

1.1 Senator moves to amend S.F. No. 2226 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 AGRICULTURE APPROPRIATIONS

1.5 Section 1. AGRICULTURE APPROPRIATIONS.

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
1.7 and for the purposes specified in this act. The appropriations are from the general fund, or
1.8 another named fund, and are available for the fiscal years indicated for each purpose. The
1.9 figures "2020" and "2021" used in this act mean that the appropriations listed under them
1.10 are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The
1.11 first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is
1.12 fiscal years 2020 and 2021.

1.13		<u>APPROPRIATIONS</u>
1.14		<u>Available for the Year</u>
1.15		<u>Ending June 30</u>
1.16		<u>2020</u> <u>2021</u>

1.17 Sec. 2. DEPARTMENT OF AGRICULTURE

1.18 Subdivision 1. Total Appropriation \$ 54,579,000 \$ 49,477,000

1.19 Appropriations by Fund

1.20		<u>2020</u>	<u>2021</u>
1.21	<u>General</u>	<u>54,180,000</u>	<u>49,078,000</u>
1.22	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

1.23 The amounts that may be spent for each
1.24 purpose are specified in the following
1.25 subdivisions.

1.26 Subd. 2. Protection Services

1.27 Appropriations by Fund

1.28		<u>2020</u>	<u>2021</u>
1.29	<u>General</u>	<u>16,878,000</u>	<u>16,878,000</u>
1.30	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

1.31 (a) \$399,000 the first year and \$399,000 the
1.32 second year are from the remediation fund for
1.33 administrative funding for the voluntary
1.34 cleanup program.

2.1 (b) \$175,000 the first year and \$175,000 the
 2.2 second year are for compensation for
 2.3 destroyed or crippled livestock under
 2.4 Minnesota Statutes, section 3.737. The
 2.5 appropriation for fiscal year 2020 may be
 2.6 spent to compensate for livestock that were
 2.7 destroyed or crippled during fiscal year 2019.
 2.8 If the amount for fiscal year 2020 is
 2.9 insufficient, the amount in fiscal year 2021 is
 2.10 available in fiscal year 2020. The
 2.11 commissioner may use up to \$5,000 each year
 2.12 to reimburse expenses incurred by university
 2.13 extension agents to provide fair market values
 2.14 of destroyed or crippled livestock.

2.15 (c) \$155,000 the first year and \$155,000 the
 2.16 second year are for compensation for crop
 2.17 damage under Minnesota Statutes, section
 2.18 3.7371. If the amount in the first year is
 2.19 insufficient, the amount in the second year is
 2.20 available in the first year. The commissioner
 2.21 may use up to \$30,000 of the appropriation
 2.22 each year to reimburse expenses incurred by
 2.23 the commissioner or the commissioner's
 2.24 approved agent to investigate and resolve
 2.25 claims.

2.26 If the commissioner determines that claims
 2.27 made under Minnesota Statutes, section 3.737
 2.28 or 3.7371, are unusually high, amounts
 2.29 appropriated for either program may be
 2.30 transferred to the appropriation for the other
 2.31 program.

2.32 **Subd. 3. Agricultural Marketing and**
 2.33 **Development**

3,918,000

3,918,000

2.34 (a) \$186,000 the first year and \$186,000 the
 2.35 second year are for transfer to the Minnesota

3.1 grown account and may be used as grants for
3.2 Minnesota grown promotion under Minnesota
3.3 Statutes, section 17.102. Grants may be made
3.4 for one year. Notwithstanding Minnesota
3.5 Statutes, section 16A.28, the appropriations
3.6 encumbered under contract on or before June
3.7 30, 2021, for Minnesota grown grants in this
3.8 paragraph are available until June 30, 2023.

3.9 (b) \$706,000 the first year and \$706,000 the
3.10 second year are for continuation of the dairy
3.11 development and profitability enhancement
3.12 and dairy business planning grant programs
3.13 established under Laws 1997, chapter 216,
3.14 section 7, subdivision 2, and Laws 2001, First
3.15 Special Session chapter 2, section 9,
3.16 subdivision 2. Of the amount appropriated in
3.17 this paragraph, \$72,000 each year is onetime.
3.18 The commissioner may allocate the available
3.19 sums among permissible activities, including
3.20 efforts to improve the quality of milk produced
3.21 in the state, in the proportions that the
3.22 commissioner deems most beneficial to
3.23 Minnesota's dairy farmers. The commissioner
3.24 must submit a detailed accomplishment report
3.25 and a work plan detailing future plans for, and
3.26 anticipated accomplishments from,
3.27 expenditures under this program to the chairs
3.28 and ranking minority members of the
3.29 legislative committees with jurisdiction over
3.30 agriculture policy and finance on or before the
3.31 start of each fiscal year. If significant changes
3.32 are made to the plans in the course of the year,
3.33 the commissioner must notify the chairs and
3.34 ranking minority members.

4.1 (c) The commissioner may use funds
 4.2 appropriated in this subdivision for annual
 4.3 cost-share payments to resident farmers or
 4.4 entities that sell, process, or package
 4.5 agricultural products in this state for the costs
 4.6 of organic certification. The commissioner
 4.7 may allocate these funds for assistance for
 4.8 persons transitioning from conventional to
 4.9 organic agriculture.

4.10 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 4.11 **Advancement**

26,100,000

21,100,000

4.12 (a) \$9,300,000 the first year and \$9,300,000
 4.13 the second year are for transfer to the
 4.14 agriculture research, education, extension, and
 4.15 technology transfer account under Minnesota
 4.16 Statutes, section 41A.14, subdivision 3. Of
 4.17 these amounts:

4.18 (1) \$600,000 the first year and \$600,000 the
 4.19 second year are for the Minnesota Agricultural
 4.20 Experiment Station's agriculture rapid
 4.21 response fund under Minnesota Statutes,
 4.22 section 41A.14, subdivision 1, clause (2);

4.23 (2) \$2,000,000 the first year and \$2,000,000
 4.24 the second year are for grants to the Minnesota
 4.25 Agriculture Education Leadership Council to
 4.26 enhance agricultural education with priority
 4.27 given to Farm Business Management
 4.28 challenge grants;

4.29 (3) \$350,000 the first year and \$350,000 the
 4.30 second year are for potato breeding;

4.31 (4) \$450,000 the first year and \$450,000 the
 4.32 second year are for the cultivated wild rice
 4.33 breeding project at the North Central Research

5.1 and Outreach Center to include a tenure track
5.2 and research associate plant breeder; and
5.3 (5) \$2,500,000 the first year and \$2,500,000
5.4 the second year are for innovative soybean
5.5 processing and research. These appropriations
5.6 are onetime.

5.7 The commissioner shall transfer the remaining
5.8 funds in this appropriation each year to the
5.9 Board of Regents of the University of
5.10 Minnesota for purposes of Minnesota Statutes,
5.11 section 41A.14. Included in this amount is
5.12 money for research on avian influenza,
5.13 including prevention measures that can be
5.14 taken.

5.15 To the extent practicable, funds expended
5.16 under Minnesota Statutes, section 41A.14,
5.17 subdivision 1, clauses (1) to (5), must
5.18 supplement and not supplant existing sources
5.19 and levels of funding. The commissioner may
5.20 use up to one percent of this appropriation for
5.21 costs incurred to administer the program.

5.22 The base budget for the agriculture research,
5.23 education, extension, and technology transfer
5.24 account is \$9,300,000 for fiscal years 2022
5.25 and 2023.

5.26 (b) \$16,775,000 the first year and \$11,775,000
5.27 the second year are for the agricultural growth,
5.28 research, and innovation program in
5.29 Minnesota Statutes, section 41A.12. Of these
5.30 amounts:

5.31 (1) \$1,000,000 the first year and \$1,000,000
5.32 the second year are for distribution in equal
5.33 amounts to each of the state's county fairs to
5.34 preserve and promote Minnesota agriculture;

6.1 (2) \$2,500,000 the first year and \$2,500,000
6.2 the second year are for incentive payments
6.3 under Minnesota Statutes, sections 41A.16,
6.4 41A.17, and 41A.18. Notwithstanding
6.5 Minnesota Statutes, section 16A.28, the first
6.6 year appropriation is available until June 30,
6.7 2021, and the second year appropriation is
6.8 available until June 30, 2022. If this
6.9 appropriation exceeds the total amount for
6.10 which all producers are eligible in a fiscal
6.11 year, the balance of the appropriation is
6.12 available for the agricultural growth, research,
6.13 and innovation program. If the total amount
6.14 for which all producers are eligible in a quarter
6.15 exceeds the amount available for payments,
6.16 the commissioner shall make the payments on
6.17 a pro rata basis;

6.18 (3) \$500,000 the first year and \$500,000 the
6.19 second year are for grants to motor fuel
6.20 wholesalers and retail motor fueling station
6.21 operators to install the equipment necessary
6.22 to store or dispense biofuels to the public to
6.23 meet the biofuel requirement goals established
6.24 under Minnesota Statutes, section 239.7911;

6.25 (4) \$2,000,000 the first year and \$2,000,000
6.26 the second year are for livestock investment
6.27 grants under Minnesota Statutes, section
6.28 17.118;

6.29 (5) \$3,500,000 the first year and \$3,500,000
6.30 the second year are for value-added grants.
6.31 The commissioner may use up to \$2,000,000
6.32 per year of the funds to award value-added
6.33 agriculture grants of between \$200,000 and
6.34 \$1,000,000 per grant for new or expanding
6.35 agricultural production or processing facilities

7.1 that provide significant economic benefit to
7.2 the region;

7.3 (6) \$600,000 the first year and \$600,000 the
7.4 second year are for Farm Business
7.5 Management tuition assistance;

7.6 (7) \$500,000 the first year and \$500,000 the
7.7 second year are for new market development
7.8 grants;

7.9 (8) \$2,000,000 the first year is for the dairy
7.10 producer margin coverage premium assistance
7.11 program under section 5; and

7.12 (9) \$3,000,000 the first year is for dairy
7.13 modernization and innovation grants, and for
7.14 buying down interest costs under the dairy
7.15 modernization and innovation loan program
7.16 under Minnesota Statutes, section 41B.0455.

7.17 The commissioner may allocate the remaining
7.18 amounts each year among the following areas:
7.19 developing new markets for Minnesota
7.20 farmers by providing more fruits, vegetables,
7.21 meat, grain, and dairy for Minnesota school
7.22 children; grants for urban youth agricultural
7.23 education or urban agriculture community
7.24 development; the good food access program
7.25 under Minnesota Statutes, section 17.1017;
7.26 facilitating the start-up, modernization, or
7.27 expansion of other beginning and transitioning
7.28 farms including by providing loans under
7.29 Minnesota Statutes, section 41B.056; crop
7.30 research grants; development or expansion of
7.31 food hubs and other alternative
7.32 community-based food distribution systems;
7.33 and good agricultural practices and good
7.34 handling practices certification assistance.

8.1 The commissioner may use up to 3.5 percent
8.2 of this appropriation for costs incurred to
8.3 administer the program.

8.4 The appropriation in paragraph (b), clauses
8.5 (8) and (9), is onetime. Any unencumbered
8.6 balance does not cancel at the end of the first
8.7 year and is available for the second year.

