

STATE OF MINNESOTA

Journal of the Senate

NINETY-SECOND LEGISLATURE

SPECIAL SESSION

FIFTH DAY

St. Paul, Minnesota, Friday, June 18, 2021

The Senate met at 9:00 a.m. and was called to order by the President.

The members of the Senate paused for a moment of silent prayer and reflection.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators were present:

Abeler	Draheim	Howe	Marty	Rest
Anderson	Duckworth	Ingebrigtsen	Mathews	Rosen
Bakk	Dziedzic	Isaacson	McEwen	Ruud
Benson	Eaton	Jasinski	Miller	Senjem
Bigham	Eichorn	Johnson	Murphy	Tomassoni
Carlson	Eken	Johnson Stewart	Nelson	Torres Ray
Chamberlain	Fateh	Kent	Newman	Utke
Champion	Franzen	Kiffmeyer	Newton	Weber
Clausen	Frentz	Klein	Osmek	Westrom
Coleman	Gazelka	Koran	Pappas	Wiger
Cwodzinski	Goggin	Kunesh	Port	Wiklund
Dahms	Hawj	Lang	Pratt	
Dibble	Hoffman	Latz	Putnam	
Dornink	Housley	Limmer	Rarick	

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Anderson, Carlson, Coleman, Duckworth, Eken, Fateh, Goggin, Hawj (California), Ingebrigtsen (Alaska), Isaacson, Jasinski, Kiffmeyer, Klein (Hawaii), Lang, Latz, Limmer, Newman, Newton, Port, Ruud, and Torres Ray.

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Utke introduced--

S.F. No. 51: A bill for an act relating to transportation; requiring the commissioner of transportation to inspect trains entering the state from Canada; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 219.

Referred to the Committee on Rules and Administration.

Senator Utke introduced--

S.F. No. 52: A bill for an act relating to economic development; establishing a forgivable loan program for remote recreational businesses; requiring a report; appropriating money.

Referred to the Committee on Rules and Administration.

Senator Utke introduced--

S.F. No. 53: A bill for an act relating to taxation; property; requiring the state to pay the costs of property tax judgments against state-assessed property; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 273.372, by adding subdivisions; 278.12; 290.06, by adding a subdivision; 297E.021, subdivision 4.

Referred to the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS

Senator Benson moved that the name of Senator Pappas be added as a co-author to S.F. No. 31. The motion prevailed.

Senator Koran moved that the name of Senator Draheim be added as a co-author to S.F. No. 36. The motion prevailed.

Senator Utke introduced --

Senate Resolution No. 10: A Senate resolution honoring the service of Navy Fireman First Class Neal Kenneth Todd of Akeley, Minnesota.

Referred to the Committee on Rules and Administration.

RECESS

Senator Rosen moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Benson, designee of the Chair of the Committee on Rules and Administration, designated S.F. No. 9 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 9: A bill for an act relating to economic development; modifying use of Minnesota investment fund; requiring a report.

Senator Pratt moved to amend S.F. No. 9 as follows:

Page 8, line 3, delete "116L.42" and insert "116L.41"

Page 8, line 32, after the period, insert "This appropriation is available until June 30, 2025."

Page 64, lines 22 and 23, delete the new language

The motion prevailed. So the amendment was adopted.

Senator Bigham moved to amend S.F. No. 9 as follows:

Page 77, after line 26, insert:

"Sec. 4. [181.987] USE OF SKILLED AND TRAINED CONTRACTOR WORKFORCES AT PETROLEUM REFINERIES.

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Contractor" means a vendor that enters into or seeks to enter into a contract with an owner or operator of a petroleum refinery to perform construction, alteration, demolition, installation, repair, maintenance, or hazardous material handling work at the site of the petroleum refinery. Contractor includes all contractors or subcontractors of any tier performing work as described in this paragraph at the site of the petroleum refinery. Contractor does not include employees of the owner or operator of a petroleum refinery.

(c) "Registered apprenticeship program" means an apprenticeship program providing to each trainee combined classroom and on-the-job training under the direct and close supervision of a highly skilled worker in an occupation recognized as an apprenticeable occupation registered with the Department of Labor and Industry under chapter 178 or with the United States Department of Labor Office of Apprenticeship or a recognized state apprenticeship agency under Code of Federal Regulations, title 29, parts 29 and 30.

(d) "Skilled and trained workforce" means a workforce in which the employees of the contractor or subcontractor of any tier working at the site of the petroleum refinery meet one of the following criteria:

(1) are currently registered as apprentices in a registered apprenticeship program in the applicable trade;

(2) have graduated from a registered apprenticeship program in the applicable trade; or

(3) have completed all of the classroom training and work hour requirements needed to graduate from the registered apprenticeship program their employer participates in.

(e) A contractor's workforce must meet the requirements of paragraph (d) above, according to the following schedule:

(1) 65 percent by October 15, 2022;

(2) 75 percent by October 15, 2023; and

(3) 85 percent by October 15, 2024.

(f) "Petroleum refinery" means a facility engaged in producing gasoline, kerosene, distillate fuel oils, residual fuel oil, lubricants, or other products through distillation of petroleum or through redistillation, cracking, or reforming of unfinished petroleum derivatives.

(g) "Apprenticeable occupation" means any trade, form of employment, or occupation approved for apprenticeship by the Secretary of Labor or the commissioner of labor and industry.

(h) "Original equipment manufacturer" (OEM) means and refers to organizations that manufacture or fabricate equipment for sale directly to purchasers or other resellers.

Subd. 2. Use of contractors by owner, operator; requirement. (a) An owner or operator of a petroleum refinery shall, when contracting with contractors for the performance of construction, alteration, demolition, installation, repair, maintenance, or hazardous material handling work at the site of the petroleum refinery, require that the contractors performing that work, and any subcontractors of any tier, use a skilled and trained workforce when performing all work at the site of the petroleum refinery.

(b) The requirement under this subdivision applies only when each contractor and subcontractor of any tier is performing work at the site of the petroleum refinery.

(c) The requirement under this subdivision does not apply to contractors or subcontractors hired to perform OEM work to comply with equipment warranty requirements.

Subd. 3. Penalties. The Division of Labor Standards shall receive complaints of violations of this section. The commissioner of labor and industry shall fine an owner, operator, contractor, or subcontractor of any tier not less than \$5,000 nor more than \$10,000 for each violation of the requirements in this section. Each shift on which a violation of this section occurs shall be considered a separate violation. This penalty is in addition to any penalties provided under section 177.27, subdivision 7. In determining the amount of a civil penalty under this subdivision, the appropriateness of the penalty to the size of the violator's business and the gravity of the violation shall be considered.

