

1.1 moves to amend H.F. No. 4674 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2020, section 446A.081, is amended by adding a subdivision
1.4 to read:

1.5 Subd. 5a. **Lead service line replacement; drinking water project priority list.** (a) In
1.6 addition to the requirements established by rule, the commissioner of health shall prioritize
1.7 lead service line replacement projects when developing the prioritized list of drinking water
1.8 projects and other eligible activities under subdivision 5.

1.9 (b) A written request to the commissioner of health for placement on the project priority
1.10 list for drinking water projects relating to a project for replacement of lead service lines
1.11 must include:

1.12 (1) a plan to remove all lead service lines within a municipality or residential drinking
1.13 water system, which should include:

1.14 (i) a description of how the applicant will maximize the number of property owners with
1.15 privately owned portions of lead service lines that will participate in the removal and
1.16 replacement, including lower-income residents and those from other disadvantaged
1.17 communities;

1.18 (ii) a description of how the applicant will coordinate the removal of the publicly owned
1.19 and privately owned portions of the lead service lines to maximize efficient use of funds;

1.20 (iii) a description of how the applicant will use the funds as part of a comprehensive
1.21 plan to remove all lead service lines within its jurisdiction; and

1.22 (iv) a description of how the applicant will ensure compliance with program requirements
1.23 and other applicable legal requirements; and

2.1 (2) a workforce plan, which must include a description of how the applicant will promote
2.2 and expand the use of registered apprentices, along with populations underrepresented in
2.3 the construction industry, in the lead removal and replacement work.

2.4 (c) For the purposes of this subdivision, "disadvantaged community" means a census
2.5 tract, in whole or in part, where at least three of the following apply as determined using
2.6 the most recently published data from the United States Census Bureau or United States
2.7 Centers for Disease Control and Prevention:

2.8 (1) 20 percent or more residents have income below the federal poverty thresholds;

2.9 (2) the tract has a United States Centers for Disease Control and Prevention Social
2.10 Vulnerability Index greater than 0.80;

2.11 (3) the upper limit of the lowest quintile of household income is less than the state upper
2.12 limit of the lowest quintile;

2.13 (4) the housing vacancy rate is greater than the state average; or

2.14 (5) the percent of the population receiving Supplemental Nutrition Assistance Program
2.15 (SNAP) benefits is greater than the state average.

2.16 **Sec. 2. LEAD SERVICE LINES; INFRASTRUCTURE INVESTMENT AND JOBS**
2.17 **ACT.**

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

2.20 (b) "Lead service line" means a water supply connection that is made of or lined with a
2.21 material consisting of lead and that connects a water main to a building. A lead pigtail, lead
2.22 gooseneck, or other lead fitting shall be considered a lead service line, regardless of the
2.23 composition of the service line or other portions of piping to which the piece is attached.
2.24 A galvanized service line shall be considered a lead service line.

2.25 (c) "Service line" means any piping, tubing, or fitting connecting a water main to a
2.26 building. Service line includes the property owner side and the system side of a service line.

2.27 Subd. 2. **Use of federal funds.** (a) Notwithstanding any law or rule to the contrary, the
2.28 Public Facilities Authority must disburse the federal funds received by the state of Minnesota
2.29 for lead service line replacement capitalization grants administered by the United States
2.30 Environmental Protection Agency under Public Law 117-58 for lead service line replacement
2.31 in the manner described under paragraphs (b) and (c).

3.1 (b) Of the funds described in paragraph (a) that are required to be used for principal
3.2 forgiveness or grants, all of such funds must be used for the replacement of the privately
3.3 owned portions of lead service lines. In each calendar year beginning in 2022, if the requests
3.4 to the authority for principal forgiveness and grants for the replacement of the privately
3.5 owned portions of lead service lines total less than the amount of funds dedicated for such
3.6 activities by September 30, the authority may use the unspent funds for any other qualifying
3.7 lead service line replacement activity.

3.8 (c) Ten percent of the funds described in paragraph (a) that are required to be used for
3.9 principal forgiveness or grants must be used for the following activities:

3.10 (1) planning and design for lead service line infrastructure projects;

3.11 (2) developing or updating lead service line inventories, including locating and mapping
3.12 lead service lines;

3.13 (3) providing technical assistance to small water systems undertaking lead service line
3.14 inventories or construction projects;

3.15 (4) nonroutine lead sampling conducted for reasons other than mandatory compliance
3.16 with an ordinance, law, or rule; or

3.17 (5) to fund state staff and contractors to work on lead service line education and outreach,
3.18 inventory, and other associated activities.

3.19 (d) Notwithstanding any law or rule to the contrary, the Public Facilities Authority must
3.20 transfer ten percent of the federal funds received by the state of Minnesota under the federal
3.21 Safe Drinking Water Act, as amended, United States Code, title 42, section 300f et seq.,
3.22 and Public Law 117-58 that are eligible to fund lead service line inventories to the
3.23 commissioner of health for grants to develop and update lead service line inventories. In
3.24 each calendar year beginning in 2022, if the requests to the commissioner of health for
3.25 grants for lead service line inventories total less than the amount of funds dedicated for such
3.26 activities by September 30, the commissioner of health shall transfer the unspent amount
3.27 to the authority, which may use the unspent funds for any other qualifying lead service line
3.28 replacement activity.

3.29 Subd. 3. **Report.** On or before January 31, 2023, and each January 31 for four years
3.30 thereafter, the Public Facilities Authority, in collaboration with any other relevant state
3.31 agency, must submit a report to the legislature that details the disbursement of funds under
3.32 this section, including the total amount spent on each of the activities described under
3.33 subdivision 2. A copy of this report must also be sent to the chairs and ranking minority

4.1 members of the legislative committees having jurisdiction over capital investment, health
4.2 finance, and environment and natural resources finance.

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

4.4 Sec. 3. **APPROPRIATIONS; LEAD SERVICE LINE REPLACEMENT AND**
4.5 **INVENTORY.**

4.6 Subdivision 1. **Definition.** For the purposes of this section, "eligible recipients" means:

4.7 (1) community public water suppliers of a community water system as defined in Code
4.8 of Federal Regulations, title 40, section 141.2, as amended;

4.9 (2) municipalities;

4.10 (3) suppliers of other residential drinking water systems; and

4.11 (4) any applicant eligible for loans and grants under the federal Safe Drinking Water
4.12 Act.

4.13 Subd. 2. **Appropriation; bond proceeds fund.** \$..... is appropriated from the bond
4.14 proceeds fund to the Public Facilities Authority for grants to eligible recipients for lead
4.15 service line replacement activities related to publicly owned portions of drinking water lead
4.16 service lines, in accordance with the requirements of section 2, subdivision 2, of this act.

4.17 Subd. 3. **Appropriation; general fund.** \$..... in fiscal year 2023 is appropriated from
4.18 the general fund to the commissioner of health for grants to develop and update lead service
4.19 line inventories.

4.20 Subd. 4. **Bond sale.** To provide the money appropriated in this section from the bond
4.21 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
4.22 the state in an amount up to \$..... in the manner, upon the terms, and with the effect
4.23 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
4.24 Constitution, article XI, sections 4 to 7.

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

4.26 Amend the title accordingly