8.8 Notwithstanding Minnesota Statutes, section
8.9 16A.28, appropriations encumbered under
8.10 contract on or before June 30, 2021, for
8.11 agricultural growth, research, and innovation
8.12 grants are available until June 30, 2022.

8.13 The base budget for the agricultural growth,
8.14 research, and innovation program is
8.15 \$14,710,000 for fiscal years 2022 and 2023,
8.16 and includes funding for incentive payments
8.17 under Minnesota Statutes, sections 41A.16,
8.18 41A.17, 41A.18, and 41A.20.

8.19 The commissioner must consult with the
8.20 commissioner of transportation, the
8.21 commissioner of administration, and local
8.22 units of government to identify at least ten
8.23 parcels of publicly owned land that are suitable
8.24 for urban agriculture.

8.25 (c) \$25,000 the first year and \$25,000 the
8.26 second year are for grants to the Southern
8.27 Minnesota Initiative Foundation to promote
8.28 local foods through an annual event that raises
8.29 public awareness of local foods and connects
8.30 local food producers and processors with
8.31 potential buyers. These appropriations are
8.32 onetime.

9.1 **Subd. 5. Administration and Financial**
 9.2 **Assistance**

7,284,000

7,182,000

9.3 (a) \$474,000 the first year and \$474,000 the
 9.4 second year are for payments to county and
 9.5 district agricultural societies and associations
 9.6 under Minnesota Statutes, section 38.02,
 9.7 subdivision 1. Aid payments to county and
 9.8 district agricultural societies and associations
 9.9 shall be disbursed no later than July 15 of each
 9.10 year. These payments are the amount of aid
 9.11 from the state for an annual fair held in the
 9.12 previous calendar year.

9.13 (b) \$2,000 the first year is for a grant to the
 9.14 Minnesota State Poultry Association. This is
 9.15 a onetime appropriation, and is available until
 9.16 June 30, 2021.

9.17 (c) \$108,000 the first year and \$108,000 the
 9.18 second year are for annual grants to the
 9.19 Minnesota Turf Seed Council for basic and
 9.20 applied research on: (1) the improved
 9.21 production of forage and turf seed related to
 9.22 new and improved varieties; and (2) native
 9.23 plants, including plant breeding, nutrient
 9.24 management, pest management, disease
 9.25 management, yield, and viability. The grant
 9.26 recipient may subcontract with a qualified
 9.27 third party for some or all of the basic or
 9.28 applied research. Any unencumbered balance
 9.29 does not cancel at the end of the first year and
 9.30 is available for the second year. These are
 9.31 onetime appropriations.

9.32 (d) \$18,000 the first year and \$18,000 the
 9.33 second year are for grants to the Minnesota
 9.34 Livestock Breeders Association. These are
 9.35 onetime appropriations.

10.1 (e) \$47,000 the first year and \$47,000 the
10.2 second year are for the Northern Crops
10.3 Institute. These appropriations may be spent
10.4 to purchase equipment. These are onetime
10.5 appropriations.

10.6 (f) \$267,000 the first year and \$267,000 the
10.7 second year are for farm advocate services.
10.8 Of the amount appropriated in this paragraph,
10.9 \$47,000 each year is onetime.

10.10 (g) \$17,000 the first year and \$17,000 the
10.11 second year are for grants to the Minnesota
10.12 Horticultural Society. These are onetime
10.13 appropriations.

10.14 (h) \$113,000 the first year and \$113,000 the
10.15 second year are for transfer to the Board of
10.16 Trustees of the Minnesota State Colleges and
10.17 Universities for statewide mental health
10.18 counseling support to farm families and
10.19 business operators. South Central College shall
10.20 serve as the fiscal agent.

10.21 (i) \$550,000 the first year and \$550,000 the
10.22 second year are for grants to Second Harvest
10.23 Heartland on behalf of Minnesota's six
10.24 Feeding America food banks for the purchase
10.25 of milk for distribution to Minnesota's food
10.26 shelves and other charitable organizations that
10.27 are eligible to receive food from the food
10.28 banks. Milk purchased under the grants must
10.29 be acquired from Minnesota milk processors
10.30 and based on low-cost bids. The milk must be
10.31 allocated to each Feeding America food bank
10.32 serving Minnesota according to the formula
10.33 used in the distribution of United States
10.34 Department of Agriculture commodities under
10.35 The Emergency Food Assistance Program

11.1 (TEFAP). Second Harvest Heartland must
11.2 submit quarterly reports to the commissioner
11.3 on forms prescribed by the commissioner. The
11.4 reports must include, but are not limited to,
11.5 information on the expenditure of funds, the
11.6 amount of milk purchased, and the
11.7 organizations to which the milk was
11.8 distributed. Second Harvest Heartland may
11.9 enter into contracts or agreements with food
11.10 banks for shared funding or reimbursement of
11.11 the direct purchase of milk. Each food bank
11.12 receiving money from this appropriation may
11.13 use up to two percent of the grant for
11.14 administrative expenses. Any unencumbered
11.15 balance does not cancel at the end of the first
11.16 year and is available for the second year.

11.17 (j) \$1,100,000 the first year and \$1,100,000
11.18 the second year are for grants to Second
11.19 Harvest Heartland on behalf of the six Feeding
11.20 America food banks that serve Minnesota to
11.21 compensate agricultural producers and
11.22 processors for costs incurred to harvest and
11.23 package for transfer surplus fruits, vegetables,
11.24 and other agricultural commodities that would
11.25 otherwise go unharvested, be discarded, or
11.26 sold in a secondary market. Surplus
11.27 commodities must be distributed statewide to
11.28 food shelves and other charitable organizations
11.29 that are eligible to receive food from the food
11.30 banks. Surplus food acquired under this
11.31 appropriation must be from Minnesota
11.32 producers and processors. Second Harvest
11.33 Heartland must report in the form prescribed
11.34 by the commissioner. Second Harvest
11.35 Heartland may use up to 15 percent of each
11.36 grant for matching administrative and

12.1 transportation expenses. Any unencumbered
12.2 balance does not cancel at the end of the first
12.3 year and is available for the second year.

12.4 (k) \$50,000 the first year and \$50,000 the
12.5 second year are for grants to the Center for
12.6 Rural Policy and Development. These are
12.7 onetime appropriations.

12.8 (l) \$250,000 the first year and \$250,000 the
12.9 second year are for grants to the Minnesota
12.10 Agricultural Education and Leadership
12.11 Council for programs of the council under
12.12 Minnesota Statutes, chapter 41D.

12.13 (m) \$100,000 the first year is for a grant to
12.14 Greater Mankato Growth, Inc. for assistance
12.15 to agricultural-related businesses to promote
12.16 jobs, innovation, and development of a
12.17 synergy. Grant recipients shall report to the
12.18 commissioner by February 1 of each year, and
12.19 include information on the number of
12.20 customers served in each county; the number
12.21 of businesses started, stabilized, or expanded;
12.22 the number of jobs created and retained; and
12.23 business success rates in each county. By April
12.24 1 of each year, the commissioner shall report
12.25 the information submitted by grant recipients
12.26 to the chairs of the standing committees of the
12.27 house of representatives and the senate having
12.28 jurisdiction over agriculture and rural
12.29 development issues. This is a onetime
12.30 appropriation.

12.31 (n) The commissioner shall continue to
12.32 increase connections with ethnic minority and
12.33 immigrant farmers to farming opportunities
12.34 and farming programs throughout the state.

13.1	Sec. 3. <u>BOARD OF ANIMAL HEALTH</u>	\$	<u>5,477,000</u>	\$	<u>5,477,000</u>
13.2	Sec. 4. <u>AGRICULTURAL UTILIZATION</u>				
13.3	<u>RESEARCH INSTITUTE</u>	\$	<u>3,895,000</u>	\$	<u>3,895,000</u>

13.4 Sec. 5. **DAIRY PRODUCER MARGIN COVERAGE PREMIUM ASSISTANCE**
 13.5 **PROGRAM.**

13.6 Subdivision 1. **Program.** The commissioner must administer a dairy producer margin
 13.7 coverage premium assistance program for premiums paid by Minnesota dairy producers
 13.8 participating in the federal dairy margin coverage program authorized in the Agriculture
 13.9 Improvement Act of 2018.

13.10 Subd. 2. **Eligibility.** A dairy producer who participates in the federal dairy margin
 13.11 coverage program and satisfies the requirements in this section is eligible to receive financial
 13.12 assistance from the commissioner under this section.

13.13 Subd. 3. **Payment rates.** The commissioner must reimburse an eligible producer at a
 13.14 rate up to six cents per hundredweight of milk up to the first 5,000,000 pounds of milk
 13.15 enrolled in the federal dairy margin coverage program. The commissioner shall determine
 13.16 the payment rate under this subdivision by dividing available funding by the number of
 13.17 eligible applicants.

13.18 Subd. 4. **Procedure.** A dairy producer must submit a completed application to the
 13.19 commissioner in a form required by the commissioner. As part of the application, the dairy
 13.20 producer must submit proof of participation in the federal dairy margin coverage program
 13.21 in the form of a valid premium payment receipt or other documentation as approved by the
 13.22 commissioner.

13.23 **ARTICLE 2**

13.24 **AGRICULTURE STATUTORY CHANGES**

13.25 Section 1. Minnesota Statutes 2018, section 17.041, subdivision 1, is amended to read:

13.26 Subdivision 1. **Establishment; appropriation.** An agricultural emergency account is
 13.27 established in the agricultural fund. Money in the account, including interest, is appropriated
 13.28 to the commissioner for emergency response ~~and preparedness~~ activities for agricultural
 13.29 emergencies affecting producers of livestock, poultry, crops, or other agricultural products.
 13.30 Eligible uses include, ~~but are not limited to,~~ agency costs directly attributed to responding
 13.31 to agricultural emergencies and purchasing necessary equipment and reimbursing costs

14.1 incurred by local units of government that are not eligible for reimbursement from other
14.2 sources.

14.3 Sec. 2. Minnesota Statutes 2018, section 18B.34, subdivision 5, is amended to read:

14.4 Subd. 5. **Fees.** (a) A person initially applying for or renewing a noncommercial applicator
14.5 license must pay a nonrefundable application fee of \$50, except an applicant who ~~is~~ uses
14.6 pesticides in the course of performing official duties as: (1) a government employee; (2) a
14.7 contractor providing rest area custodial services for the commissioner of transportation; or
14.8 (3) a Conservation Corps Minnesota employee ~~who uses pesticides in the course of~~
14.9 ~~performing official duties~~ must pay a nonrefundable application fee of \$10.

14.10 (b) A license renewal application received after March 1 in the year for which the license
14.11 is to be issued is subject to a penalty fee of 50 percent of the application fee. The penalty
14.12 fee must be paid before the renewal license may be issued.

14.13 (c) An application for a duplicate noncommercial applicator license must be accompanied
14.14 by a nonrefundable application fee of \$10.

14.15 Sec. 3. Minnesota Statutes 2018, section 18C.425, subdivision 6, is amended to read:

14.16 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the
14.17 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall
14.18 pay the inspection fee to the commissioner.

14.19 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
14.20 not required to be so licensed shall pay the inspection fee to the commissioner, except as
14.21 exempted under section 18C.421, subdivision 1, paragraph (b).