Subd. 4. Civil actions. A person injured by a violation of this section may bring a civil action for damages against an owner or operator of a petroleum refinery. The court may award to a prevailing plaintiff under this subdivision damages, attorney fees, costs, disbursements, and any other appropriate relief as otherwise provided by law.

EFFECTIVE DATE. This section is effective October 15, 2022."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 50 and nays 17, as follows:

Those who voted in the affirmative were:

Abeler	Dornink	Goggin	Latz	Pappas
Bakk	Draheim	Hawj	Limmer	Port
Bigham	Duckworth	Hoffman	Marty	Putnam
Carlson	Dziedzic	Housley	Mathews	Rarick
Chamberlain	Eaton	Isaacson	McEwen	Rest
Champion	Eichorn	Johnson Stewart	Murphy	Senjem
Clausen	Eken	Kent	Nelson	Tomassoni
Coleman	Fateh	Klein	Newman	Torres Ray
Cwodzinski	Franzen	Koran	Newton	Wiger
Dibble	Frentz	Kunesh	Osmek	Wiklund

Pursuant to Rule 40, Senator Johnson cast the affirmative vote on behalf of the following Senators: Abeler, Coleman, Goggin, Housley, Newman, Osmek, and Senjem.

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Carlson, Eken, Fateh, Hawj, Isaacson, Klein, Latz, Newton, Port, and Torres Ray.

Those who voted in the negative were:

Anderson	Howe	Kiffmeyer	Rosen	Westrom
Benson	Ingebrigtsen	Lang	Ruud	
Dahms	Jasinski	Miller	Utke	
Gazelka	Johnson	Pratt	Weber	

Pursuant to Rule 40, Senator Johnson cast the negative vote on behalf of the following Senators: Anderson, Ingebrigtsen, Jasinski, Kiffmeyer, Lang, Ruud, Weber, and Westrom.

The motion prevailed. So the amendment was adopted.

Senator Pratt moved that S.F. No. 9 be laid on the table. The motion prevailed.

RECESS

Senator Gazelka moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Senator Dahms moved that the Committee Report at the Desk be now adopted. The motion prevailed.

Senator Rosen from the Committee on Finance, to which was referred

S.F. No. 16: A bill for an act relating to housing; appropriating money to the Minnesota Housing Finance Agency for the economic development and housing challenge program.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1**APPROPRIATIONS****Section 1. USE OF FEDERAL FUNDS FOR HOMEOWNER ASSISTANCE.**

The commissioner of management and budget shall not use any money received by the state from the Homeowner Assistance Fund under Public Law 117-2, the American Rescue Plan, to reimburse the federal coronavirus relief fund for money allocated to the Housing Finance Agency according to the federal coronavirus relief fund action order number 44 that was approved by the commissioner on July 27, 2020.

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agency for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

APPROPRIATIONS**Available for the Year****Ending June 30****2022****2023****Sec. 3. HOUSING FINANCE AGENCY**

Subdivision 1. <u>Total Appropriation</u>	\$	<u>67,798,000</u>	\$	<u>57,798,000</u>
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(a) The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Subd. 2. Challenge Program

15,725,000

12,925,000

(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, sections 462A.07, subdivision 14, and 462A.33.

(b) Of this amount, \$1,208,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians in the first 11 months of the fiscal year shall be available for any eligible activity under Minnesota Statutes, sections 462A.07, subdivision 14, and 462A.33.

Subd. 3. Workforce Housing Development

2,000,000

2,000,000

This appropriation is for the Greater Minnesota workforce housing development program under Minnesota Statutes, section 462A.39. If requested by the applicant and approved by the agency, funded properties may include a portion of income and rent restricted units. Funded properties may include owner-occupied homes.

Subd. 4. Manufactured Home Park Infrastructure Grants

2,750,000

1,000,000

This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b.

Subd. 5. Workforce Homeownership Program

3,500,000

250,000

This appropriation is for the workforce homeownership program under Minnesota Statutes, section 462A.38.

Subd. 6. Housing Trust Fund

11,646,000

11,646,000

This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section.

Subd. 7. Homework Starts with Home

1,750,000

1,750,000

This appropriation is for the homework starts with home program under Minnesota Statutes, sections 462A.201, subdivision 2, paragraph (a), clause (4), and 462A.204, subdivision 8, to provide assistance to homeless or highly mobile families with children eligible for enrollment in a prekindergarten through grade 12 academic program.

Subd. 8. Rental Assistance for Mentally Ill

4,338,000

4,338,000

This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons who desire to move to more integrated, community-based settings.

Subd. 9. Family Homeless Prevention

10,269,000

10,269,000

This appropriation is for the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.

Subd. 10. Home Ownership Assistance Fund

1,885,000

885,000

This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The agency shall continue to strengthen its efforts to address the disparity gap in the homeownership rate between white households and Indigenous American Indians and communities of color. To better understand and address the disparity gap, the agency is required to collect, on a voluntary basis, demographic information regarding race, color, national origin, and sex of

applicants for agency programs intended to benefit homeowners and homebuyers.

Subd. 11. Affordable Rental Investment Fund 4,218,000 4,218,000

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

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties and naturally occurring affordable housing as determined by the commissioner. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Subd. 12. Owner-Occupied Housing Rehabilitation 2,772,000 2,772,000

(a) This appropriation is for the rehabilitation of owner-occupied housing under Minnesota Statutes, section 462A.05, subdivisions 14 and 14a.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 13. Rental Housing Rehabilitation 3,743,000 3,743,000

(a) This appropriation is for the rehabilitation of eligible rental housing under Minnesota Statutes, section 462A.05, subdivision 14. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development and housing challenge program under Minnesota Statutes, section 462A.33, and may provide grants or forgivable loans if approved by the agency.

(b) Notwithstanding any law to the contrary, grants or loans under this subdivision may be made without rent or income restrictions of owners or tenants. To the extent practicable, grants or loans must be made available statewide.

Subd. 14. Homeownership Education, Counseling, and Training

857,000

857,000

This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

Subd. 15. Capacity-Building Grants

645,000

645,000

This appropriation is for nonprofit capacity-building grants under Minnesota Statutes, section 462A.21, subdivision 3b. Of this amount, \$125,000 each year is for support of the Homeless Management Information System (HMIS), and \$70,000 in fiscal year 2022 and \$70,000 in fiscal year 2023 are for Open Access Connections. The appropriations for Open Access Connections are onetime.

Subd. 16. Build Wealth MN

500,000

500,000

This appropriation is for a grant to Build Wealth Minnesota to provide a family stabilization plan program including program outreach, financial literacy education, and budget and debt counseling.

Subd. 17. Local Housing Trust Fund Grants1,000,000-0-

(a) This appropriation is for grants to local housing trust funds established under Minnesota Statutes, section 462C.16, to incentivize local funding.

