only for projects that received the full amount of their~~
71.17 ~~respective requested allocations. If a residential rental project does not receive any of its~~
71.18 ~~requested allocation pursuant to this paragraph and the project applies in the future to the~~
71.19 ~~housing pool or the unified pool for additional allocation of bonds, the project shall be fully~~
71.20 ~~funded up to its original application request for bonding authority before any new project,~~
71.21 ~~applying in the same allocation period, that has an equal priority shall receive bonding~~
71.22 ~~authority.~~

71.23 (g) From the first Monday in August through the last Monday in November, \$20,000,000
71.24 of bonding authority or an amount equal to the total annual amount of bonding authority
71.25 allocated to the small issue pool under section 474A.03, subdivision 1, less the amount
71.26 allocated to issuers from the small issue pool for that year, whichever is less, is reserved
71.27 within the unified pool for small issue bonds to the extent ~~such~~ the amounts are available
71.28 within the unified pool.

33.27 (8) applications for governmental bonds; and

33.28 (9) applications for redevelopment bonds.

33.29 (d) If there are two or more applications for manufacturing projects from the unified
33.30 pool and there is insufficient bonding authority to provide allocations for all manufacturing
34.1 projects in any one allocation period, the available bonding authority shall be awarded based
34.2 on the number of points awarded a project under section 474A.045 with those projects
34.3 receiving the greatest number of points receiving allocation first. If two or more applications
34.4 for manufacturing projects receive an equal amount of points, available bonding authority
34.5 shall be awarded by lot unless otherwise agreed to by the respective issuers.

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

34.14 (f) If there are two or more applications for residential rental projects from the unified
34.15 pool and there is insufficient bonding authority to provide allocations for all residential
34.16 rental projects in any one allocation period, the available bonding authority shall be awarded
34.17 in the following order of priority: ~~(1) projects that preserve existing federally subsidized~~
34.18 ~~housing; (2) projects that are not restricted to persons who are 55 years of age or older; and~~
34.19 ~~(3) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI~~
34.20 ~~residential rental projects for which the amount of bonds requested in their respective~~
34.21 ~~applications do not exceed the aggregate bond limitations; (4) 100 percent LIHTC projects;~~
34.22 ~~(5) 20 percent LIHTC projects; and (6) other residential rental projects. If there are two or~~
34.23 ~~more applications for residential rental projects at the same priority level and there is~~
34.24 ~~insufficient bonding authority to provide allocations for all the projects in any one allocation~~
34.25 ~~period, available bonding authority shall be randomly awarded by lot but only for projects~~
34.26 ~~that received the full amount of their respective requested allocations. If a residential rental~~
34.27 ~~project does not receive any of its requested allocation pursuant to this paragraph and the~~
34.28 ~~project applies in the next successive housing pool or the next successive unified pool for~~
34.29 ~~an allocation of bonds, the project shall be fully funded up to its original application request~~
34.30 ~~for bonding authority before any new project, applying in the same allocation period, that~~
34.31 ~~has an equal priority shall receive bonding authority.~~

34.32 (g) From the first Monday in ~~August~~ August July through the last Monday in November,
34.33 \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding
34.34 authority allocated to the small issue pool under section 474A.03, subdivision 1, less the
34.35 amount allocated to issuers from the small issue pool for that year, whichever is less, is
35.1 reserved within the unified pool for small issue bonds to the extent ~~such~~ the amounts are
35.2 available within the unified pool.

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

71.31 (1) \$10,000,000 for any one city; or

71.32 (2) \$20,000,000 for any number of cities in any one county.

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

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

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

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

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

35.5 (1) \$10,000,000 for any one city; or

35.6 (2) \$20,000,000 for any number of cities in any one county.

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

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

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

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

35.18 **EFFECTIVE DATE.** This section is effective January 1, 2020.