14.22 (c) The person responsible for payment of the inspection fees for fertilizers, soil
14.23 amendments, or plant amendments sold and used in this state must pay an inspection fee of
14.24 39 cents per ton, and until June 30, ~~2019~~ 2029, an additional 40 cents per ton, of fertilizer,
14.25 soil amendment, and plant amendment sold or distributed in this state, with a minimum of
14.26 \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit
14.27 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and
14.28 education account in section 18C.80. Products sold or distributed to manufacturers or
14.29 exchanged between them are exempt from the inspection fee imposed by this subdivision
14.30 if the products are used exclusively for manufacturing purposes.

15.1 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
15.2 amendment, or soil amendment distribution amounts and inspection fees paid for a period
15.3 of three years.

15.4 Sec. 4. Minnesota Statutes 2018, section 18C.70, subdivision 5, is amended to read:

15.5 Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2030.

15.6 Sec. 5. Minnesota Statutes 2018, section 18C.71, subdivision 4, is amended to read:

15.7 Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2030.

15.8 Sec. 6. Minnesota Statutes 2018, section 18C.80, subdivision 2, is amended to read:

15.9 Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2030.

15.10 Sec. 7. Minnesota Statutes 2018, section 28A.16, is amended to read:

15.11 **28A.16 PERSONS SELLING LIQUOR.**

15.12 (a) The provisions of the Minnesota consolidated food licensing law, sections 28A.01
15.13 to 28A.16 and acts amendatory thereto, shall not apply to persons licensed to sell 3.2 percent
15.14 malt liquor "on-sale" as provided in section 340A.403, or to persons licensed to sell
15.15 intoxicating liquors "on-sale" or "off-sale" as provided in sections 340A.404 to 340A.407,
15.16 provided that these persons sell only ice manufactured and packaged by another, or bottled
15.17 or canned soft drinks and prepacked candy at retail, or to persons licensed to sell intoxicating
15.18 liquors at wholesale to retailers as provided in section 340A.301.

15.19 (b) When an exclusive liquor store is not exempt under paragraph (a), the commissioner
15.20 must exclude all gross sales of off-sale alcoholic beverages by the exclusive liquor store
15.21 when determining the applicable license fee under section 28A.08, subdivision 3.

15.22 (c) For purposes of this section, "exclusive liquor store," "alcoholic beverage,"
15.23 "intoxicating liquor," and "wholesaler" have the meanings given in section 340A.101.

15.24 Sec. 8. Minnesota Statutes 2018, section 41A.15, is amended by adding a subdivision to
15.25 read:

15.26 Subd. 2e. **Biomass.** "Biomass" means any organic matter that is available on a renewable
15.27 or recurring basis, including agricultural crops and trees; wood and wood waste and residues;
15.28 plants including aquatic plants, grasses, residues, and fibers; animal waste; and the organic
15.29 portion of solid wastes.

16.1 Sec. 9. Minnesota Statutes 2018, section 41A.15, subdivision 10, is amended to read:

16.2 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical ~~with biobased~~
16.3 ~~content~~, polymer, monomer, plastic, or composite material that is entirely produced from
16.4 biomass.

16.5 Sec. 10. Minnesota Statutes 2018, section 41A.16, subdivision 1, is amended to read:

16.6 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
16.7 source from Minnesota at least 80 percent ~~raw materials from Minnesota~~ of the biomass
16.8 used to produce an advanced biofuel, except that, if a facility is sited 50 miles or less from
16.9 the state border, raw materials biomass used to produce an advanced biofuel may be sourced
16.10 from outside of Minnesota, but only if at least 80 percent of the biomass is sourced from
16.11 within a 100-mile radius of the facility or from within Minnesota. ~~Raw materials must be~~
16.12 ~~from agricultural or forestry sources or from solid waste.~~ The facility must be located in
16.13 Minnesota, must begin production at a specific location by June 30, 2025, and must not
16.14 begin operating above 23,750 MMbtu of quarterly advanced biofuel production before July
16.15 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced
16.16 biofuel production capacity, or retrofitting existing capacity, as well as new companies and
16.17 facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible.
16.18 Eligible advanced biofuel facilities must produce at least ~~23,750~~ 1,500 MMbtu of advanced
16.19 biofuel quarterly.

16.20 (b) No payments shall be made for advanced biofuel production that occurs after June
16.21 30, 2035, for those eligible biofuel producers under paragraph (a).

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

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

16.26 (e) Renewable chemical production for which payment has been received under section
16.27 41A.17, and biomass thermal production for which payment has been received under section
16.28 41A.18, are not eligible for payment under this section.

16.29 (f) Biobutanol is eligible under this section.

16.30 Sec. 11. Minnesota Statutes 2018, section 41A.16, subdivision 2, is amended to read:

16.31 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to
16.32 eligible producers of advanced biofuel. The amount of the payment for each eligible

17.1 producer's annual production is \$2.1053 per MMBtu for advanced biofuel production from
 17.2 cellulosic biomass, and \$1.053 per MMBtu for advanced biofuel production from sugar ~~or~~₂
 17.3 starch, oil, or animal fat at a specific location for ten years after the start of production.

17.4 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may
 17.5 not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total payments
 17.6 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
 17.7 necessary for 17,100,000 MMBtu of biofuel production. ~~The commissioner shall award~~
 17.8 ~~payments on a first-come, first-served basis within the limits of available funding.~~

17.9 (c) For purposes of this section, an entity that holds a controlling interest in more than
 17.10 one advanced biofuel facility is considered a single eligible producer.

17.11 Sec. 12. Minnesota Statutes 2018, section 41A.16, subdivision 4, is amended to read:

17.12 Subd. 4. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic
 17.13 biomass used for advanced biofuel production must be produced using Minnesota ~~state~~
 17.14 forest biomass harvesting guidelines or the equivalent. All cellulosic biomass from brushlands
 17.15 must be produced using Minnesota brushland ~~harvesting~~ biomass ~~harvest~~ harvesting
 17.16 guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land
 17.17 parcels greater than 160 acres must be certified by the Forest Stewardship Council, the
 17.18 Sustainable Forestry Initiative, or the American Tree Farm System. Uncertified land from
 17.19 parcels of 160 acres or less and federal land must be harvested by a logger who has completed
 17.20 training for biomass harvesting from the Minnesota logger education program or the
 17.21 equivalent and have a forest ~~stewardship~~ management plan, as defined in section 290C.02,
 17.22 subdivision 7, or its equivalent.

17.23 Sec. 13. Minnesota Statutes 2018, section 41A.17, subdivision 1, is amended to read:

17.24 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this ~~program~~ section
 17.25 must source from Minnesota at least 80 percent ~~biobased content from Minnesota.~~ of the
 17.26 biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles or
 17.27 less from the state border, ~~biobased content must~~ biomass used to produce a renewable
 17.28 chemical may be sourced from outside of Minnesota, but only if at least 80 percent of the
 17.29 biomass is sourced from within a 100-mile radius of the facility or from within Minnesota.
 17.30 ~~Biobased content must be from agricultural or forestry sources or from solid waste.~~ The
 17.31 facility must be located in Minnesota, must begin production at a specific location by June
 17.32 30, 2025, and must not begin production of ~~750,000~~ 250,000 pounds of chemicals quarterly
 17.33 before January 1, 2015. Eligible facilities include existing companies and facilities that are

18.1 adding production capacity, or retrofitting existing capacity, as well as new companies and
18.2 facilities. Eligible renewable chemical facilities must produce at least ~~750,000~~ 250,000
18.3 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes
18.4 that are fully commercial before January 1, 2000, are not eligible.

18.5 (b) No payments shall be made for renewable chemical production that occurs after June
18.6 30, 2035, for those eligible renewable chemical producers under paragraph (a).

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

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

18.11 (e) Advanced biofuel production for which payment has been received under section
18.12 41A.16, and biomass thermal production for which payment has been received under section
18.13 41A.18, are not eligible for payment under this section.

18.14 Sec. 14. Minnesota Statutes 2018, section 41A.17, subdivision 2, is amended to read:

18.15 Subd. 2. **Payment amounts; bonus; limits.** (a) The commissioner shall make payments
18.16 to eligible producers of renewable chemicals located in the state. The amount of the payment
18.17 for each producer's annual production is \$0.03 per pound of sugar-derived renewable
18.18 chemical, \$0.03 per pound of cellulosic sugar, and \$0.06 per pound of cellulosic-derived
18.19 renewable chemical produced at a specific location for ten years after the start of production.

18.20 (b) An eligible facility producing renewable chemicals using agricultural cellulosic
18.21 biomass is eligible for a 20 percent bonus payment for each pound produced from agricultural
18.22 biomass that is derived from perennial crop or cover crop biomass.

18.23 (c) Total payments under this section to an eligible renewable chemical producer in a
18.24 fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
18.25 chemical production. Total payments under this section to all eligible renewable chemical
18.26 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
18.27 renewable chemical production. ~~The commissioner shall award payments on a first-come,
18.28 first-served basis within the limits of available funding.~~

18.29 (d) An eligible facility may blend renewable chemicals with other chemicals that are
18.30 not renewable chemicals, but only the percentage attributable to renewable chemicals in
18.31 the blended product is eligible to receive payment.

19.1 ~~(d)~~ (e) For purposes of this section, an entity that holds a controlling interest in more
19.2 than one renewable chemical production facility is considered a single eligible producer.

19.3 Sec. 15. Minnesota Statutes 2018, section 41A.17, subdivision 3, is amended to read:

19.4 Subd. 3. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic
19.5 biomass used for renewable chemical production must be produced using Minnesota ~~state~~
19.6 forest biomass harvesting guidelines or the equivalent. All cellulosic biomass from brushlands
19.7 must be produced using Minnesota brushland ~~harvesting~~ biomass ~~harvest~~ harvesting
19.8 guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land
19.9 parcels greater than 160 acres must be certified by the Forest Stewardship Council, the
19.10 Sustainable Forestry Initiative, or the American Tree Farm System. Uncertified land from
19.11 parcels of 160 acres or less and federal land must be harvested by a logger who has completed
19.12 training for biomass harvesting from the Minnesota logger education program or the
19.13 equivalent and have a forest ~~stewardship~~ management plan, as defined in section 290C.02,
19.14 subdivision 7, or its equivalent.

19.15 Sec. 16. Minnesota Statutes 2018, section 41A.18, subdivision 1, is amended to read:

19.16 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
19.17 source from Minnesota at least 80 percent ~~raw materials from Minnesota.~~ of the biomass
19.18 used for biomass thermal production, except that, if a facility is sited 50 miles or less from
19.19 the state border, ~~raw materials should~~ biomass used for biomass thermal production may
19.20 be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is
19.21 sourced from within a 100-mile radius of the facility, or from within Minnesota. ~~Raw~~
19.22 ~~materials~~ Biomass must be from agricultural or forestry sources. The facility must be located
19.23 in Minnesota, must have begun production at a specific location by June 30, 2025, and must
19.24 not begin before July 1, 2015. Eligible facilities include existing companies and facilities
19.25 that are adding production capacity, or retrofitting existing capacity, as well as new
19.26 companies and facilities. Eligible biomass thermal production facilities must produce at
19.27 least 250 MMbtu of biomass thermal quarterly.

19.28 (b) No payments shall be made for biomass thermal production that occurs after June
19.29 30, 2035, for those eligible biomass thermal producers under paragraph (a).