(b) A grantee is eligible to receive a grant amount equal to 100 percent of the new public revenue committed to the local housing trust fund from any source other than the state or federal government, up to \$150,000, and depending on funding availability, an amount equal to 50 percent of the new public revenue committed to the local housing trust fund from any source other than the state or federal government that is more than \$150,000 but not more than \$300,000.

(c) The agency shall consult with interested stakeholders when developing the guidelines, applications, and procedures for the program.

(d) A grantee must use grant funds within five years of receipt for purposes: (1) authorized under Minnesota Statutes, section 462C.16, subdivision 3; and (2) benefiting households with incomes at or below 115 percent of the state median income. A grantee must return any grant funds not used for these purposes within eight years of receipt to the commissioner of the Minnesota Housing Finance Agency for deposit into the economic development and housing challenge program under Minnesota Statutes, section 462A.33.

Subd. 18. Task Force on Shelter200,000-0-

This appropriation is to implement the task force on shelter established under article 6.

Subd. 19. Availability of Funds

Money appropriated in the first year in this article is available the second year.

ARTICLE 2**HOUSING POLICY**

Section 1. Minnesota Statutes 2020, section 12A.09, subdivision 3, is amended to read:

Subd. 3. **Capacity building grants.** Grants may be made under section 462A.21, subdivision 3b₅:

(1) to local units of government, including regional consortia, in the disaster area and;

(2) to nonprofit organizations; and

(3) to federally recognized American Indian Tribes or subdivisions located in Minnesota, and Tribal housing corporations

working in the disaster area to assess housing and related needs, develop and implement community or regional plans to meet those needs, and provide capacity to implement recovery plans.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 2. Minnesota Statutes 2020, section 256C.02, is amended to read:

256C.02 PUBLIC ACCOMMODATIONS.

People who are blind or people with a visual or physical disability have the same right as the able-bodied to the full and free use of the streets, highways, sidewalks, walkways, public buildings, public facilities, and other public places; and are entitled to full and equal accommodations, advantages, facilities, and privileges of all common carriers, airplanes, motor vehicles, railroad trains, motor buses, boats, or any other public conveyances or modes of transportation, hotels, lodging places, places of public accommodation, amusement, or resort, and other places to which the general public is invited, subject only to the conditions and limitations established by law and applicable alike to all persons.

Every person who is totally or partially blind, or person who is deaf, or person with a physical disability, or any person training a dog to be a service dog shall have the right to be accompanied by a service dog in any of the places listed in section 363A.19. The person shall be liable for any damage done to the premises or facilities by such dog. ~~The service dog must be capable of being properly identified as from a recognized school for seeing eye, hearing ear, service, or guide dogs.~~

Sec. 3. Minnesota Statutes 2020, section 273.11, subdivision 12, is amended to read:

Subd. 12. **Community land trusts.** (a) A community land trust, as defined under chapter 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which qualifies for tax exempt status under 501(c)(3), or (ii) a "city" as defined in section 462C.02, subdivision 6, which has received funding from the Minnesota housing finance agency for purposes of the community land trust program. The Minnesota Housing Finance Agency shall set the criteria for community land trusts.

~~(b) All occupants of a community land trust building must have a family income of less than 80 percent of the greater of (1) the state median income, or (2) the area or county median income, as most recently determined by the Department of Housing and Urban Development. Before the community land trust can rent or sell a unit to an applicant, the community land trust shall verify to the satisfaction of the administering agency or the city that the family income of each person or family applying for a unit in the community land trust building is within the income criteria provided in this paragraph section 462A.30, subdivision 9. The administering agency or the city shall verify to the satisfaction of the county assessor that the occupant meets the income criteria under this paragraph section 462A.30, subdivision 9. The property tax benefits under paragraph (c) shall be granted only to property owned or rented by persons or families within the qualifying income limits. The family income criteria and verification is only necessary at the time of initial occupancy in the property.~~

(c) A unit which is owned by the occupant and used as a homestead by the occupant qualifies for homestead treatment as class 1a under section 273.13, subdivision 22. A unit which is rented by the occupant and used as a homestead by the occupant shall be class 4a or 4b property, under section 273.13, subdivision 25, whichever is applicable. Any remaining portion of the property not used for residential purposes shall be classified by the assessor in the appropriate class based upon the use of that portion of the property owned by the community land trust. The land upon which the building is located shall be assessed at the same classification rate as the units within the building, provided that if the building contains some units assessed as class 1a and some units assessed as class 4a or 4b, the market value of the land will be assessed in the same proportions as the value of the building.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 4. Minnesota Statutes 2020, section 326B.106, subdivision 7, is amended to read:

Subd. 7. **Window fall prevention device code.** (a) The commissioner of labor and industry shall adopt rules for window fall prevention devices as part of the State Building Code. Window fall prevention devices include, but are not limited to, safety screens, hardware, guards, and other devices that comply with the standards established by the commissioner of labor and industry. The rules shall require compliance with standards for window fall prevention devices developed by ASTM International, contained in the International Building Code as the model language with amendments deemed necessary to coordinate with the other adopted building codes in Minnesota. The rules shall establish a scope that includes the applicable building occupancies, and the types, locations, and sizes of windows that will require the installation of fall devices.

(b) In one- and two-family dwellings and townhouses, as defined in Minnesota Rules, part 1309.0202, subpart 1, window fall prevention devices are not required when: (1) the lowest part of the window opening of an operable window is a minimum of 24 inches above the finished floor of the room in which the window is located; or (2) the lowest part of the opening of an operable window is located 72 inches or less above the exterior grade below.

Sec. 5. Minnesota Statutes 2020, section 363A.09, subdivision 5, is amended to read:

Subd. 5. **Real property full and equal access.** It is an unfair discriminatory practice for a person to deny full and equal access to real property provided for in sections 363A.08 to 363A.19, and

363A.28, subdivision 10, to a person who ~~is totally or partially blind, deaf, or has a physical or sensory~~ has a disability and who uses a service animal, ~~if the service animal can be properly identified as being from a recognized program which trains service animals to aid persons who are totally or partially blind or deaf or have physical or sensory disabilities.~~ The person may not be required to pay extra compensation for the service animal but is liable for damage done to the premises by the service animal.