35.19 Sec. 45. Minnesota Statutes 2018, section 474A.091, subdivision 5, is amended to read:

35.20 Subd. 5. **Return of allocation; deposit refund.** (a) If an issuer that receives an allocation
35.21 under this section determines that it will not permanently issue obligations equal to all or a
35.22 portion of the allocation received under this section within ~~120~~ the applicable number of
35.23 days ~~or~~ after the allocation required in this chapter or within the time period permitted by
35.24 federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies
35.25 the department or the ~~120-day~~ applicable period since allocation has expired prior to the
35.26 last Monday in November, the amount of allocation is canceled and returned for reallocation
35.27 through the unified pool. If the issuer notifies the department on or after the last Monday
35.28 in November, the amount of allocation is canceled and returned for reallocation to the
35.29 Minnesota Housing Finance Agency. To encourage a competitive application process, the
35.30 commissioner shall reserve, for new applications, the amount of allocation that is canceled
35.31 and returned for reallocation under this section for a minimum of seven calendar days.

36.1 (b) An issuer that returns for reallocation all or a portion of an allocation for all types
36.2 of bonds other than residential rental project bonds received under this section within 120
36.3 days of the allocation shall receive within 30 days a refund equal to:

36.4 (1) one-half of the application deposit for the amount of bonding authority returned
36.5 within 30 days of receiving the allocation;

36.6 (2) one-fourth of the application deposit for the amount of bonding authority returned
36.7 between 31 and 60 days of receiving the allocation; and

- 36.8 (3) one-eighth of the application deposit for the amount of bonding authority returned
36.9 between 61 and 120 days of receiving the allocation.
- 36.10 (c) An issuer that returns for reallocation all or a portion of an allocation for residential
36.11 rental project bonds received under this section within 180 days of the allocation shall
36.12 receive within 30 days a refund equal to:
- 36.13 (1) one-half of the application deposit for the amount of bonding authority returned
36.14 within 45 days of receiving the allocation;
- 36.15 (2) one-fourth of the application deposit for the amount of bonding authority returned
36.16 between 46 and 90 days of receiving the allocation; and
- 36.17 (3) one-eighth of the application deposit for the amount of bonding authority returned
36.18 between 91 and 180 days of receiving the allocation.
- 36.19 ~~(c)~~ (d) No refund of the application deposit shall be available for allocations returned
36.20 on or after the last Monday in November.
- 36.21 **EFFECTIVE DATE.** This section is effective January 1, 2020.
- 36.22 Sec. 46. Minnesota Statutes 2018, section 474A.131, subdivision 1, is amended to read:
- 36.23 Subdivision 1. **Notice of issue.** (a) Each issuer ~~that issues bonds~~ with an allocation
36.24 received under this chapter shall provide a notice of issue to the department on forms
36.25 provided by the department stating:
- 36.26 (1) the date of issuance of the bonds;
- 36.27 (2) the title of the issue;
- 36.28 (3) the principal amount of the bonds;
- 36.29 (4) the type of qualified bonds under federal tax law;
- 37.1 (5) the dollar amount of the bonds issued that were subject to the annual volume cap;
37.2 and
- 37.3 (6) for entitlement issuers, whether the allocation is from current year entitlement
37.4 authority or is from carryforward authority.
- 37.5 For obligations that are issued as a part of a series of obligations, a notice must be
37.6 provided for each series. A penalty of one-half of the amount of the application deposit not
37.7 to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not
37.8 provided to the department within five business days after issuance or before 4:30 p.m. on
37.9 the last business day in December, whichever occurs first. Within 30 days after receipt of
37.10 a notice of issue the department shall refund a portion of the application deposit equal to
37.11 one percent of the amount of the bonding authority actually issued if a one percent application
37.12 deposit was made, or equal to two percent of the amount of the bonding authority actually
37.13 issued if a two percent application deposit was made, less any penalty amount.

37.14 (b) If an issuer that receives an allocation under this chapter for a residential rental project
37.15 issues obligations as provided in this chapter, the commissioner shall refund 50 percent of
37.16 any application deposit previously paid within 30 days of the issuance of the obligations
37.17 and the remaining 50 percent will be refunded within 30 days after the date on which:

37.18 (1) final Internal Revenue Service Forms 8609 are provided to the commissioner with
37.19 respect to preservation projects, 30 percent AMI residential rental projects, 50 percent AMI
37.20 residential rental projects, 100 percent LIHTC projects, or 20 percent LIHTC projects, or

37.21 (2) the issuer provides a certification and any other reasonable documentation requested
37.22 by the commissioner evidencing that construction of the project has been completed.

37.23 If the issuer receives an allocation under this chapter for a residential rental project and
37.24 fails to issue the bonds within the time permitted by federal law, the application deposit
37.25 shall be forfeited.