19.30 (c) An eligible producer of biomass thermal production shall not transfer the producer's
19.31 eligibility for payments under this section to a biomass thermal production facility at a
19.32 different location.

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

20.3 (e) Biofuel production for which payment has been received under section 41A.16, and
20.4 renewable chemical production for which payment has been received under section 41A.17,
20.5 are not eligible for payment under this section.

20.6 Sec. 17. Minnesota Statutes 2018, section 41A.18, subdivision 2, is amended to read:

20.7 Subd. 2. **Payment amounts; bonus; limits; blending.** (a) The commissioner shall make
20.8 payments to eligible producers of biomass thermal located in the state. The amount of the
20.9 payment for each producer's annual production is \$5.00 per MMbtu of biomass thermal
20.10 production produced at a specific location for ten years after the start of production.

20.11 (b) An eligible facility producing biomass thermal using agricultural cellulosic biomass
20.12 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural
20.13 biomass that is derived from perennial crop or cover crop biomass.

20.14 (c) Total payments under this section to an eligible thermal producer in a fiscal year
20.15 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total
20.16 payments under this section to all eligible thermal producers in a fiscal year may not exceed
20.17 the amount necessary for 150,000 MMbtu of total thermal production. ~~The commissioner
20.18 shall award payments on a first-come, first-served basis within the limits of available funding.~~

20.19 (d) An eligible facility may blend a cellulosic feedstock with other fuels in the biomass
20.20 thermal production facility, but only the percentage attributable to cellulosic material is
20.21 eligible to receive payment.

20.22 (e) For purposes of this section, an entity that holds a controlling interest in more than
20.23 one biomass thermal production facility is considered a single eligible producer.

20.24 Sec. 18. Minnesota Statutes 2018, section 41A.18, subdivision 3, is amended to read:

20.25 Subd. 3. **Cellulosic forestry biomass requirements.** All forestry-derived cellulosic
20.26 biomass used for biomass thermal production must be produced using Minnesota state forest
20.27 biomass harvesting guidelines or the equivalent. All cellulosic biomass from ~~brushland~~
20.28 brushlands must be produced using Minnesota brushland ~~harvesting~~ biomass harvesting
20.29 guidelines or the equivalent. Forestry-derived cellulosic biomass that comes from land
20.30 parcels greater than 160 acres must be certified by the Forest Stewardship Council, the
20.31 Sustainable Forestry Initiative, or the American Tree Farm System. Uncertified land from
20.32 parcels of 160 acres or less and federal land must be harvested by a logger who has completed

21.1 training for biomass harvesting from the Minnesota logger education program or the
21.2 equivalent and have a forest ~~stewardship~~ management plan, as defined in section 290C.02,
21.3 subdivision 7, or its equivalent.

21.4 Sec. 19. **[41B.0455] DAIRY MODERNIZATION AND INNOVATION LOAN**
21.5 **PROGRAM.**

21.6 Subdivision 1. **Establishment.** The authority may establish and implement a loan program
21.7 to finance dairy modernization and innovations in the state.

21.8 Subd. 2. **Loan participation.** (a) The authority may participate in a dairy modernization
21.9 and innovation loan with an eligible lender to a livestock farmer who meets the requirements
21.10 of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a
21.11 livestock operation. A prospective borrower must have a total net worth, including assets
21.12 and liabilities of the borrower's spouse and dependents, of less than \$1,700,000 in 2017 and
21.13 an amount in subsequent years which is adjusted for inflation by multiplying that amount
21.14 by the cumulative inflation rate as determined by the United States All-Items Consumer
21.15 Price Index.

21.16 (b) Participation is limited to 45 percent of the principal amount of the loan or \$525,000,
21.17 whichever is less. The interest rates and repayment terms of the authority's participation
21.18 interest may be different from the interest rates and repayment terms of the lender's retained
21.19 portion of the loan.

21.20 Subd. 3. **Specifications.** (a) Loan participation may be for acquisition, installation of
21.21 improvements to land, buildings, and other permanent structures, including equipment
21.22 incorporated in or permanently affixed to the land, buildings, or structures, which are useful
21.23 for and intended to be used for the purpose of dairy farming, including, but not limited to:

21.24 (1) the acquisition, construction, or improvement of buildings or facilities for dairy
21.25 farming; or

21.26 (2) the acquisition of equipment for dairy farming such as:

21.27 (i) barns;

21.28 (ii) watering facilities;

21.29 (iii) feed storage and handling equipment;

21.30 (iv) milking parlors;

21.31 (v) robotic equipment;

22.1 (vi) scales;

22.2 (vii) milk storage and cooling facilities; or

22.3 (viii) bulk tanks.

22.4 (b) Each loan participation must be secured by a mortgage on real property and other
22.5 security as the authority may require.

22.6 Subd. 4. **Application and origination fee.** The authority may impose a reasonable
22.7 nonrefundable application fee for each application for a loan participation and an origination
22.8 fee for each loan issued under the dairy modernization and innovation loan program. The
22.9 origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority
22.10 may review the fees annually and make adjustments as necessary. The fees must be deposited
22.11 in the state treasury and credited to the Rural Finance Authority administrative account
22.12 established in section 41B.03.

22.13 Subd. 5. **Interest rate.** The interest rate per annum on the dairy modernization and
22.14 innovation loan participation must be at the rate of interest determined by the authority to
22.15 be necessary to provide for the timely payment of principal and interest when due on bonds
22.16 or other obligations of the authority issued under this chapter, to provide financing for loan
22.17 participations made under the dairy modernization and innovation loan program, and to
22.18 provide for reasonable and necessary costs of issuing, carrying, administering, and securing
22.19 the bonds or notes and to pay the costs incurred and to be incurred by the authority in the
22.20 implementation of the dairy modernization and innovation loan program.

22.21 Sec. 20. Minnesota Statutes 2018, section 41B.055, subdivision 4, is amended to read:

22.22 Subd. 4. **Eligible expenditures.** Money may be used for loans for the acquisition of
22.23 equipment for animal housing, confinement, animal feeding, milk production, and waste
22.24 management, including the following, if related to animal husbandry:

22.25 (1) fences;

22.26 (2) watering facilities;

22.27 (3) feed storage and handling equipment;

22.28 (4) milking parlors;

22.29 (5) milking equipment, including robotic equipment;

22.30 (6) scales;

22.31 (7) milk storage and cooling facilities;

- 23.1 (8) manure pumping and storage facilities;
- 23.2 (9) capital investment in pasture;
- 23.3 (10) hoop barns;
- 23.4 (11) portable structures;
- 23.5 (12) hay and forage equipment; and
- 23.6 (13) related structural work for the installation of equipment.

23.7 Sec. 21. Minnesota Statutes 2018, section 116.06, is amended by adding a subdivision to
23.8 read:

23.9 Subd. 16a. **Pastures.** "Pastures" means areas, including winter feeding areas as part of
23.10 a grazing area, where grass or other growing plants are used for grazing of livestock and
23.11 where the concentration of animals allows a vegetative cover to be maintained during the
23.12 growing season. "Pastures" also includes agricultural land that is used for growing crops
23.13 during the growing season and is used for grazing of livestock on vegetation or crop residues
23.14 during the winter. In either case, a cover of vegetation or crop residues is not required:

23.15 (1) in the immediate vicinity of supplemental feeding or watering devices;

23.16 (2) in associated corrals and chutes where livestock are gathered for the purpose of
23.17 sorting, veterinary services, loading and unloading trucks and trailers, and other necessary
23.18 activities related to good animal husbandry practices;

23.19 (3) in associated livestock access lanes used to convey livestock to and from areas of
23.20 the pasture; and

23.21 (4) in sacrificial areas that are part of a larger pasture system and are used to temporarily
23.22 accommodate livestock and protect other pasture areas when adverse soil or weather
23.23 conditions pose a risk of damaging the pastures, and on which the vegetation is naturally
23.24 restored or replanted after the adverse soil or weather conditions are removed and the
23.25 livestock are moved to other areas of the pasture.

23.26 Sec. 22. Minnesota Statutes 2018, section 116.07, subdivision 7, is amended to read:

23.27 **Subd. 7. Counties; processing applications for animal lot permits.** Any Minnesota
23.28 county board may, by resolution, with approval of the Pollution Control Agency, assume
23.29 responsibility for processing applications for permits required by the Pollution Control
23.30 Agency under this section for livestock feedlots, poultry lots or other animal lots. The

24.1 responsibility for permit application processing, if assumed by a county, may be delegated
24.2 by the county board to any appropriate county officer or employee.

24.3 (a) For the purposes of this subdivision, the term "processing" includes:

24.4 (1) the distribution to applicants of forms provided by the Pollution Control Agency;

24.5 (2) the receipt and examination of completed application forms, and the certification,
24.6 in writing, to the Pollution Control Agency either that the animal lot facility for which a
24.7 permit is sought by an applicant will comply with applicable rules and standards, or, if the
24.8 facility will not comply, the respects in which a variance would be required for the issuance
24.9 of a permit; and

24.10 (3) rendering to applicants, upon request, assistance necessary for the proper completion
24.11 of an application.

24.12 (b) For the purposes of this subdivision, the term "processing" may include, at the option
24.13 of the county board, issuing, denying, modifying, imposing conditions upon, or revoking
24.14 permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject
24.15 to review, suspension, and reversal by the Pollution Control Agency. The Pollution Control
24.16 Agency shall, after written notification, have 15 days to review, suspend, modify, or reverse
24.17 the issuance of the permit. After this period, the action of the county board is final, subject
24.18 to appeal as provided in chapter 14. For permit applications filed after October 1, 2001,
24.19 section 15.99 applies to feedlot permits issued by the agency or a county pursuant to this
24.20 subdivision.

24.21 (c) For the purpose of administration of rules adopted under this subdivision, the
24.22 commissioner and the agency may provide exceptions for cases where the owner of a feedlot
24.23 has specific written plans to close the feedlot within five years. These exceptions include
24.24 waiving requirements for major capital improvements.

24.25 (d) For purposes of this subdivision, a discharge caused by an extraordinary natural
24.26 event such as a precipitation event of greater magnitude than the 25-year, 24-hour event,
24.27 tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

24.28 (e) In adopting and enforcing rules under this subdivision, the commissioner shall
24.29 cooperate closely with other governmental agencies.

24.30 (f) The Pollution Control Agency shall work with the Minnesota Extension Service, the
24.31 Department of Agriculture, the Board of Water and Soil Resources, producer groups, local
24.32 units of government, as well as with appropriate federal agencies such as the Natural
24.33 Resources Conservation Service and the Farm Service Agency, to notify and educate

25.1 producers of rules under this subdivision at the time the rules are being developed and
25.2 adopted and at least every two years thereafter.

25.3 (g) The Pollution Control Agency shall adopt rules governing the issuance and denial
25.4 of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section.
25.5 Pastures are exempt from the rules authorized under this paragraph, and no feedlot permit
25.6 shall include any terms or conditions that impose any requirements related to any pastures
25.7 located on, adjacent to, or in the vicinity of the feedlot. A feedlot permit is not required for
25.8 livestock feedlots with more than ten but less than 50 animal units; provided they are not
25.9 in shoreland areas. A livestock feedlot permit does not become required solely because of
25.10 a change in the ownership of the buildings, grounds, or feedlot. These rules apply both to
25.11 permits issued by counties and to permits issued by the Pollution Control Agency directly.