Sec. 6. Minnesota Statutes 2020, section 462A.05, subdivision 14, is amended to read:

Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. ~~Except for accessibility improvements under this subdivision and subdivisions 14a and 24, clause (1), no secured loan for rehabilitation of any owner-occupied property shall be made in an amount which, with all other existing indebtedness secured by the property, would exceed 110 percent of its market value, as determined by the agency.~~ No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with developmental disabilities;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or less dwelling units, one of which is occupied by the owner.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 7. Minnesota Statutes 2020, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. Rehabilitation may include replacement of manufactured homes. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation of owner-occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted by the agency not to exceed ~~\$27,000~~ \$37,500, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 8. Minnesota Statutes 2020, section 462A.07, subdivision 2, is amended to read:

Subd. 2. **Technical assistance; residential housing.** It may provide general technical services and support to assist in the planning, processing, design, construction or rehabilitation, and inspection of residential housing for occupancy by persons and families of low and moderate income and to increase the capacity of entities to meet the housing needs in the state.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 9. Minnesota Statutes 2020, section 462A.30, subdivision 9, is amended to read:

Subd. 9. **Persons and families of low and moderate income.** "Persons and families of low and moderate income" means persons or families whose income does not exceed:

(1) ~~80~~ 115 percent of the greater of state median income, or area or county median income as determined by the Department of Housing and Urban Development; or

(2) the amount that qualifies the organization for tax exempt status under United States Code, title 26, section 501(c)(3), whichever is less.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 10. **[504B.113] SERVICE AND SUPPORT ANIMAL DOCUMENTATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Service animal" has the meaning given in Code of Federal Regulations, title 28, section 36.104, as amended.

(c) "Support animal" means an animal that: (1) provides emotional support that alleviates one or more identified symptoms or effects of a person's disability; and (2) does not need to be trained to perform a specific disability-related task.

(d) "Tenant" means a current tenant or a prospective tenant.

(e) "Licensed professional" means a provider of care who is:

(1) a person licensed by the Board of Medical Practice under chapter 147;

(2) a physician assistant licensed under chapter 147A;

(3) a nurse, as defined in section 148.171, subdivision 9, licensed under chapter 148;

(4) a psychologist licensed under chapter 148;

(5) a mental health professional licensed under chapter 148B;

(6) a social worker licensed under chapter 148E;

(7) a counselor licensed under chapter 148F; or

(8) any professional listed in clauses (1) to (7) who holds a valid license in any other state, provided the professional has an existing treatment relationship with the tenant requesting a reasonable accommodation.

A licensed professional does not include any person who operates primarily to provide certification for a service or support animal.

(f) "Reasonable accommodation" means the granting of a waiver by a landlord of a no-pets or pet-fee policy for a person with a disability consistent with the Fair Housing Act, United States Code, title 42, sections 3601 to 3619, as amended, and section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 701, as amended.

(g) "Disability" has the meaning given in section 363A.03, subdivision 12.

Subd. 2. **Request for documentation permitted.** (a) A landlord may require a tenant to provide supporting documentation for each service or support animal for which the tenant requests a reasonable accommodation under any provision of law. A landlord must not require supporting documentation from a tenant if the tenant's disability or disability-related need for a service or support animal is readily apparent or already known to the landlord.

(b) Upon a landlord's request, the tenant must provide supporting documentation from a licensed professional confirming the tenant's disability and the relationship between the tenant's disability and the need for a service or support animal. A landlord must not require the tenant to disclose or provide access to medical records or medical providers or provide any other information or documentation of a person's physical or mental disability.

Subd. 3. **Additional fees or deposits prohibited.** A landlord must not require a tenant with a reasonable accommodation under this section to pay an additional fee, charge, or deposit for the service or support animal. A tenant is liable to the landlord for any damage to the premises caused by the service or support animal.

Subd. 4. **Prohibited conduct.** A tenant must not, directly or indirectly through statements or conduct, knowingly:

(1) misrepresent themselves as a person with a disability that requires the use of a service or support animal; or

(2) provide fraudulent supporting documentation under this section.

Subd. 5. **Penalty.** If a tenant violates this section, the landlord may deny the tenant's rental application or request for a service or support animal. Nothing in this section shall be construed to prohibit an eviction action based on a breach of the lease.

Sec. 11. [504B.116] PRORATED RENT REQUIRED.

(a) When a lease term for a residential unit ends on a date before the last day of the final month, the amount of rent to be paid for the final month owed for the final month of rent must be prorated at the average daily rate for that month so that the tenant only pays for the actual number of days that occupancy is allowed. This provision applies to all leases, including leases requiring the last month of rent to be paid in advance. Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable.

(b) For purposes of this section, prorated rent must be calculated using the actual number of calendar days for the calendar month in which the lease expires.

EFFECTIVE DATE. This section is effective September 1, 2021, and applies to leases entered into on or after that date.

ARTICLE 3

MANUFACTURED HOMES

Section 1. [168A.1411] MANUFACTURED HOME AFFIXED TO REAL PROPERTY OWNED BY COOPERATIVE.

Subdivision 1. **Certificates surrendered for cancellation; cooperatives.** (a) When a manufactured home is to be affixed or is affixed, as defined in section 273.125, subdivision 8, paragraph (b), to real property owned by a Minnesota nonprofit corporation or a Minnesota cooperative, the owner of the manufactured home may surrender the manufacturer's certificate of

origin or certificate of title to the department for cancellation so that the manufactured home becomes an improvement to real property and is no longer titled as personal property. The department must not issue a certificate of title for a manufactured home under chapter 168A if the manufacturer's certificate of origin is or has been surrendered under this subdivision, except as provided in section 168A.142. Upon surrender of the manufacturer's certificate of origin or the certificate of title, the department must issue notice of surrender to the owner and upon recording an affidavit of affixation, which the county recorder or registrar of titles, as applicable, must accept, the manufactured home is deemed to be an improvement to real property. An affidavit of affixation by the owner of the manufactured home must include the following information:

(1) the name, residence address, and mailing address of owner or owners of the manufactured home;

(2) the legal description of the real property in which the manufactured home is, or will be, located;

(3) a copy of the surrendered manufacturer's certificate of origin or certificate of title and the notice of surrender;

(4) a written statement from the county auditor or county treasurer of the county where the manufactured home is located stating that all property taxes payable in the current year, as provided under section 273.125, subdivision 8, paragraph (b), have been paid or are not applicable; and

(5) the signature of the person who executes the affidavit, properly executed before a person authorized to authenticate an affidavit in this state.

(b) A certified copy of the affidavit must be delivered to the county auditor of the county in which the real property to which the manufactured home was affixed is located.

(c) The department is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents presented to the department under this section if the documents presented appear to satisfy the requirements of this section. The department has no obligation to investigate the accuracy of statements contained in the documents.

Subd. 2. **Affidavit form; cooperatives.** An affidavit of affixation must be in substantially the following form and must contain the following information:

MANUFACTURED HOME AFFIDAVIT OF AFFIXATION IN A COOPERATIVE

PURSUANT TO MINNESOTA STATUTES, SECTION 168A.1411

Homeowner, being duly sworn, on his or her oath, states as follows:

1. Homeowner owns the manufactured home ("home") described as follows:

.....

