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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4561

03/23/2026 Authored by Gomez and Howard
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; local government aids; modifying reporting requirements of
1.3 the local homeless prevention aid; allowing for redistribution of unspent money;
1.4 repealing the sunset of the aid; amending Minnesota Statutes 2024, section 477A.30,
1.5 subdivisions 4, 6, 7; repealing Minnesota Statutes 2024, section 477A.30,
1.6 subdivision 8.

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

1.8 Section 1. Minnesota Statutes 2024, section 477A.30, subdivision 4, is amended to read:

1.9 Subd. 4. Use of proceeds. (a) Counties and Tribal governments that receive a distribution
1.10 under this section must use the proceeds to fund new or existing family homeless prevention
1.11 and assistance projects or programs. These projects or programs may be administered by a
1.12 county, a group of contiguous counties jointly acting together, a city, a group of contiguous
1.13 cities jointly acting together, a Tribal government, a group of Tribal governments, or a
1.14 community-based nonprofit organization. Each project or program must include plans for:

1.15 (1) targeting families with children who are eligible for a prekindergarten through grade
1.16 12 academic program and are:

1.17 (i) living in overcrowded conditions in their current housing;

1.18 (ii) paying more than 50 percent of their income for rent; or

1.19 (iii) lacking a fixed, regular, and adequate nighttime residence;

1.20 (2) targeting unaccompanied youth in need of an alternative residential setting;

2.1 (3) connecting families with the social services necessary to maintain the families'
 2.2 stability in their homes, including but not limited to housing navigation, legal representation,
 2.3 and family outreach; and

2.4 (4) one or more of the following:

2.5 (i) providing rental assistance for a specified period of time which may exceed 24 months;
 2.6 or

2.7 (ii) providing support and case management services to improve housing stability,
 2.8 including but not limited to housing navigation and family outreach.

2.9 (b) Counties and Tribal governments may choose not to spend all or a portion of the
 2.10 distribution under this section. Any unspent ~~funds~~ money must be returned to the
 2.11 commissioner of revenue by December 31 of the year following the year that the aid was
 2.12 received. Any ~~funds~~ money returned to the commissioner under this paragraph must be
 2.13 added to the overall distribution of aids certified under this section in the following year.
 2.14 ~~Any unspent funds returned to the commissioner after the expiration under subdivision 8~~
 2.15 ~~are canceled to the general fund.~~

2.16 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2027.

2.17 Sec. 2. Minnesota Statutes 2024, section 477A.30, subdivision 6, is amended to read:

2.18 Subd. 6. **Appropriation.** (a) \$17,600,000 is annually appropriated from the general fund
 2.19 to the commissioner of revenue to make payments to counties required under this section.
 2.20 Unspent money returned to the commissioner of revenue by counties pursuant to subdivision
 2.21 4, paragraph (b), are appropriated to the commissioner of revenue to make payments to
 2.22 counties required under this section.

2.23 (b) \$2,400,000 is annually appropriated from the general fund to the commissioner of
 2.24 revenue to make payments to Tribal governments required under this section. Unspent
 2.25 money returned to the commissioner of revenue by Tribal governments pursuant to
 2.26 subdivision 4, paragraph (b), are appropriated to the commissioner of revenue to make
 2.27 payments to Tribal governments required under this section.

2.28 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2027.

2.29 Sec. 3. Minnesota Statutes 2024, section 477A.30, subdivision 7, is amended to read:

2.30 Subd. 7. **Report.** (a) No later than January 15, 2025, the commissioner of revenue must
 2.31 produce a report on projects and programs funded by counties and Tribal governments under

3.1 this section. The report must include a list of the projects and programs, the number of
3.2 people served by each, and an assessment of how each project and program impacts people
3.3 who are currently experiencing homelessness or who are at risk of experiencing
3.4 homelessness, as reported by the counties and Tribal governments to the commissioner by
3.5 ~~December~~ January 31 each year on a form prescribed by the commissioner. The commissioner
3.6 must provide a copy of the report to the chairs and ranking minority members of the
3.7 legislative committees with jurisdiction over property taxes and services for persons
3.8 experiencing homelessness.

3.9 (b) The report in paragraph (a) must be updated every two years and produced by March
3.10 15 of each year the report is due, and the commissioner of revenue must provide copies of
3.11 the updated reports to the chairs and ranking minority members of the legislative committees
3.12 with jurisdiction over property taxes and services for persons experiencing homelessness
3.13 by ~~January~~ March 15 of the year the report is due. ~~Report requirements under this subdivision~~
3.14 ~~expire following the report which includes the final distribution preceding the expiration~~
3.15 ~~in subdivision 8.~~

3.16 **EFFECTIVE DATE.** This section is effective beginning with aids payable in 2027.

3.17 Sec. 4. **REPEALER.**

3.18 Minnesota Statutes 2024, section 477A.30, subdivision 8, is repealed.

APPENDIX
Repealed Minnesota Statutes: 26-07749

477A.30 LOCAL HOMELESS PREVENTION AID.

Subd. 8. **Expiration.** Distributions under this section expire after aids payable in 2028 have been distributed.