25.12 (h) The Pollution Control Agency shall exercise supervising authority with respect to
25.13 the processing of animal lot permit applications by a county.

25.14 (i) Any new rules or amendments to existing rules proposed under the authority granted
25.15 in this subdivision, or to implement new fees on animal feedlots, must be submitted to the
25.16 members of legislative policy and finance committees with jurisdiction over agriculture and
25.17 the environment prior to final adoption. The rules must not become effective until 90 days
25.18 after the proposed rules are submitted to the members.

25.19 (j) Until new rules are adopted that provide for plans for manure storage structures, any
25.20 plans for a liquid manure storage structure must be prepared or approved by a registered
25.21 professional engineer or a United States Department of Agriculture, Natural Resources
25.22 Conservation Service employee.

25.23 (k) A county may adopt by ordinance standards for animal feedlots that are more stringent
25.24 than standards in Pollution Control Agency rules.

25.25 (l) After January 1, 2001, a county that has not accepted delegation of the feedlot permit
25.26 program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot
25.27 facility with 300 or more animal units, unless another public meeting has been held with
25.28 regard to the feedlot facility to be permitted.

25.29 (m) After the proposed rules published in the State Register, volume 24, number 25, are
25.30 finally adopted, the agency may not impose additional conditions as a part of a feedlot
25.31 permit, unless specifically required by law or agreed to by the feedlot operator.

26.1 (n) For the purposes of feedlot permitting, a discharge from land-applied manure or a
26.2 manure stockpile that is managed according to agency rule must not be subject to a fine for
26.3 a discharge violation.

26.4 (o) For the purposes of feedlot permitting, manure that is land applied, or a manure
26.5 stockpile that is managed according to agency rule, must not be considered a discharge into
26.6 waters of the state, unless the discharge is to waters of the state, as defined by section
26.7 103G.005, subdivision 17, except type 1 or type 2 wetlands, as defined in section 103G.005,
26.8 subdivision 17b, and does not meet discharge standards established for feedlots under agency
26.9 rule.

26.10 (p) The natural deposit of manure by livestock on pasture shall not be considered a
26.11 discharge into waters of the state and shall not be subject to any fine or penalty.

26.12 (q) Unless the upgrade is needed to correct an immediate public health threat under
26.13 section 145A.04, subdivision 8, or the facility is determined to be a concentrated animal
26.14 feeding operation under Code of Federal Regulations, title 40, section 122.23, in effect on
26.15 April 15, 2003, the agency may not require a feedlot operator:

26.16 (1) to spend more than \$3,000 to upgrade an existing feedlot with less than 300 animal
26.17 units unless cost-share money is available to the feedlot operator for 75 percent of the cost
26.18 of the upgrade; or

26.19 (2) to spend more than \$10,000 to upgrade an existing feedlot with between 300 and
26.20 500 animal units, unless cost-share money is available to the feedlot operator for 75 percent
26.21 of the cost of the upgrade or \$50,000, whichever is less.

26.22 ~~(q) For the purposes of this section, "pastures" means areas, including winter feeding~~
26.23 ~~areas as part of a grazing area, where grass or other growing plants are used for grazing and~~
26.24 ~~where the concentration of animals allows a vegetative cover to be maintained during the~~
26.25 ~~growing season except that vegetative cover is not required:~~

26.26 ~~(1) in the immediate vicinity of supplemental feeding or watering devices;~~

26.27 ~~(2) in associated corrals and chutes where livestock are gathered for the purpose of~~
26.28 ~~sorting, veterinary services, loading and unloading trucks and trailers, and other necessary~~
26.29 ~~activities related to good animal husbandry practices; and~~

26.30 ~~(3) in associated livestock access lanes used to convey livestock to and from areas of~~
26.31 ~~the pasture.~~

26.32 (r) A feedlot operator who stores and applies up to 100,000 gallons per calendar year of
26.33 private truck wash wastewater resulting from trucks that transport animals or supplies to

27.1 and from the feedlot does not require a permit to land-apply industrial by-products if the
27.2 feedlot operator stores and applies the wastewater in accordance with Pollution Control
27.3 Agency requirements for land applications of industrial by-product that do not require a
27.4 permit.

27.5 (s) A feedlot operator who holds a permit from the Pollution Control Agency to
27.6 land-apply industrial by-products from a private truck wash is not required to have a certified
27.7 land applicator apply the private truck wash wastewater if the wastewater is applied by the
27.8 feedlot operator to cropland owned or leased by the feedlot operator or by a commercial
27.9 animal waste technician licensed by the commissioner of agriculture under chapter 18C.
27.10 For purposes of this paragraph and paragraph (r), "private truck wash" means a truck washing
27.11 facility owned or leased, operated, and used only by a feedlot operator to wash trucks owned
27.12 or leased by the feedlot operator and used to transport animals or supplies to and from the
27.13 feedlot.

27.14 Sec. 23. Minnesota Statutes 2018, section 116.07, subdivision 7d, is amended to read:

27.15 Subd. 7d. **Exemption.** ~~(a)~~ Notwithstanding subdivision 7 or Minnesota Rules, chapter
27.16 7020, to the contrary, and notwithstanding the proximity to public or private waters, an
27.17 owner or resident of agricultural land on which livestock have been allowed to pasture at
27.18 any time during the ten-year period beginning January 1, 2010, is permanently exempt from
27.19 requirements related to feedlot or manure management on that land for so long as the property
27.20 remains in pasture.

27.21 ~~(b) For the purposes of this subdivision, "pasture" means areas where livestock graze~~
27.22 ~~on grass or other growing plants. Pasture also means agricultural land where livestock are~~
27.23 ~~allowed to forage during the winter time and which land is used for cropping purposes in~~
27.24 ~~the growing season. In either case, the concentration of animals must be such that a vegetative~~
27.25 ~~cover, whether of grass, growing plants, or crops, is maintained during the growing season~~
27.26 ~~except in the immediate vicinity of temporary supplemental feeding or watering devices.~~

27.27 ARTICLE 3

27.28 HOUSING APPROPRIATIONS

27.29 Section 1. **HOUSING APPROPRIATIONS.**

27.30 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
27.31 and for the purposes specified in this article. The appropriations are from the general fund,
27.32 or another named fund, and are available for the fiscal years indicated for each purpose.
27.33 The figures "2020" and "2021" used in this article mean that the appropriations listed under

28.1 them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively.
 28.2 "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium"
 28.3 is fiscal years 2020 and 2021.

APPROPRIATIONS

Available for the Year

Ending June 30

2020

2021

28.8 **Sec. 2. HOUSING FINANCE AGENCY**

28.9 **Subdivision 1. Total Appropriation** **\$ 52,798,000 \$ 52,798,000**

28.10 The amounts that may be spent for each
 28.11 purpose are specified in the following
 28.12 subdivisions.

28.13 Unless otherwise specified, this appropriation
 28.14 is for transfer to the housing development fund
 28.15 for the programs specified in this section.
 28.16 Except as otherwise indicated, this transfer is
 28.17 part of the agency's permanent budget base.

28.18 **Subd. 2. Challenge Program** **10,675,000 11,675,000**

28.19 This appropriation is for the economic
 28.20 development and housing challenge program
 28.21 under Minnesota Statutes, section 462A.33.
 28.22 Of this amount, \$1,208,000 each year shall be
 28.23 made available during the first 11 months of
 28.24 the fiscal year exclusively for housing projects
 28.25 for American Indians. Any funds not
 28.26 committed to housing projects for American
 28.27 Indians in the first 11 months of the fiscal year
 28.28 shall be available for any eligible activity
 28.29 under Minnesota Statutes, section 462A.33.

28.30 The base for this program in fiscal year 2022
 28.31 and beyond is \$11,675,000.

29.1	<u>Subd. 3. Workforce Housing Development</u>	<u>2,000,000</u>	<u>2,000,000</u>
29.2	<u>This appropriation is for the workforce</u>		
29.3	<u>housing development program under</u>		
29.4	<u>Minnesota Statutes, section 462A.39. If</u>		
29.5	<u>requested by the applicant and approved by</u>		
29.6	<u>the agency, funded properties may include a</u>		
29.7	<u>portion of income and rent restricted units.</u>		
29.8	<u>Subd. 4. Manufactured Home Park</u>		
29.9	<u>Infrastructure Grants</u>	<u>2,500,000</u>	<u>2,500,000</u>
29.10	<u>This appropriation is for manufactured home</u>		
29.11	<u>park infrastructure grants under Minnesota</u>		
29.12	<u>Statutes, section 462A.2035, subdivision 1b.</u>		
29.13	<u>Subd. 5. Housing Infrastructure Grants Pilot</u>		
29.14	<u>Program</u>	<u>500,000</u>	<u>0</u>
29.15	<u>This appropriation is for a pilot program to</u>		
29.16	<u>provide grants to municipalities for up to 50</u>		
29.17	<u>percent of the costs of infrastructure that</u>		
29.18	<u>would otherwise be required to be paid by the</u>		
29.19	<u>developer for new homeowner-owned housing</u>		
29.20	<u>developments that are affordable to households</u>		
29.21	<u>with an income of up to 130 percent of area</u>		
29.22	<u>median income. The grants shall be limited to</u>		
29.23	<u>16 housing units in the municipality and a</u>		
29.24	<u>maximum of \$10,000 per housing unit. This</u>		
29.25	<u>is a onetime appropriation and is available</u>		
29.26	<u>until June 30, 2021.</u>		
29.27	<u>Subd. 6. Workforce Affordable Homeownership</u>		
29.28	<u>Development Program</u>	<u>1,000,000</u>	<u>500,000</u>
29.29	<u>This appropriation is for the workforce and</u>		
29.30	<u>affordable homeownership development</u>		
29.31	<u>program under Minnesota Statutes, section</u>		
29.32	<u>462A.38. At least 50 percent of the money</u>		
29.33	<u>appropriated must be for municipalities with</u>		
29.34	<u>populations less than 7,500.</u>		
29.35	<u>Subd. 7. Housing Trust Fund</u>	<u>11,646,000</u>	<u>11,646,000</u>

30.1	<u>This appropriation is for deposit in the housing</u>		
30.2	<u>trust fund account created under Minnesota</u>		
30.3	<u>Statutes, section 462A.201, and may be used</u>		
30.4	<u>for the purposes provided in that section.</u>		
30.5	<u>Subd. 8. Rental Assistance for Mentally Ill</u>	<u>4,088,000</u>	<u>4,088,000</u>
30.6	<u>This appropriation is for the rental housing</u>		
30.7	<u>assistance program for persons with a mental</u>		
30.8	<u>illness or families with an adult member with</u>		
30.9	<u>a mental illness under Minnesota Statutes,</u>		
30.10	<u>section 462A.2097. Among comparable</u>		
30.11	<u>proposals, the agency shall prioritize those</u>		
30.12	<u>proposals that target, in part, eligible persons</u>		
30.13	<u>who desire to move to more integrated,</u>		
30.14	<u>community-based settings.</u>		
30.15	<u>Subd. 9. Family Homeless Prevention</u>	<u>8,519,000</u>	<u>8,519,000</u>
30.16	<u>This appropriation is for the family homeless</u>		
30.17	<u>prevention and assistance programs under</u>		
30.18	<u>Minnesota Statutes, section 462A.204.</u>		
30.19	<u>Subd. 10. Home Ownership Assistance Fund</u>	<u>885,000</u>	<u>885,000</u>
30.20	<u>This appropriation is for the home ownership</u>		
30.21	<u>assistance program under Minnesota Statutes,</u>		
30.22	<u>section 462A.21, subdivision 8. The agency</u>		
30.23	<u>shall continue to strengthen its efforts to</u>		
30.24	<u>address the disparity gap in the</u>		
30.25	<u>homeownership rate between white</u>		
30.26	<u>households and indigenous American Indians</u>		
30.27	<u>and communities of color. To better</u>		
30.28	<u>understand and address the disparity gap, the</u>		
30.29	<u>agency is required to collect, on a voluntary</u>		
30.30	<u>basis, demographic information regarding</u>		
30.31	<u>race, color, national origin, and sex of</u>		
30.32	<u>applicants for agency programs intended to</u>		
30.33	<u>benefit homeowners and homebuyers.</u>		
30.34	<u>Subd. 11. Affordable Rental Investment Fund</u>	<u>3,718,000</u>	<u>3,718,000</u>

31.1 (a) This appropriation is for the affordable
31.2 rental investment fund program under
31.3 Minnesota Statutes, section 462A.21,
31.4 subdivision 8b, to finance the acquisition,
31.5 rehabilitation, and debt restructuring of
31.6 federally assisted rental property and for
31.7 making equity take-out loans under Minnesota
31.8 Statutes, section 462A.05, subdivision 39.