<u>New/Used</u>	<u>Year</u>	<u>Manufacturer's Name</u>	<u>Model Name or Model No.</u>	<u>Manufacturer's Serial No.</u>	<u>Length/Width</u>
-----------------	-------------	----------------------------	--------------------------------	----------------------------------	---------------------

2. A copy of the surrendered manufacturer's certificate of origin or certificate of title is attached.

.....
Signature of Notary Public or Other Official

Notary Stamp or Seal

(optional)

Lender's Statement of Intent:

The undersigned ("lender") intends that the home be immovable and a permanent improvement to the land free of any personal property security interest.

.....
Lender

By:

Authorized Signature

STATE OF

.....) ss:

COUNTY OF

On the day of in the year before me, the undersigned, a Notary Public in and for said state, personally appeared

.....
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

.....
Notary Signature

.....
Notary Printed Name

Notary Public, State of

Qualified in the County of

My commission expires

Official seal:

[only if the owner of the land is a Minnesota nonprofit corporation or cooperative]:

The undersigned is the of, a Minnesota [nonprofit corporation or cooperative], which owns the land described above. I hereby certify that the homeowner described above is a member of the [nonprofit corporation or cooperative] whose membership entitles the homeowner to occupy [insert legal description of the homeowner's lot or, if the corporation or

cooperative has filed a scaled drawing as permitted by Minnesota Statutes, section 168A.1411, subdivision 5, Lot shown on such scaled drawing].

.....

Signature block for nonprofit or cooperative

.....

Acknowledgment of officer of nonprofit or cooperative

Subd. 3. Perfected security interest prevents surrender. The department may not cancel a certificate of title if, under this chapter, a security interest has been perfected on the manufactured home. If a security interest has been perfected, the department must notify the owner that each secured party must release or satisfy the security interest prior to proceeding with surrender of the manufacturer's certificate of origin or certificate of title to the department for cancellation. Permanent attachment to real property or the recording of an affidavit of affixation does not extinguish an otherwise valid security interest in or tax lien on the manufactured home, unless the requirements of subdivisions 1 to 3, including the release of any security interest, have been satisfied.

Subd. 4. Notice of security interest. When a perfected security interest exists, or will exist, on the manufactured home at the time the manufactured home is affixed to real property, and the owner has not satisfied the requirements of subdivision 1, the owner of the manufactured home, or its secured party, may record a notice with the county recorder, or with the registrar of titles, if the land is registered, stating that the manufactured home located on the property is encumbered by a perfected security interest and is not an improvement to real property. The notice must state the name and address of the secured party as set forth on the certificate of title, the legal description of the real property, and the name and address of the record fee owner of the real property on which the manufactured home is affixed. When the security interest is released or satisfied, the secured party must attach a copy of the release or satisfaction to a notice executed by the secured party containing the county recorder or registrar of titles document number of the notice of security interest. The notice of release or satisfaction must be recorded with the county recorder, or registrar of titles, if the land is registered. Neither the notice described in this subdivision nor the security interest on the certificate of title is deemed to be an encumbrance on the real property. The notices provided for in this subdivision need not be acknowledged.

Subd. 5. Scaled drawing. (a) If the portion of the land occupied by the homeowner has not been subdivided, the nonprofit or cooperative owner shall have prepared and recorded against the land a scaled drawing prepared by a licensed professional land surveyor who shall certify that:

- (1) the scaled drawing accurately depicts all information required by this subdivision; and
- (2) the work was undertaken by, or reviewed and approved by, the certifying land surveyor.
- (b) The scaled drawing shall show:
 - (1) the dimensions and location of all existing material structural improvements and roadways;
 - (2) the extent of any encroachments by or upon any portion of the land;
 - (3) the location and dimensions of all recorded easements within the land burdening any portion of the land;

(4) the distance and direction between noncontiguous parcels of real estate;

(5) the location and dimensions of the front, rear, and side boundaries of each lot that a member of the cooperative or nonprofit corporation has a right to occupy and that lot's unique lot number; and

(6) the legal description of the land.

Sec. 2. [168A.1412] MANUFACTURED HOME AFFIXED TO REAL PROPERTY.

Subdivision 1. **Manufactured home as real property.** A manufactured home may be made an improvement to real property, and no longer titled as personal property, pursuant to this section. A manufactured home constitutes an improvement to real property when:

(1) the manufactured home is to be affixed or is affixed, as defined in section 273.125, subdivision 8, paragraph (b), to the real property;

(2) the certificate of title is surrendered and canceled pursuant to subdivision 2, or the manufacturer's certificate or statement of origin is canceled pursuant to subdivision 3; and

(3) an affidavit of affixation pursuant to subdivision 5 is recorded with the county recorder or registrar of titles, as applicable.

Subd. 2. **Surrender of certificate of title.** (a) The owner of the manufactured home may surrender the manufacturer's certificate of title to the commissioner for cancellation. Upon receipt of the certificate of title, the commissioner must issue notice of cancellation to the owner of the manufactured home. In the event the certificate of title is lost, stolen, mutilated, destroyed, or becomes illegible, the owner may submit a written request for cancellation of the title which includes the serial number of the manufactured home and states that the certificate of title is lost, stolen, mutilated, destroyed, or has become illegible. Upon receipt of the request and verification of ownership in Driver and Vehicle Services Division records, the commissioner must issue notice of cancellation to the owner of the manufactured home and must not require the owner to deliver the certificate of title or obtain a duplicate certificate of title. After canceling a certificate of title, the commissioner must not allow transfer of the title to the manufactured home as personal property. The commissioner must not require the owner of the manufactured home to deliver the affidavit of affixation described in subdivision 5 in order for the commissioner to issue notice of cancellation.

(b) The commissioner must not cancel a certificate of title if, under this chapter, a security interest has been perfected on the manufactured home. If a security interest has been perfected, the commissioner must notify the owner of the manufactured home that each secured party must release or satisfy the security interest prior to cancellation of the certificate of title by the commissioner. Affixing the manufactured home to real property or recording an affidavit of affixation without cancellation of the certificate of title does not extinguish an otherwise valid security interest in or tax lien on the manufactured home.

Subd. 3. **Surrender of manufacturer's certificate of origin.** The owner of the manufactured home may surrender the manufacturer's certificate of origin to the commissioner for cancellation. Upon delivery of the original certificate of origin, the commissioner must issue notice of cancellation to the owner of the manufactured home. The commissioner must not issue a certificate of title for

a manufactured home if the manufacturer's certificate of origin is or has been canceled under this subdivision, except as provided in section 168A.142. The commissioner must not require the owner of the manufactured home to deliver the affidavit of affixation described in subdivision 5 in order for the commissioner to cancel the certificate of origin.

Subd. 4. **Verification.** The commissioner is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents presented to the commissioner under this section if the documents presented appear to satisfy the requirements of this section. The commissioner has no obligation to investigate the accuracy of statements contained in the documents to verify that the manufactured home has been affixed to the real property.

