

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 2531

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Introduction and first reading
Referred to Jobs and Economic Growth Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to environment; establishing a residential lead service line replacement
1.3 grant program; appropriating money; proposing coding for new law in Minnesota
1.4 Statutes, chapter 446A.

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

1.6 Section 1. **[446A.077] RESIDENTIAL LEAD SERVICE LINE REPLACEMENT**
1.7 **GRANT PROGRAM.**

1.8 Subdivision 1. **Establishment.** The authority must establish a program to replace the
1.9 privately owned portion of all residential lead drinking water service lines in the state by
1.10 2032 and must provide grants to cities for this purpose. The program must be structured so
1.11 as to maximize federal funds available for the purposes described in subdivision 2.

1.12 Subd. 2. **Eligible uses.** A city may use a grant provided under this program to assist
1.13 residential property owners by paying for up to 100 percent of the costs of:

1.14 (1) identifying and locating lead drinking water service lines;

1.15 (2) removing and replacing the privately owned portion of lead drinking water service
1.16 lines;

1.17 (3) installing replacement drinking water service lines; and

1.18 (4) matching federal dollars made available for any of the purposes described in clauses
1.19 (1) to (3).

1.20 Subd. 3. **Grant priorities.** In prioritizing the expenditure of grant money received under
1.21 this section, a city must give priority to applications for projects that:

2.1 (1) are located in census tracts in which 50 percent or more of households have household
2.2 incomes at or below 60 percent of the state median household income;

2.3 (2) are located in census tracts designated by the governor as Opportunity Zones under
2.4 United States Code, title 26, section 1400Z-1, et seq.;

2.5 (3) are submitted by minority-owned businesses, as defined in section 116J.8737;

2.6 (4) are submitted by women-owned businesses, as defined in section 116J.8737;

2.7 (5) commit to employ contractors that pay employees a wage comparable to, as
2.8 determined by the authority, the prevailing wage rate, as defined in section 177.42; or

2.9 (6) leverage additional funding to be used for the purposes of this section.

2.10 Subd. 4. **Reporting.** By August 1 each year, the authority must report to the chairs and
2.11 ranking minority members of the legislative committees and divisions with jurisdiction over
2.12 environment and natural resources policy and finance on the operation of the program during
2.13 the previous fiscal year.

2.14 Subd. 5. **Appropriation.** \$30,000,000 every fiscal year through the 2032 fiscal year is
2.15 appropriated from the general fund to the authority for grants under the program established
2.16 under this section. This subdivision expires June 30, 2032.