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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 771

02/13/2025 Authored by Kraft, Howard, Jones, Reyer, Hollins and others
The bill was read for the first time and referred to the Committee on Energy Finance and Policy

1.1 A bill for an act
1.2 relating to energy; appropriating money for supplemental energy assistance;
1.3 requiring an annual report; proposing coding for new law in Minnesota Statutes,
1.4 chapter 216C.

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

1.6 Section 1. [216C.392] SUPPLEMENTAL ENERGY ASSISTANCE GRANT
1.7 PROGRAM.

1.8 Subdivision 1. Definition. For the purposes of this section, "LIHEAP" has the meaning
1.9 given in section 142G.02, subdivision 59.

1.10 Subd. 2. Establishment. A supplemental energy assistance grant program is established
1.11 in the department to award grants to eligible applicants.

1.12 Subd. 3. Applications; procedures. (a) The commissioner must develop policies and
1.13 procedures governing the grant application and award process.

1.14 (b) An eligible applicant must file an application with the commissioner on a form
1.15 developed by the commissioner.

1.16 (c) The commissioner must accept grant applications under this section throughout the
1.17 year.

1.18 Subd. 4. Eligibility. A Minnesota resident whose household income is less than 60
1.19 percent of the state median household income is eligible for a grant awarded under this
1.20 section.

1.21 Subd. 5. Grant awards. (a) When awarding grants under this section, the commissioner
1.22 must give priority to expanding the number of households receiving energy assistance over

2.1 increasing grant amounts to households that already received assistance under LIHEAP
2.2 during the same year.

2.3 (b) To the extent practicable, available LIHEAP funds must be used for all primary heat
2.4 and crisis grants to eligible households before grants are awarded for heat and crisis grants
2.5 under this section.

2.6 Subd. 6. **Types of grants.** The commissioner may award grants for the following:

2.7 (1) crisis grants to households that received a LIHEAP primary heat grant from federal
2.8 funds but did not receive the maximum crisis grant amount while federal funds allocated
2.9 for crisis grants were available;

2.10 (2) primary heat and crisis grants to eligible households that did not receive LIHEAP
2.11 primary heat and crisis grants from federal funds;

2.12 (3) emergency heating system repair or replacement; and

2.13 (4) grants to support outreach.

2.14 Subd. 7. **Reporting.** (a) Beginning December 31, 2026, and annually thereafter until
2.15 December 31, 2031, the commissioner must publish a report regarding state supplemental
2.16 energy assistance funding under this section for the previous program year for October 1
2.17 to September 30.

2.18 (b) To the extent practicable, the following information on grants awarded under this
2.19 section must be reported by statewide total and by county:

2.20 (1) the number of households served;

2.21 (2) the average household primary heat benefit;

2.22 (3) the average household crisis benefit; and

2.23 (4) total energy costs.

2.24 (c) The following information on grants awarded under this section may be reported as
2.25 statewide totals:

2.26 (1) the average household income;

2.27 (2) income by percentage of the federal poverty level established by the United States
2.28 Department of Health and Human Services;

2.29 (3) the number of households that include a person over 60 years old;

2.30 (4) the number of households that include a disabled person;

3.1 (5) the number of households that include a child under six years old; and

3.2 (6) the number of households served by race or ethnicity.

3.3 Sec. 2. **APPROPRIATION.**

3.4 (a) \$..... in fiscal year 2026 is appropriated from the general fund to the commissioner
3.5 of commerce for the supplemental energy assistance grant program. This is a onetime
3.6 appropriation and is available until June 30, 2031.

3.7 (b) Of the amount appropriated in paragraph (a):

3.8 (1) up to ten percent may be used to administer the supplemental energy assistance grant
3.9 program under Minnesota Statutes, section 216C.392, of which up to 2.5 percent may be
3.10 used by the Department of Commerce. The remaining amount allocated under this clause
3.11 may be used to reimburse reasonable administrative costs incurred under Minnesota Statutes,
3.12 section 216C.392, by service providers contracted by the Department of Commerce to
3.13 deliver LIHEAP services, including services under Minnesota Statutes, section 216C.392;
3.14 and

3.15 (2) up to five percent may be used to reimburse the reasonable costs incurred under
3.16 Minnesota Statutes, section 216C.392, by organizations the department has contracted with
3.17 to provide outreach and assistance to households to complete grant applications under
3.18 Minnesota Statutes, section 216C.392. Organizations that have the ability to conduct outreach
3.19 to underserved communities and populations, including current service providers and other
3.20 organizations, must be prioritized for outreach funding.