Subd. 5. **Affidavit of affixation.** An affidavit of affixation must be in substantially the following form and must contain the following information and attachments described in the form. The county recorder or registrar of titles, as applicable, must accept any such affidavit. The county recorder or registrar of titles, as applicable, must provide a copy of the recorded affidavit of affixation to the county auditor of the county for the real property described therein or otherwise inform the county auditor that the home is to be taxed as an improvement to the real property to which it is affixed:

MANUFACTURED HOME AFFIDAVIT OF AFFIXATION

PURSUANT TO MINNESOTA STATUTES, SECTION 168A.1412

..... ("Affiant"), being first duly sworn, on oath states, or affirms under penalties of perjury that:

1. I am an owner of the manufactured home ("Manufactured Home") described as follows:

- Manufacturer's name:
- Make:
- Model number:
- Model year:
- Serial number:
- Dimensions:
- Other descriptive information (if any):

2. The Manufactured Home is or will be (check one) affixed, in accordance with Minnesota Statutes, section 273.125, subdivision 8, to real property in County, Minnesota, with the street address of:

- Street or route:
- City:
- State:
- Zip code:

and legally described as follows ("Land"):

.....
.....
.....

Check here if all or part of the described real property is Registered (Torrens)

3. A copy of the notice of cancellation issued from the Minnesota Department of Public Safety Driver and Vehicle Services pursuant to Minnesota Statutes, section 168A.1412, subdivision 2 or 3, is attached.

4. The owner(s) of the Manufactured Home is/are the owner(s) of the Land.

5. The Affiant makes this affidavit to demonstrate that the Manufactured Home is an improvement to real property, no longer titled as personal property, and free of any personal property security interest.

Affiant

.....

(Signature)

Signed and sworn to (or affirmed) before me this day of,

Notary Stamp or Seal

.....

Signature of notarial officer Title (and Rank):

My commission expires:

This instrument was drafted by, and when recorded return to

.....

Subd. 6. Notice of security interest. When a perfected security interest exists, or will exist, on the manufactured home at the time the manufactured home is affixed to real property, and the owner has not satisfied the requirements of subdivision 1, the owner of the manufactured home, or its secured party, may record a notice with the county recorder, or with the registrar of titles, if the land is registered, stating that the manufactured home located on the property is encumbered by a perfected security interest and is not an improvement to real property. The notice must state the name and address of the secured party as set forth on the certificate of title, the legal description of the real property, and the name and address of the record fee owner of the real property on which the manufactured home is affixed. When the security interest is released or satisfied, the secured party must attach a copy of the release or satisfaction to a notice executed by the secured party containing the county recorder or registrar of titles document number of the notice of security interest. The notice of release or satisfaction must be recorded with the county recorder, or registrar of titles, if the land is registered. Neither the notice described in this subdivision nor the security interest on the certificate of title is deemed to be an encumbrance on the real property. The notices provided for in this subdivision need not be acknowledged.

Sec. 3. Minnesota Statutes 2020, section 273.125, subdivision 8, is amended to read:

Subd. 8. Manufactured homes; sectional structures. (a) In this section, "manufactured home" means a structure transportable in one or more sections, which is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the

required utilities, and contains the plumbing, heating, air conditioning, and electrical systems in it. Manufactured home includes any accessory structure that is an addition or supplement to the manufactured home and, when installed, becomes a part of the manufactured home.

(b) Except as provided in paragraph (c), a manufactured home that meets each of the following criteria must be valued and assessed as an improvement to real property, the appropriate real property classification applies, and the valuation is subject to review and the taxes payable in the manner provided for real property:

(1) ~~the owner of the unit holds~~ title to the land on which it is situated is held by: (i) the owner of the unit; or (ii) a Minnesota nonprofit corporation or a Minnesota cooperative to which the owner is a member;

(2) the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the Manufactured Home Building Code in sections 327.31 to 327.34, and rules adopted under those sections, or is affixed to the land like other real property in the taxing district; and

(3) the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(c) A manufactured home that meets each of the following criteria must be assessed at the rate provided by the appropriate real property classification but must be treated as personal property, and the valuation is subject to review and the taxes payable in the manner provided in this section:

(1) the owner of the unit is a lessee of the land under the terms of a lease, or the unit is located in a manufactured home park but is not the homestead of the park owner;

(2) the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the Manufactured Home Building Code contained in sections 327.31 to 327.34, and the rules adopted under those sections, or is affixed to the land like other real property in the taxing district; and

(3) the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(d) Sectional structures must be valued and assessed as an improvement to real property if the owner of the structure holds title to the land on which it is located or is a qualifying lessee of the land under section 273.19. In this paragraph "sectional structure" means a building or structural unit that has been in whole or substantial part manufactured or constructed at an off-site location to be wholly or partially assembled on site alone or with other units and attached to a permanent foundation.

(e) The commissioner of revenue may adopt rules under the Administrative Procedure Act to establish additional criteria for the classification of manufactured homes and sectional structures under this subdivision.

(f) A storage shed, deck, or similar improvement constructed on property that is leased or rented as a site for a manufactured home, sectional structure, park trailer, or travel trailer is taxable as provided in this section. In the case of property that is leased or rented as a site for a travel trailer,

a storage shed, deck, or similar improvement on the site that is considered personal property under this paragraph is taxable only if its total estimated market value is over \$10,000. The property is taxable as personal property to the lessee of the site if it is not owned by the owner of the site. The property is taxable as real estate if it is owned by the owner of the site. As a condition of permitting the owner of the manufactured home, sectional structure, park trailer, or travel trailer to construct improvements on the leased or rented site, the owner of the site must obtain the permanent home address of the lessee or user of the site. The site owner must provide the name and address to the assessor upon request.

Sec. 4. **REVISOR INSTRUCTION.**

The revisor of statutes must change all cross-references to Minnesota Statutes, section 168A.141, to Minnesota Statutes, section 168A.1412.

Sec. 5. **REPEALER.**

Minnesota Statutes 2020, section 168A.141, is repealed.

ARTICLE 4

BONDING PROVISIONS

Section 1. Minnesota Statutes 2020, section 462A.37, is amended by adding a subdivision to read:

Subd. 2h. **Additional authorization.** (a) In addition to the amount authorized in subdivisions 2 to 2g, the agency may issue up to \$100,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged. Of this authorization, proceeds from the sale of bonds authorized in this section must be applied as follows unless modified under paragraph (b):

(1) \$18,333,000 for uses under subdivision 2, paragraph (a), clause (7); and

(2) \$15,000,000 for acquisition of manufactured home parks and for manufactured home park improvements and infrastructure under subdivision 2, paragraph (a), clause (4).

