

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4971

(SENATE AUTHORS: DIBBLE and Champion)			
DATE	D-PG		OFFICIAL STATUS
04/07/2026	7911	Introduction and first reading	
		Referred to Capital Investment	
04/09/2026	7946	Author added Champion	

1.1

A bill for an act

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relating to capital investment; establishing an emergency shelter facility grant

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program; proposing coding for new law in Minnesota Statutes, chapter 256K.

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

1.5

Section 1. **[256K.50] EMERGENCY SHELTER FACILITIES.**

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

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the meanings given.

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(b) "Commissioner" means the commissioner of human services.

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(c) "Eligible applicant" means a Tribal government, not-for-profit corporation under

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section 501(c)(3) of the Internal Revenue Code, statutory or home rule charter city, county,

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or housing and redevelopment authority established under section 469.003.

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(d) "Emergency shelter facility" means a facility that provides a safe, sanitary, accessible,

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and suitable emergency shelter for individuals and families experiencing homelessness,

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regardless of whether the facility provides emergency shelter during the day, overnight, or

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both.

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Subd. 2. Creation of accounts. Two emergency shelter facility accounts are created.

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One account is created in the general fund and one account is created in the bond proceeds

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fund. Money in the accounts is appropriated to the commissioner to make grants under this

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section. Money in the accounts is available until encumbered or spent subject to section

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16A.642.

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Subd. 3. Project criteria. The commissioner shall prioritize grants under this section

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for projects that improve or expand emergency shelter facility options by:

2.1 (1) adding additional emergency shelter facilities by renovating existing facilities not
2.2 currently operating as emergency shelter facilities;

2.3 (2) adding additional emergency shelter facility beds by renovating existing emergency
2.4 shelter facilities, including major projects that address an accumulation of deferred
2.5 maintenance or repair or replacement of mechanical, electrical, and safety systems and
2.6 components in danger of failure;

2.7 (3) adding additional emergency shelter facility beds through acquisition and construction
2.8 of new emergency shelter facilities; and

2.9 (4) improving the safety, sanitation, accessibility, and habitability of existing emergency
2.10 shelter facilities, including major projects that address an accumulation of deferred
2.11 maintenance or repair or replacement of mechanical, electrical, and safety systems and
2.12 components in danger of failure.

2.13 Subd. 4. **Eligible uses of grant money.** A grant under this section may be used to pay
2.14 for 100 percent of total project capital expenditures or a specified project phase, up to
2.15 \$1,000,000 per project.

2.16 Subd. 5. **State and local building codes met.** All projects funded with a grant under
2.17 this section must meet all applicable state and local building codes at the time of project
2.18 completion.

2.19 Subd. 6. **Lease or management agreements.** An eligible applicant may enter into a
2.20 lease or management agreement for operation of the emergency shelter facility, subject to
2.21 section 16A.695.

2.22 Subd. 7. **Competitive request for proposal process; priority.** (a) The commissioner
2.23 must use a competitive request for proposal process to identify potential projects and eligible
2.24 applicants on a statewide basis. At least 40 percent of the appropriation for this purpose
2.25 must be awarded to projects located in greater Minnesota. If the commissioner does not
2.26 receive sufficient eligible funding requests from greater Minnesota to award at least 40
2.27 percent of the appropriation for this purpose to projects in greater Minnesota, the
2.28 commissioner may award the remaining money to other eligible projects.

2.29 (b) For eligible applicants seeking funding under this section for the acquisition and
2.30 construction of new emergency shelter facilities under subdivision 3, clause (3), the
2.31 commissioner must give priority to projects in which the eligible applicant will provide at
2.32 least ten percent of total project funding.

3.1 Subd. 8. **Eligible projects.** (a) The proceeds of state general obligation bonds may only
3.2 be expended for grants to statutory or home rule charter cities, counties, or housing and
3.3 redevelopment authorities established under section 469.003.

3.4 (b) Appropriations from the general fund may be expended for grants to Tribal
3.5 governments, not-for-profit corporations under section 501(c)(3) of the Internal Revenue
3.6 Code, statutory or home rule charter cities, counties, or housing and redevelopment authorities
3.7 established under section 469.003.