37.26 **EFFECTIVE DATE.** This section is effective January 1, 2020.

37.27 Sec. 47. Minnesota Statutes 2018, section 474A.131, subdivision 1b, is amended to read:

37.28 Subd. 1b. **Deadline for issuance of qualified bonds.** If an issuer fails to notify the
37.29 department before 4:30 p.m. on the last business day in December of the permanent issuance
37.30 of obligations pursuant to an allocation received for any qualified bond project or issuance
37.31 of an entitlement allocation, the allocation is canceled and the bonding authority is allocated
37.32 to the Minnesota Housing Finance Agency for carryforward by the commissioner under
37.33 section 474A.091, subdivision 6.

38.1 **EFFECTIVE DATE.** This section is effective January 1, 2020.

38.2 Sec. 48. Minnesota Statutes 2018, section 474A.14, is amended to read:

38.3 **474A.14 NOTICE OF AVAILABLE AUTHORITY.**

38.4 The department shall provide at its official website a written notice of the amount of
38.5 bonding authority in the housing, small issue, and public facilities pools as soon after January
38.6 1 as possible. The department shall provide at its official website a written notice of the
38.7 amount of bonding authority available for allocation in the unified pool as soon after ~~August~~
38.8 July 1 as possible.

38.9 **EFFECTIVE DATE.** This section is effective January 1, 2020.

38.10 Sec. 49. Minnesota Statutes 2018, section 474A.21, is amended to read:

38.11 **474A.21 APPROPRIATION; RECEIPTS.**

38.12 Any fees collected by the department under sections 474A.01 to 474A.21 must be
38.13 deposited in a separate account in the general fund. The amount necessary to refund
38.14 application deposits is appropriated to the department from the separate account in the
38.15 general fund for that purpose. The interest accruing on application deposits and any

38.16 application deposit not refunded as provided under section 474A.061, subdivision 4 or 7,
38.17 or 474A.091, subdivision 5, or forfeited as provided under section 474A.131, subdivision
38.18 1, paragraph (b), or subdivision 2, must be deposited in the housing trust fund account under
38.19 section 462A.201.

38.20 **EFFECTIVE DATE.** This section is effective January 1, 2020.

38.21 Sec. 50. Minnesota Statutes 2018, section 484.014, subdivision 2, is amended to read:

38.22 Subd. 2. **Discretionary expungement.** The court may order expungement of an eviction
38.23 case court file ~~only upon motion of a defendant and decision by the court, if the court finds~~
38.24 ~~that the plaintiff's case is sufficiently without basis in fact or law, which may include lack~~
38.25 ~~of jurisdiction over the case, that~~ if the court makes the following findings: (1) the eviction
38.26 case court file is no longer a reasonable predictor of future tenant behavior; and (2) the
38.27 expungement is clearly in the interests of justice and those interests are not outweighed by
38.28 the public's interest in knowing about the record.

39.1 Sec. 51. Minnesota Statutes 2018, section 484.014, subdivision 3, is amended to read:

39.2 Subd. 3. **Mandatory expungement.** The court shall order expungement of an eviction
39.3 case:

39.4 (1) commenced solely on the grounds provided in section 504B.285, subdivision 1,
39.5 clause (1), if the court finds that the defendant occupied real property that was subject to
39.6 contract for deed cancellation or mortgage foreclosure and:

39.7 ~~(1)~~ (i) the time for contract cancellation or foreclosure redemption has expired and the
39.8 defendant vacated the property prior to commencement of the eviction action; or

39.9 ~~(2)~~ (ii) the defendant was a tenant during the contract cancellation or foreclosure
39.10 redemption period and did not receive a notice under section 504B.285, subdivision 1a, 1b,
39.11 or 1c, to vacate on a date prior to commencement of the eviction case;

39.12 (2) if the defendant prevailed on the merits;

39.13 (3) if the court dismissed the plaintiff's complaint for any reason;

39.14 (4) if the parties to the action have agreed to an expungement;

39.15 (5) if the court finds an eviction was ordered at least three years prior to the date the
39.16 expungement was filed; or

39.17 (6) upon motion of a defendant, if the case is settled and the defendant fulfills the terms
39.18 of the settlement.