31.9 (b) The owner of federally assisted rental
31.10 property must agree to participate in the
31.11 applicable federally assisted housing program
31.12 and to extend any existing low-income
31.13 affordability restrictions on the housing for
31.14 the maximum term permitted. The owner must
31.15 also enter into an agreement that gives local
31.16 units of government, housing and
31.17 redevelopment authorities, and nonprofit
31.18 housing organizations the right of first refusal
31.19 if the rental property is offered for sale.

31.20 Priority must be given among comparable
31.21 federally assisted rental properties to
31.22 properties with the longest remaining term
31.23 under an agreement for federal assistance.

31.24 Priority must also be given among comparable
31.25 rental housing developments to developments
31.26 that are or will be owned by local government
31.27 units, a housing and redevelopment authority,
31.28 or a nonprofit housing organization.

31.29 (c) The appropriation also may be used to
31.30 finance the acquisition, rehabilitation, and debt
31.31 restructuring of existing supportive housing
31.32 properties and naturally occurring affordable
31.33 housing as determined by the commissioner.
31.34 For purposes of this paragraph, "supportive
31.35 housing" means affordable rental housing with

32.1 links to services necessary for individuals,
 32.2 youth, and families with children to maintain
 32.3 housing stability.

32.4 **Subd. 12. Housing Rehabilitation** 6,015,000 6,015,000

32.5 This appropriation is for the housing
 32.6 rehabilitation program under Minnesota
 32.7 Statutes, section 462A.05, subdivision 14. Of
 32.8 this amount, \$2,772,000 each year is for the
 32.9 rehabilitation of owner-occupied housing and
 32.10 \$3,243,000 each year is for the rehabilitation
 32.11 of eligible rental housing. In administering a
 32.12 rehabilitation program for rental housing, the
 32.13 agency may apply the processes and priorities
 32.14 adopted for administration of the economic
 32.15 development and housing challenge program
 32.16 under Minnesota Statutes, section 462A.33,
 32.17 and may provide grants or forgivable loans if
 32.18 approved by the agency.

32.19 Notwithstanding any law to the contrary,
 32.20 grants or loans under this subdivision may be
 32.21 made without rent or income restrictions of
 32.22 owners or tenants. To the extent practicable,
 32.23 grants or loans must be made available
 32.24 statewide.

32.25 **Subd. 13. Homeownership Capacity, Counseling,**
 32.26 **and Stabilization Grants** 1,252,000 1,252,000

32.27 This appropriation is for homeownership
 32.28 education, counseling, and training under
 32.29 Minnesota Statutes, section 462A.209, and for
 32.30 capacity-building grants under Minnesota
 32.31 Statutes, section 462A.21, subdivision 3b. The
 32.32 commissioner shall award competitive grants
 32.33 to nonprofit housing organizations, housing
 32.34 and redevelopment authorities, or other
 32.35 political subdivisions to provide intensive

33.1 financial education and coaching services to
 33.2 individuals or families who have the goal of
 33.3 homeownership and family stabilization.
 33.4 Financial education and counseling services
 33.5 include, but are not limited to, asset building,
 33.6 development of spending plans, credit report
 33.7 education, repair and rebuilding, consumer
 33.8 protection training, and debt reduction. Priority
 33.9 must be given to organizations that have
 33.10 experience serving underserved populations.

33.11 **Sec. 3. DISTRIBUTION OF HOUSING INVESTMENT FUND AND HOUSING**
 33.12 **AFFORDABILITY FUND.**

33.13 For fiscal years 2020 and 2021, the commissioner of the housing finance agency shall
 33.14 distribute the money within the Housing Invest Fund, or Pool 2, and the Housing
 33.15 Affordability Fund, or Pool 3, equally between the Twin Cities metropolitan area and the
 33.16 nonmetropolitan area.

33.17 **ARTICLE 4**

33.18 **HOUSING STATUTORY CHANGES**

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

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

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

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

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

33.27 or

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

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

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

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

34.9 (c) The commissioner shall in a manner determined by the commissioner, without the
34.10 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
34.11 residential remodeler, and residential roofer licenses from one year to two years. By June
34.12 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
34.13 licenses shall be two-year licenses.

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

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

34.21 Sec. 4. **[327.335] PLACEMENT OF MODULAR HOMES.**

34.22 A modular home may be placed in a manufactured home park as defined in section
34.23 327.14, subdivision 3. A modular home placed in a manufactured home park is a
34.24 manufactured home for purposes of chapters 327, 327C, and 504B, and all rights, obligations,
34.25 and duties under those chapters apply. A modular home may not be placed in a manufactured
34.26 home park without prior written approval of the park owner. Nothing in this section shall
34.27 be construed to inhibit the application of zoning, subdivision, architectural, or esthetic
34.28 requirements pursuant to chapters 394 and 462 that otherwise apply to manufactured homes
34.29 and manufactured home parks. A modular home placed in a manufactured home park under
34.30 this section shall be assessed and taxed as a manufactured home.

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

35.2 **327B.041 MANUFACTURED HOME INSTALLERS.**

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

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

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

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

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

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

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

35.22 (b) The commissioner may waive all or part of the requirements for licensure as a
35.23 manufactured home installer for any individual who holds an unexpired license or certificate
35.24 issued by any other state or other United States jurisdiction if the licensing requirements of
35.25 that jurisdiction meet or exceed the corresponding licensing requirements of the department
35.26 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~
35.27 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~
35.28 ~~installer is a business license.~~

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

35.30 Subd. 4. **Public hearing; relocation compensation; neutral third party.** Within 90
35.31 days after receiving notice of a closure statement, the governing body of the affected
35.32 municipality shall hold a public hearing to review the closure statement and any impact that

36.1 the park closing may have on the displaced residents and the park owner. At the time of,
36.2 and in the notice for, the public hearing, displaced residents must be informed that they may
36.3 be eligible for payments from the Minnesota manufactured home relocation trust fund under
36.4 section 462A.35 as compensation for reasonable relocation costs under subdivision 13,
36.5 paragraphs (a) and (e).

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

36.10 At the public hearing, the municipality shall appoint a qualified neutral third party, to
36.11 be agreed upon by both the manufactured home park owner and manufactured home owners,
36.12 whose hourly cost must be reasonable and paid from the Minnesota manufactured home
36.13 relocation trust fund. The neutral third party shall act as a paymaster and arbitrator, with
36.14 decision-making authority to resolve any questions or disputes regarding any contributions
36.15 or disbursements to and from the Minnesota manufactured home relocation trust fund by
36.16 either the manufactured home park owner or the manufactured home owners. If the parties
36.17 cannot agree on a neutral third party, the municipality will ~~make a determination~~ determine
36.18 who shall act as the neutral third party.

36.19 The qualified neutral third party shall be familiar with manufactured housing and the
36.20 requirements of this section. The neutral third party shall keep an overall receipts and cost
36.21 summary together with a detailed accounting, for each manufactured lot, of the payments
36.22 received by the manufactured home park owner, and expenses approved and payments
36.23 disbursed to the manufactured home owners, pursuant to subdivisions 12 and 13, as well
36.24 as a record of all services and hours it provided and at what hourly rate it charged to the
36.25 Minnesota manufactured home trust fund. This detailed accounting shall be provided to the
36.26 manufactured home park owner, the municipality, and the Minnesota Housing Finance
36.27 Agency to be included in its yearly October 15 report as required in subdivision 13, paragraph
36.28 (h), not later than 30 days after the expiration of the nine-month notice provided in the
36.29 closure statement.

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

36.31 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of
36.32 an agreement to purchase a manufactured home park, the purchaser must notify the park
36.33 owner, in writing, if the purchaser intends to close the manufactured home park or convert
36.34 it to another use within one year of the execution of the agreement. The park owner shall

37.1 provide a resident of each manufactured home with a 45-day written notice of the purchaser's
37.2 intent to close the park or convert it to another use. The notice must state that the park owner
37.3 will provide information on the cash price and the terms and conditions of the purchaser's
37.4 offer to residents requesting the information. The notice must be sent by first class mail to
37.5 a resident of each manufactured home in the park. The notice period begins on the postmark
37.6 date affixed to the notice and ends 45 days after it begins. During the notice period required
37.7 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park
37.8 or a nonprofit organization which has the written permission of the owners of at least 51
37.9 percent of the manufactured homes in the park to represent them in the acquisition of the
37.10 park shall have the right to meet the cash price and execute an agreement to purchase the
37.11 park for the purposes of keeping the park as a manufactured housing community, provided
37.12 that the owners or nonprofit organization will covenant and warrant to the park owner in
37.13 the agreement that they will continue to operate the park for not less than six years from
37.14 the date of closing. The covenant must be in writing and must be recorded with the office
37.15 of the county recorder or registrar of titles to remain in effect. The park owner must accept
37.16 the offer if it meets the cash price and the same terms and conditions set forth in the
37.17 purchaser's offer except that the seller is not obligated to provide owner financing. For
37.18 purposes of this section, cash price means the cash price offer or equivalent cash offer as
37.19 defined in section 500.245, subdivision 1, paragraph (d).

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

37.21 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)
37.22 If a manufactured home owner is required to move due to the conversion of all or a portion
37.23 of a manufactured home park to another use, the closure of a park, or cessation of use of
37.24 the land as a manufactured home park, the manufactured park owner shall, upon the change
37.25 in use, pay to the commissioner of management and budget for deposit in the Minnesota
37.26 manufactured home relocation trust fund under section 462A.35, the lesser amount of the
37.27 actual costs of moving or purchasing the manufactured home approved by the neutral third
37.28 party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph
37.29 (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each
37.30 multisection manufactured home, for which a manufactured home owner has made
37.31 application for payment of relocation costs under subdivision 13, paragraph (c). The
37.32 manufactured home park owner shall make payments required under this section to the
37.33 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice
37.34 from the neutral third party.