(b) The agency must use its best efforts to award grants and loans for the purposes allocated in paragraph (a), clauses (1) and (2). If the agency has not committed the full amount of the allocations by January 16, 2024, to the described purposes due to a lack of qualifying projects, the allocated amount may be applied to other purposes authorized in subdivision 2.

EFFECTIVE DATE. This section is effective January 16, 2022.

Sec. 2. Minnesota Statutes 2020, section 462A.37, subdivision 5, is amended to read:

Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under this section.

(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure bonds issued under subdivision 2b remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure bonds issued under subdivision 2c remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2d remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure bonds issued under subdivision 2e remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2f remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure bonds issued under subdivision 2g remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure bonds issued under subdivision 2h remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the

amount certified under paragraph (a). The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(†)(j) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 3. Minnesota Statutes 2020, section 474A.21, is amended to read:

474A.21 APPROPRIATION; RECEIPTS.

Any fees collected by the department under sections 474A.01 to 474A.21 must be deposited in a separate account in the ~~general~~ special revenue fund. The amount necessary to refund application deposits is appropriated to the department from the separate account in the ~~general~~ special revenue fund for that purpose. The interest accruing on application deposits and any application deposit not refunded as provided under section 474A.061, subdivision 4 or 7, or 474A.091, subdivision 5, or forfeited as provided under section 474A.131, subdivision 1, paragraph (b), or subdivision 2, must be deposited in the housing trust fund account under section 462A.201.

Sec. 4. **HOUSING POOL BONDING AUTHORITY APPLICATION DEPOSIT REFUND.**

Notwithstanding Minnesota Statutes, sections 474A.061, subdivisions 1a, paragraph (a), and 7; and 474A.21, due to the unique circumstances of the COVID-19 pandemic, issuers that returned all of their allocation of bonding authority from the 2020 housing pool shall receive a refund of the amount of the application deposit submitted with the issuer's 2020 housing pool application, less any amount previously refunded. Any application deposit money that has not yet been transferred under Minnesota Statutes, section 474A.21, as of the date of final enactment that is connected to full returns of bonding authority from the 2020 housing pool is not required to be deposited in the fund under Minnesota Statutes, section 462A.201; and the department may instead retain that money in the separate account in the special revenue fund under Minnesota Statutes, section 474A.21. The amount necessary to refund the application deposits under this section is appropriated to the department from the separate account in the special revenue fund under Minnesota Statutes, section 474A.21. For purposes of this section, "department" means the Department of Management and Budget.

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

Sec. 5. **ADJUSTMENT TO HOUSING INFRASTRUCTURE BOND AUTHORIZATION.**

(a) The housing infrastructure bond authorization in Minnesota Statutes, section 462A.37, subdivision 2h, is reduced by the amount of new federal funds appropriated and dedicated for loans and grants for the same purposes authorized in Minnesota Statutes, section 462A.37, subdivision 2, paragraph (a), or for any specific purpose that falls within one or more of the purposes authorized in Minnesota Statutes, section 462A.37, subdivision 2, paragraph (a), enacted by Congress as part of an infrastructure bill or other bill that is not the annual Transportation Housing and Urban Development appropriations bill between June 1, 2021, and December 31, 2021. The allocations in Minnesota Statutes, section 462A.37, subdivision 2h, paragraph (a), clauses (1) and (2), are reduced by the amount of federal funds that are appropriated for and dedicated to the purposes specified in Minnesota Statutes, section 462A.37, subdivision 2h, paragraph (a), clauses (1) and (2).

(b) The Minnesota Housing Finance Agency must report to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over housing policy and finance by January 15, 2022, as to the amount that the authorization and allocations in Minnesota Statutes, section 462A.37, subdivision 2h, are reduced under this section.

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

ARTICLE 5

EVICITION MORATORIUM PHASEOUT

Section 1. **EXECUTIVE ORDERS 20-14, 20-73, AND 20-79 VOID.**

Notwithstanding Minnesota Statutes, chapter 12, or any other law to the contrary, Executive Orders 20-14, 20-73, and 20-79 are null and void.

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

Sec. 2. **EVICITION MORATORIUM PHASEOUT.**

(a) For purposes of this section, a "COVID-19 emergency rental assistance program" means an emergency rental assistance program authorized under the federal Consolidated Appropriations Act, 2021, Public Law 116-260, or the federal American Rescue Plan Act, 2021, Public Law 117-2.

(b) Notwithstanding any law to the contrary, the following actions are prohibited:

(1) termination or nonrenewal of residential leases, except:

(i) at the request of a tenant or where the termination is due to the tenant seriously endangering the safety of others or significantly damaging property;

(ii) for violations under Minnesota Statutes, section 504B.171, subdivision 1;

(iii) for material violations of the lease other than nonpayment of rent; and

(iv) from and after 45 days after the date of enactment of this act, for those with outstanding rent who are ineligible for rental assistance through a COVID-19 emergency rental assistance program;

(2) filing of eviction actions under Minnesota Statutes, section 504B.285 or 504B.291, except:

(i) where the tenant seriously endangers the safety of others or significantly damages property;

(ii) for violations under Minnesota Statutes, section 504B.171, subdivision 1;

(iii) from and after 15 days after the date of enactment of this act, for material violations of the lease other than nonpayment of rent; and

(iv) from and after 75 days after the date of enactment of this act, for those with outstanding rent who are ineligible for rental assistance through a COVID-19 emergency rental assistance program;

(3) termination of a residential rental agreement or filing an eviction action under Minnesota Statutes, section 327C.09, except for terminations or eviction actions under Minnesota Statutes, section 327C.09, subdivision 3, or under Minnesota Statutes, section 327C.09, subdivision 5, if the case is based on the resident endangering the safety of other residents or park personnel; and

(4) delivery of default notices by owners of security interests in manufactured homes located in Minnesota pursuant to Minnesota Statutes, section 327.64. A secured party is also prohibited from commencing an action for a court order to remove an occupant from a manufactured home.

(c) Notwithstanding paragraph (b), a landlord may file an eviction action or proceed with an eviction action against a tenant:

(1) who is eligible for assistance through a COVID-19 emergency rental assistance program; and

(2) who refuses to apply for assistance through the program, refuses to provide information needed by the landlord to apply for assistance on the tenant's behalf, or refuses to provide the landlord with proof that the tenant applied for assistance through the program.

(d) Nothing in this section shall:

(1) prohibit an action where the tenant or occupant abandons the premises and relief is sought under Minnesota Statutes, section 504B.271 or 504B.365;

(2) reduce the rent owed by the tenant to the landlord, prevent the landlord from collecting rent owed, or reduce arrears owed by a tenant for rent; or

(3) prohibit a tenant who is ineligible for assistance through a COVID-19 emergency rental assistance program from applying for or obtaining rental assistance through other programs.