39.19 Sec. 52. Minnesota Statutes 2018, section 504B.111, is amended to read:

39.20 **504B.111 WRITTEN LEASE REQUIRED; PENALTY.**

39.21 A landlord of a residential building with 12 or more residential units must have a written
39.22 lease for each unit rented to a residential tenant. The written lease must identify the specific
39.23 unit the residential tenant will occupy before the residential tenant signs the lease.
39.24 Notwithstanding any other state law or city ordinance to the contrary, a landlord may ask
39.25 for the tenant's full name and date of birth on the lease and application. A landlord who fails
39.26 to provide a lease, as required under this section, is guilty of a petty misdemeanor.

39.27 **EFFECTIVE DATE.** This section is effective the day following final enactment and
39.28 applies to leases entered into or renewed on or after that date.

40.1 Sec. 53. **[504B.146] LEASE DURATION NOTICE.**

40.2 A written lease for a residential unit must identify the lease start date and lease end date.
40.3 If the lease requires the tenant to move in or out of the residential unit on a date other than
40.4 the first or last day of the month, the lease must indicate the amount of the prorated rent, if
40.5 applicable. The information required by this section must be provided on the first page of
40.6 the lease.

40.7 **EFFECTIVE DATE.** This section is effective the day following final enactment and
40.8 applies to leases entered into or renewed on or after that date.

40.9 Sec. 54. **[504B.147] TIME PERIOD FOR NOTICE TO QUIT OR RENT INCREASE.**

40.10 Subdivision 1. **Application.** This section applies to a residential lease that provides a
40.11 time period for the landlord to give notice to quit the premises or notice of a rent increase
40.12 that is different than the time period the tenant is required to give for notice of intention to
40.13 quit the premises. For purposes of this section, "notice to quit" includes a notice of
40.14 nonrenewal of a lease.

40.15 Subd. 2. **Tenant option to choose notice period.** The tenant may give notice of an
40.16 intention to quit the premises using either:

40.17 (1) the time period provided in the lease for the tenant to give a notice of intention to
40.18 quit the premises; or

40.19 (2) the time period provided in the lease for the landlord to give a notice to quit the
40.20 premises or notice of a rent increase.

40.21 Subd. 3. **Landlord notice requirements.** The landlord may not give a notice to quit the
40.22 premises or notice of a rent increase that is shorter than the time period the lease provides
40.23 for the tenant to give notice of an intention to quit the premises.

40.24 Subd. 4. **No waiver.** The requirements of this section may not be waived or modified
40.25 by the parties to a residential lease. Any provision, whether oral or written, of a lease or

72.10 Sec. 37. **ADVANCES TO THE MINNESOTA MANUFACTURED HOME**
72.11 **RELOCATION TRUST FUND.**

72.12 (a) Until June 30, 2020, the Minnesota Housing Finance Agency or Department of
72.13 Management and Budget as determined by the commissioner of management and budget,
72.14 is authorized to advance up to \$400,000 from state appropriations or other resources to the
72.15 Minnesota manufactured home relocation trust fund established under Minnesota Statutes,
72.16 section 462A.35, if the account balance in the Minnesota manufactured home relocation
72.17 trust fund is insufficient to pay the amounts claimed under Minnesota Statutes, section
72.18 327C.095, subdivision 13.

40.26 other agreement by which any provision of this section is waived by a tenant is contrary to
40.27 public policy and void.

40.28 **EFFECTIVE DATE.** This section is effective the day following final enactment and
40.29 applies to leases entered into or renewed on or after that date.

41.1 Sec. 55. Minnesota Statutes 2018, section 504B.206, subdivision 3, is amended to read:

41.2 Subd. 3. **Liability for rent; termination of tenancy.** (a) A tenant who is a sole tenant
41.3 and is terminating a lease under subdivision 1 is responsible for the rent payment for the
41.4 full month in which the tenancy terminates. The tenant forfeits all claims for the return of
41.5 the security deposit under section 504B.178 and is relieved of any other contractual obligation
41.6 for payment of rent or any other charges for the remaining term of the lease, except as
41.7 provided in this section. In a sole tenancy, the tenancy terminates on the date specified in
41.8 the notice provided to the landlord as required under subdivision 1.