38.1 (b) A manufactured home park owner is not required to make the payment prescribed
38.2 under paragraph (a), nor is a manufactured home owner entitled to compensation under
38.3 subdivision 13, paragraph (a) or (e), if:

38.4 (1) the manufactured home park owner relocates the manufactured home owner to
38.5 another space in the manufactured home park or to another manufactured home park at the
38.6 park owner's expense;

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

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

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

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

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

38.25 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
38.26 is less than \$1,000,000 as of June 30 of each year, the commissioner of management and
38.27 budget shall assess each manufactured home park owner by mail the total amount of \$15
38.28 for each licensed lot in their park, payable on or before ~~September~~ November 15 of that
38.29 year. ~~The commissioner of management~~ Failure to notify and budget shall deposit any
38.30 payments in the Minnesota timely assess the manufactured home relocation trust fund. On
38.31 or before July 15 of park owner by August 30 of any year shall waive the assessment and
38.32 payment obligations of the manufactured home park owner for that year. Together with said
38.33 assessment notice, each year, the commissioner of management and budget shall prepare
38.34 and distribute to park owners a letter explaining whether funds are being collected for that

39.1 year, information about the collection, an invoice for all licensed lots, and a sample form
39.2 for the park owners to collect information on which park residents have been accounted
39.3 for. If assessed under this paragraph, the park owner may recoup the cost of the \$15
39.4 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park
39.5 residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park
39.6 owners may adjust payment for lots in their park that are vacant or otherwise not eligible
39.7 for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b),
39.8 and for park residents who have not paid the \$15 assessment to the park owner by October
39.9 15, and deduct from the assessment accordingly. The commissioner of management and
39.10 budget shall deposit any payments in the Minnesota manufactured home relocation trust
39.11 fund.

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

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

39.17 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a
39.18 manufactured home owner is required to relocate due to the conversion of all or a portion
39.19 of a manufactured home park to another use, the closure of a manufactured home park, or
39.20 cessation of use of the land as a manufactured home park under subdivision 1, and the
39.21 manufactured home owner complies with the requirements of this section, the manufactured
39.22 home owner is entitled to payment from the Minnesota manufactured home relocation trust
39.23 fund equal to the manufactured home owner's actual relocation costs for relocating the
39.24 manufactured home to a new location within a ~~25~~ 50-mile radius of the park that is being
39.25 closed, up to a maximum of \$7,000 for a single-section and \$12,500 for a multisection
39.26 manufactured home. The actual relocation costs must include the reasonable cost of taking
39.27 down, moving, and setting up the manufactured home, including equipment rental, utility
39.28 connection and disconnection charges, minor repairs, modifications necessary for
39.29 transportation of the home, necessary moving permits and insurance, moving costs for any
39.30 appurtenances, which meet applicable local, state, and federal building and construction
39.31 codes.

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

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

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

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

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

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

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

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

40.17 (d) The neutral third party shall promptly process all payments for completed applications
40.18 within 14 days. If the neutral third party has acted reasonably and does not approve or deny
40.19 payment within 45 days after receipt of the information set forth in paragraph (c), the
40.20 payment is deemed approved. Upon approval and request by the neutral third party, the
40.21 Minnesota Housing Finance Agency shall issue two checks in equal amount for 50 percent
40.22 of the contract price payable to the mover and towing contractor for relocating the
40.23 manufactured home in the amount of the actual relocation cost, plus a check to the home
40.24 owner for additional certified costs associated with third-party vendors, that were necessary
40.25 in relocating the manufactured home. The moving or towing contractor shall receive 50
40.26 percent upon execution of the contract and 50 percent upon completion of the relocation
40.27 and approval by the manufactured home owner. The moving or towing contractor may not
40.28 apply the funds to any other purpose other than relocation of the manufactured home as
40.29 provided in the contract. A copy of the approval must be forwarded by the neutral third
40.30 party to the park owner with an invoice for payment of the amount specified in subdivision
40.31 12, paragraph (a).

40.32 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home
40.33 relocation trust fund under paragraph (a), the manufactured home owner may collect an

41.1 amount from the fund after reasonable efforts to relocate the manufactured home have failed
41.2 due to the age or condition of the manufactured home, or because there are no manufactured
41.3 home parks willing or able to accept the manufactured home within a 25-mile radius. A
41.4 manufactured home owner may tender title of the manufactured home in the manufactured
41.5 home park to the manufactured home park owner, and collect an amount to be determined
41.6 by an independent appraisal. The appraiser must be agreed to by both the manufactured
41.7 home park owner and the manufactured home owner. If the appraised market value cannot
41.8 be determined, the tax market value, averaged over a period of five years, can be used as a
41.9 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a
41.10 single-section and \$14,500 for a multisection manufactured home. The minimum amount
41.11 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a
41.12 multisection manufactured home. The manufactured home owner shall deliver to the
41.13 manufactured home park owner the current certificate of title to the manufactured home
41.14 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate
41.15 of title, and a statement from the county where the manufactured home is located evidencing
41.16 that the personal property taxes have been paid. The manufactured home owner's application
41.17 for funds under this paragraph must include a document certifying that the manufactured
41.18 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the
41.19 Minnesota manufactured home relocation trust fund have been paid when due, that the
41.20 manufactured home owner has chosen to tender title under this section, and that the park
41.21 owner agrees to make a payment to the commissioner of management and budget in the
41.22 amount established in subdivision 12, paragraph (a), less any documented costs submitted
41.23 to the neutral third party, required for demolition and removal of the home, and any debris
41.24 or refuse left on the lot, not to exceed ~~\$1,000~~ \$3,000. The manufactured home owner must
41.25 also provide a copy of the certificate of title endorsed by the owner of record, and certify
41.26 to the neutral third party, with a copy to the park owner, that none of the exceptions to
41.27 receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the
41.28 manufactured home owner, and that the home owner will vacate the home within 60 days
41.29 after receipt of payment or the date of park closure, whichever is earlier, provided that the
41.30 monthly lot rent is kept current.

41.31 (f) The Minnesota Housing Finance Agency must make a determination of the amount
41.32 of payment a manufactured home owner would have been entitled to under a local ordinance
41.33 in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured home owner's
41.34 compensation for relocation costs from the fund under section 462A.35, is the greater of
41.35 the amount provided under this subdivision, or the amount under the local ordinance in

42.1 effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this
42.2 paragraph is intended to increase the liability of the park owner.

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

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

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

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

42.29 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health
42.30 or, if applicable, local units of government that have entered into a delegation of authority
42.31 agreement with the Department of Health as provided in section 145A.07 shall provide, by
42.32 March 31 of each year, a list of names and addresses of the manufactured home parks
42.33 licensed in the previous year, and for each manufactured home park, the current licensed
42.34 owner, the owner's address, the number of licensed manufactured home lots, and other data

43.1 as they may request for the Department of Management and Budget to invoice each licensed
43.2 manufactured home park in the state of Minnesota.

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

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

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

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

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

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

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

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

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

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

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

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

43.27 Sec. 15. Minnesota Statutes 2018, section 462A.22, subdivision 9, is amended to read:

43.28 Subd. 9. **Biennial report.** The agency shall also submit a biennial report of its activities
43.29 and receipts, and a plan for the next biennium, to the governor and the legislature on or

44.1 before February 15 in each odd-numbered year. The report shall include: (1) the distribution
44.2 of money under each agency program by county, except for counties containing a city of
44.3 the first class, where the distribution shall be reported by municipality; and (2) the cost per
44.4 unit of housing and the cost per square foot of housing financed under each agency program.

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

44.8 Sec. 16. Minnesota Statutes 2018, section 462A.24, is amended to read:

44.9 **462A.24 CONSTRUCTION; GRANTS AND LOANS; PRIORITIES.**

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

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

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

44.17 Sec. 17. Minnesota Statutes 2018, section 462A.33, subdivision 1, is amended to read:

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

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

44.31 Gap financing is either:

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

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

45.5 (b) Preference for grants and loans shall be given to comparable proposals that include
45.6 regulatory changes or waivers that result in identifiable cost avoidance or cost reductions,
45.7 such as increased density, flexibility in site development standards, or zoning code
45.8 requirements. Preference must also be given among comparable proposals to proposals for
45.9 projects that are accessible to transportation systems, jobs, schools, and other services.

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

45.17 Sec. 18. Minnesota Statutes 2018, section 462A.33, subdivision 2, is amended to read:

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

45.25 Sec. 19. Minnesota Statutes 2018, section 462A.33, subdivision 3, is amended to read:

45.26 Subd. 3. **Contribution requirement.** Fifty percent of the funds appropriated for this
45.27 section must be used for challenge grants or loans for housing proposals with financial or
45.28 in-kind contributions from nonstate resources that reduce the need for deferred loan or grant
45.29 funds from state resources. Challenge grants or loans must be used for economically viable
45.30 homeownership or rental housing proposals that address the housing needs of the local work
45.31 force. "Housing needs of the local work force" means one or more businesses located in
45.32 the project area or within 25 miles of the area that employs a minimum of 20 full-time
45.33 equivalent employees in aggregate and have provided a written statement to the local housing

46.1 authority indicating that the lack of available housing has impeded their ability to recruit
46.2 and hire employees.

46.3 Among comparable proposals, preference must be given to proposals that include
46.4 contributions from nonstate resources for the greatest portion of the total development cost.
46.5 Comparable proposals with contributions from local units of government or private
46.6 philanthropic, religious, or charitable organizations must be given preference in awarding
46.7 grants or loans.

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

46.10 Sec. 20. Minnesota Statutes 2018, section 462A.37, subdivision 2, is amended to read:

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

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

46.19 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
46.20 housing to be used for affordable rental housing and the costs of new construction of rental
46.21 housing on abandoned or foreclosed property where the existing structures will be demolished
46.22 or removed;

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

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

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

46.30 (6) to finance the costs of acquisition and rehabilitation of federally assisted rental
46.31 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
46.32 of federally assisted rental housing, including providing funds to refund, in whole or in part,

47.1 outstanding bonds previously issued by the agency or another government unit to finance
47.2 or refinance such costs.

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

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

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

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

47.12 (1) demonstrate a commitment to maintaining the housing financed as affordable to
47.13 seniors;

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

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

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

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

47.24 To the extent practicable, the agency shall balance the loans made between projects in the
47.25 metropolitan area and projects outside the metropolitan area. Of the loans made to projects
47.26 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans
47.27 made between projects in counties or cities with a population of 20,000 or less, as established
47.28 by the most recent decennial census, and projects in counties or cities with populations in
47.29 excess of 20,000.

47.30 Sec. 21. Minnesota Statutes 2018, section 462A.38, subdivision 1, is amended to read:

47.31 Subdivision 1. **Establishment.** A workforce and affordable homeownership development
47.32 program is established to award homeownership development grants to cities, tribal

48.1 governments, nonprofit organizations, cooperatives created under chapter 308A or 308B,
48.2 and community land trusts created for the purposes outlined in section 462A.31, subdivision
48.3 1, for development of workforce and affordable homeownership projects. The purpose of
48.4 the program is to increase the supply of workforce and affordable, owner-occupied
48.5 multifamily or single-family housing throughout Minnesota.