(e) This section expires 105 days after the date of enactment of this act.

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

Sec. 3. COVID-19 EMERGENCY RENTAL ASSISTANCE NOTIFICATION.

(a) At least 15 days prior to filing an eviction action against a tenant based on nonpayment of rent, a landlord must provide a written notice to the tenant with the following information:

(1) the state eviction moratorium has ended and the tenant may soon be subject to an eviction action;

(2) the total amount of rent past due; and

(3) a tenant should visit renthelpmn.org or call 211 to see if they are eligible for financial assistance.

(b) If the court finds that proper notice was not provided, the court may exercise discretion in staying an eviction proceeding until proper notice is provided.

(c) Where a landlord has substantially complied with this section, a lack of strict compliance with this section is not a defense to an action brought under Minnesota Statutes, chapter 504B, and shall not constitute grounds for dismissal of such an action.

(d) This section expires 105 days after the date of enactment of this act.

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

Sec. 4. EVICCTIONS; PENDING APPLICATIONS FOR RENTAL ASSISTANCE.

Notwithstanding any law to the contrary, including section 2, the filing of an eviction action or proceeding with an eviction action based on nonpayment of rent against a tenant with a pending application for assistance through an emergency rental assistance program authorized under the federal Consolidated Appropriations Act, 2021, Public Law 116-260, or the federal American Rescue Plan Act, 2021, Public Law 117-2, is prohibited. If the tenant reasonably has access to the information, the tenant must provide the landlord or court with proof of a pending application and reason for a delay, if any, in processing the tenant's application. This section expires June 1, 2022.

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

ARTICLE 6

TASK FORCE ON SHELTER

Section 1. **TASK FORCE ON SHELTER.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Director" means the state director of the Minnesota Interagency Council on Homelessness.

(c) "Homeless" or "homelessness" means lacking a fixed, regular, and adequate nighttime residence.

(d) "Resident" means a person residing in a shelter, including all members of a family unit.

(e) "Shelter" means an indoor sleeping and sanitary dwelling, whether in a fixed or rotating location, intended for individuals and families experiencing homelessness, provided by a unit of government, a nonprofit organization, or a place of worship.

Subd. 2. **Establishment.** A task force on shelter is established to:

(1) develop standards for the provision of shelter; and

(2) examine the need for, and the feasibility and cost of, establishing state oversight of shelter.

Subd. 3. **Membership.** (a) The task force consists of the following 24 members appointed by the director:

(1) the commissioner of human services, or a designee;

- (2) the commissioner of corrections, or a designee;
 - (3) the commissioner of health, or a designee;
 - (4) the commissioner of public safety, or a designee;
 - (5) the commissioner of transportation, or a designee;
 - (6) the commissioner of veterans affairs, or a designee;
 - (7) three public members who have experienced homelessness and resided in a shelter, at least one of whom has resided in a shelter in greater Minnesota;
 - (8) one public member who has experienced homelessness and chose to remain unsheltered;
 - (9) one representative of Street Voices of Change;
 - (10) one representative of Freedom from the Streets;
 - (11) two representatives from organizations that advocate on behalf of persons with disabilities;
 - (12) one representative from an organization that advocates on behalf of persons experiencing homelessness;
 - (13) one representative from an organization that provides legal services to persons experiencing homelessness;
 - (14) four representatives of organizations representing shelter providers, two of which must provide shelter in the seven-county metropolitan area, two of which must provide shelter in greater Minnesota, one of which must also provide shelter to families, and one of which must also be a victim service provider that is funded to provide shelter to survivors of domestic violence and sexual assault;
 - (15) two representatives from cities, one representing a metropolitan city and the other representing a city in greater Minnesota; and
 - (16) two representatives from counties, one representing a metropolitan county and the other representing a county in greater Minnesota.
- (b) Appointments must be made no later than August 1, 2021.
- (c) Task force members shall serve without compensation, except for public members. Members eligible for compensation shall receive expenses as provided in Minnesota Statutes, section 15.059, subdivision 6.
- (d) Vacancies shall be filled by the director consistent with the qualifications of the vacating member required by this subdivision.
- Subd. 4. **Meetings; officers.** (a) The director shall convene the first meeting of the task force no later than August 15, 2021, and shall provide physical or virtual meeting space as necessary for the task force to conduct its work.

(b) At its first meeting, the task force shall elect a chair and vice-chair from among the task force members and may elect other officers as necessary.

(c) The task force shall meet at least once every two months.

(d) Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 5. **Duties.** The task force must:

(1) examine existing shelter policies and practices in shelters of all types, including shelter in the seven-county metropolitan area, suburbs, and greater Minnesota, and shelter for single adults, families, and survivors of domestic violence;

(2) engage stakeholders, which include but are not limited to:

(i) shelter providers;

(ii) people who have experienced homelessness and resided in shelter;

(iii) relevant state and local agencies; and

(iv) other persons or organizations with expertise in homelessness; and

(3) make recommendations to the legislature regarding standards that will strengthen the shelter system and ensure that shelters have the ability and resources to provide safe and appropriate shelter services to those who need them.

Subd. 6. **Administrative support.** The Minnesota Housing Finance Agency must provide administrative support and meeting space for the task force.

Subd. 7. **Report.** (a) No later than February 1, 2022, the task force shall submit an initial report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over housing and preventing homelessness on its findings and recommendations.

(b) No later than August 31, 2022, the task force shall submit a final report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over housing and preventing homelessness on its findings and recommendations.

Subd. 8. **Expiration.** The task force expires the day following submission of the final report under subdivision 7.

EFFECTIVE DATE. This section is effective July 1, 2021."

Delete the title and insert:

"A bill for an act relating to state government; establishing a budget for the Minnesota Housing Finance Agency; modifying various housing policy provisions; expanding requirements and uses of housing infrastructure bonds and rehabilitation loans; expanding accommodation requirements for service and support animals; expanding property ownership options to owners of manufactured

homes; providing for an eviction moratorium phaseout; establishing a task force on shelter; making technical and conforming changes; requiring a report; appropriating money; amending Minnesota Statutes 2020, sections 12A.09, subdivision 3; 256C.02; 273.11, subdivision 12; 273.125, subdivision 8; 326B.106, subdivision 7; 363A.09, subdivision 5; 462A.05, subdivisions 14, 14a; 462A.07, subdivision 2; 462A.30, subdivision 9; 462A.37, subdivision 5, by adding a subdivision; 474A.21; proposing coding for new law in Minnesota Statutes, chapters 168A; 504B; repealing Minnesota Statutes 2020, section 168A.141."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 16 was read the second time.

ADJOURNMENT

Senator Dahms moved that the Senate do now adjourn until 10:00 a.m., Monday, June 21, 2021. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

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