41.9 (b) In a tenancy with multiple tenants, one of whom is terminating the lease under
41.10 subdivision 1, any lease governing all tenants is terminated at the ~~later~~ later of the end of
41.11 the month or the end of the rent interval in which one tenant terminates the lease under
41.12 subdivision 1. All tenants are responsible for the rent payment for the full month in which
41.13 the tenancy terminates. Upon termination, all tenants forfeit all claims for the return of the
41.14 security deposit under section 504B.178 and are relieved of any other contractual obligation
41.15 for payment of rent or any other charges for the remaining term of the lease, except as
41.16 provided in this section. Any tenant whose tenancy was terminated under this paragraph
41.17 may reapply to enter into a new lease with the landlord.

41.18 (c) This section does not affect a tenant's liability for delinquent, unpaid rent or other
41.19 amounts owed to the landlord before the lease was terminated by the tenant under this
41.20 section.

41.21 Sec. 56. Minnesota Statutes 2018, section 504B.321, is amended by adding a subdivision
41.22 to read:

41.23 Subd. 3. **Nonpublic record.** An eviction action is not accessible to the public until the
41.24 court enters a final judgment.

41.25 Sec. 57. **ADVANCES TO MINNESOTA MANUFACTURED HOME RELOCATION**
41.26 **TRUST FUND.**

41.27 (a) The Minnesota Housing Finance Agency or Department of Management and Budget
41.28 as determined by the commissioner of management and budget, is authorized to advance
41.29 up to \$400,000 from state appropriations or other resources to the Minnesota manufactured
41.30 home relocation trust fund established under Minnesota Statutes, section 462A.35, if the
41.31 account balance in the Minnesota manufactured home relocation trust fund is insufficient
41.32 to pay the amounts claimed under Minnesota Statutes, section 327C.095, subdivision 13.

72.19 (b) The Minnesota Housing Finance Agency or Department of Management and Budget
72.20 shall be reimbursed from the Minnesota manufactured home relocation trust fund for any
72.21 money advanced by the agency under paragraph (a) to the fund. Approved claims for payment
72.22 to manufactured home owners shall be paid prior to the money being advanced by the agency
72.23 or the department to the fund.

72.24 Sec. 38. **ITASCA COUNTY LICENSE FEE INCREASE.**

72.25 An owner or licensor of any interest in real property located in Itasca County is prohibited
72.26 from increasing a license fee except as provided in this section. The amount of any license
72.27 fee increase must not exceed ten percent of the fee charged in the preceding 12-month period
72.28 and an owner or licensor must not impose more than one license fee increase in any 12-month
72.29 period. For purposes of this section, a "license fee" means any fee paid by a licensee pursuant
72.30 to a license agreement granting the licensee permission to use, enter, or occupy an owner
72.31 or licensor's property.

73.1 **EFFECTIVE DATE; APPLICATION.** This section is effective the day after the Itasca
73.2 County Board of Commissioners and its chief clerical officer timely complete their
73.3 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3, and applies to
73.4 license agreements entered into on or after that date.

42.1 (b) The Minnesota Housing Finance Agency or Department of Management and Budget
42.2 shall be reimbursed from the Minnesota manufactured home relocation trust fund for any
42.3 money advanced by the agency under paragraph (a) to the fund. Approved claims for payment
42.4 to manufactured home owners shall be paid prior to the money being advanced by the agency
42.5 or the department to the fund.

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58.5 Sec. 2. **ITASCA COUNTY; CERTAIN FEES MAY BE REGULATED.**

58.6 Itasca County may adopt an ordinance to regulate license fee increases that may be
58.7 imposed on a homeowner by the owner or licensor of the underlying land on which the
58.8 house is located. If the county adopts an ordinance under this section, the ordinance must
58.9 limit any license fee increase to no more than ten percent of the license fee charged in the
58.10 preceding 12-month period. In addition, the ordinance must not allow more than one increase
58.11 in a 12-month period. "License fee" means a fee paid by a licensee pursuant to a license
58.12 agreement granting the licensee permission to use, enter, or occupy an owner's or licensor's
58.13 property. The ordinance adopted may only apply to fees imposed pursuant to license
58.14 agreements entered into or renewed on or after the effective date of the ordinance.

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

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42.6 Sec. 58. **REPEALER.**

42.7 Minnesota Statutes 2018, section 327C.095, subdivision 8, is repealed.