48.6 Sec. 22. Minnesota Statutes 2018, section 474A.02, is amended by adding a subdivision
48.7 to read:

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

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

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

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

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

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

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

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

49.3 Subd. 30. **30 percent AMI residential rental project.** "30 percent AMI residential
49.4 rental project" means a residential rental project that does not otherwise qualify as a
49.5 preservation project, is expected to generate low-income housing tax credits under section
49.6 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential
49.7 units, and in which:

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

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

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

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

49.13 (2)(i) is located outside of the metropolitan area as defined in section 473.121, subdivision
49.14 2, and within a county or metropolitan area that has a current median area gross income
49.15 that is less than the statewide area median income for Minnesota;

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

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

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

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

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

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

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

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

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

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

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

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

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

50.22 Sec. 30. Minnesota Statutes 2018, section 474A.03, subdivision 1, is amended to read:

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

50.27 (1) \$74,530,000 to the small issue pool;

50.28 (2) \$122,060,000 to the housing pool, ~~of which 31 percent of the adjusted allocation is~~
50.29 ~~reserved until the last Monday in July for single-family housing programs;~~

50.30 (3) \$12,750,000 to the public facilities pool; and

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

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

51.5 Sec. 31. Minnesota Statutes 2018, section 474A.061, subdivision 1, is amended to read:

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

51.7 For any requested allocations from the small issue pool and the public facilities pool, an
51.8 issuer may apply for an allocation under this section by submitting to the department an
51.9 application on forms provided by the department, accompanied by (1) a preliminary
51.10 resolution, (2) a statement of bond counsel that the proposed issue of obligations requires
51.11 an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified
51.12 bonds to be issued, (4) an application deposit in the amount of one percent of the requested
51.13 allocation before the last Monday in July, or in the amount of two percent of the requested
51.14 allocation on or after the last Monday in July, and (5) a public purpose scoring worksheet
51.15 for manufacturing project and enterprise zone facility project applications, ~~and (6) for~~
51.16 ~~residential rental projects, a statement from the applicant or bond counsel as to whether the~~
51.17 ~~project preserves existing federally subsidized housing for residential rental project~~
51.18 ~~applications and whether the project is restricted to persons who are 55 years of age or older.~~
51.19 The issuer must pay the application deposit ~~by a check made payable~~ to the Department of
51.20 Management and Budget. The Minnesota Housing Finance Agency, the Minnesota Rural
51.21 Finance Authority, and the Minnesota Office of Higher Education may apply for and receive
51.22 an allocation under this section without submitting an application deposit.

51.23 (b) An entitlement issuer may not apply for an allocation ~~from the public facilities pool~~
51.24 under this subdivision unless it has either permanently issued bonds equal to the amount of
51.25 its entitlement allocation for the current year plus any amount of bonding authority carried
51.26 forward from previous years or returned for reallocation all of its unused entitlement
51.27 allocation. ~~An entitlement issuer may not apply for an allocation from the housing pool~~
51.28 ~~unless it either has permanently issued bonds equal to any amount of bonding authority~~
51.29 ~~carried forward from a previous year or has returned for reallocation any unused bonding~~
51.30 ~~authority carried forward from a previous year.~~ For purposes of this subdivision, its
51.31 entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.
51.32 ~~This paragraph does not apply to an application from the Minnesota Housing Finance Agency~~
51.33 ~~for an allocation under subdivision 2a for cities who choose to have the agency issue bonds~~
51.34 ~~on their behalf.~~

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

52.5 Sec. 32. Minnesota Statutes 2018, section 474A.061, is amended by adding a subdivision
52.6 to read:

52.7 Subd. 1a. **Allocation application; housing pool.** (a) For any requested allocations from
52.8 the housing pool, an issuer may apply for an allocation under this section by submitting to
52.9 the department an application on forms provided by the department, accompanied by (1) a
52.10 preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations
52.11 requires an allocation under this chapter and the Internal Revenue Code, (3) an application
52.12 deposit in the amount of two percent of the requested allocation, (4) a sworn statement from
52.13 the applicant identifying the project as either a preservation project, 30 percent AMI
52.14 residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC
52.15 project, 20 percent LIHTC project, or any other residential rental project, and (5) a
52.16 certification from the applicant or its accountant stating whether the requested allocation
52.17 exceeds the aggregate bond limitation. The issuer must pay the application deposit to the
52.18 Department of Management and Budget. The Minnesota Housing Finance Agency may
52.19 apply for and receive an allocation under this section without submitting an application
52.20 deposit.

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

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

53.1 Sec. 33. Minnesota Statutes 2018, section 474A.061, subdivision 2a, is amended to read:

53.2 Subd. 2a. **Housing pool allocation.** (a) Commencing on the second Tuesday in January
 53.3 and continuing on each Monday through July 15, the commissioner shall allocate available
 53.4 bonding authority from the housing pool to applications received on or before the Monday
 53.5 of the preceding week for residential rental projects that meet the eligibility criteria under
 53.6 section 474A.047. Allocations of available bonding authority from the housing pool for
 53.7 eligible residential rental projects shall be awarded in the following order of priority: ~~(1)~~
 53.8 ~~projects that preserve existing federally subsidized housing; (2) projects that are not restricted~~
 53.9 ~~to persons who are 55 years of age or older; and (3) other residential rental projects. Prior~~
 53.10 ~~to May 15, no allocation shall be made to a project restricted to persons who are 55 years~~
 53.11 ~~of age or older~~

53.12 (1) preservation projects;

53.13 (2) 30 percent AMI residential rental projects;

53.14 (3) 50 percent AMI residential rental projects;

53.15 (4) 100 percent LIHTC projects;

53.16 (5) 20 percent LIHTC projects; and

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

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

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

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

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

53.31 (3) house price limits may not exceed the federal price limits established for mortgage
 53.32 revenue bond programs. Data on the home purchase price amount, mortgage amount, income,

54.1 household size, and race of the households served in the previous year's single-family
54.2 housing program, if any, must be included in each application; and

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

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

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

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

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

54.29 (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser
54.30 of: (i) the amount requested, or (ii) the product of the total amount available for mortgage
54.31 bonds from the housing pool, multiplied by the ratio of each applicant's population as
54.32 determined by the most recent estimate of the city's population released by the state
54.33 demographer's office to the total of all the applicants' population, except that each applicant
54.34 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount

55.1 determined under the formula in clause (ii). If a city applying for an allocation is located
55.2 within a county that has also applied for an allocation, the city's population will be deducted
55.3 from the county's population in calculating the amount of allocations under this paragraph.

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

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

55.10 (e) The agency may issue bonds on behalf of participating cities. The agency shall request
55.11 an allocation from the commissioner for all applicants who choose to have the agency issue
55.12 bonds on their behalf and the commissioner shall allocate the requested amount to the
55.13 agency. The agency may request an allocation at any time after the second Tuesday in
55.14 January and through the last Monday in July. After awarding an allocation and receiving a
55.15 notice of issuance for the mortgage bonds issued on behalf of the participating cities, the
55.16 commissioner shall transfer the application deposits to the Minnesota Housing Finance
55.17 Agency to be returned to the participating cities. The Minnesota Housing Finance Agency
55.18 shall return any application deposit to a city that paid an application deposit under paragraph
55.19 (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph
55.20 (d).

55.21 (f) A city may choose to issue bonds on its own behalf or through a joint powers
55.22 agreement and may request an allocation from the commissioner by forwarding an application
55.23 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
55.24 application deposit to the commissioner no later than the Monday of the week preceding
55.25 an allocation. If the total amount requested by all applicants exceeds the amount available
55.26 in the pool, the city may not receive a greater allocation than the amount it would have
55.27 received under the list forwarded by the Minnesota Housing Finance Agency to the
55.28 commissioner. No city may request or receive an allocation from the commissioner until
55.29 the list under paragraph (d) has been forwarded to the commissioner. A city must request
55.30 an allocation from the commissioner no later than the last Monday in July. No city may
55.31 receive an allocation from the housing pool for mortgage bonds which has not first applied
55.32 to the Minnesota Housing Finance Agency. The commissioner shall allocate the requested
55.33 amount to the city or cities subject to the limitations under this paragraph.

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

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

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

56.25 Sec. 34. Minnesota Statutes 2018, section 474A.091, subdivision 2, is amended to read:

56.26 Subd. 2. **Application.** (a) Issuers may apply for an allocation under this section by
 56.27 submitting to the department an application on forms provided by the department
 56.28 accompanied by:

56.29 (1) a preliminary resolution;²

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

56.32 (3) ~~the type of qualified bonds to be issued,~~ (4) an application deposit in the amount of
 56.33 two percent of the requested allocation, ~~(5) a public purpose scoring worksheet for~~

57.1 ~~manufacturing and enterprise zone applications, and (6) for residential rental projects, a~~
57.2 ~~statement from the applicant or bond counsel as to whether the project preserves existing~~
57.3 ~~federally subsidized housing and whether the project is restricted to persons who are 55~~
57.4 ~~years of age or older.; and~~

57.5 (4) a sworn statement from the applicant identifying the project as either a preservation
57.6 project, 30 percent AMI residential rental project, 50 percent AMI residential rental project,
57.7 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project.

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

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

57.22 Sec. 35. Minnesota Statutes 2018, section 474A.091, subdivision 3, is amended to read:

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

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

57.31 (1) applications for residential rental project bonds;

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

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

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

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

58.5 (2) applications for mortgage bonds;

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

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

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

58.9 (6) applications for residential rental project bonds;

58.10 (7) applications for enterprise zone facility bonds;

58.11 (8) applications for governmental bonds; and

58.12 (9) applications for redevelopment bonds.

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

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

58.28 (f) If there are two or more applications for residential rental projects from the unified
58.29 pool and there is insufficient bonding authority to provide allocations for all residential
58.30 rental projects in any one allocation period, the available bonding authority shall be awarded
58.31 in the following order of priority: (1) ~~projects that preserve existing federally subsidized~~
58.32 ~~housing; (2) projects that are not restricted to persons who are 55 years of age or older; and~~

59.1 ~~(3)~~ preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI
59.2 residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects;
59.3 and (6) other residential rental projects. If there are two or more applications for residential
59.4 rental projects at the same priority level and there is insufficient bonding authority to provide
59.5 allocations for all the projects in any one allocation period, available bonding authority shall
59.6 be randomly awarded by lot but only for projects that received the full amount of their
59.7 respective requested allocations. If a residential rental project does not receive any of its
59.8 requested allocation pursuant to this paragraph and the project applies in the future to the
59.9 housing pool or the unified pool for additional allocation of bonds, the project shall be fully
59.10 funded up to its original application request for bonding authority before any new project,
59.11 applying in the same allocation period, that has an equal priority shall receive bonding
59.12 authority.

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

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

59.21 (1) \$10,000,000 for any one city; or

59.22 (2) \$20,000,000 for any number of cities in any one county.

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

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

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

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

- 61.1 (b) \$30,000,000 the first year is for deposit in
- 61.2 the border-to-border broadband fund account
- 61.3 created under Minnesota Statutes, section
- 61.4 116J.396, and may be used for the purposes
- 61.5 provided in Minnesota Statutes, section
- 61.6 116J.395. This is a onetime appropriation."

- 61.7 Amend the title accordingly