

(g) employees providing services for not more than two consecutive quarters to the state university board or the community college board under the terms of a professional or technical services contract as defined in section 16.098;

(h) graduate assistants employed by the school in which they are enrolled in a graduate degree program;

(i) employees of charitable hospitals as defined by section 179.35, subdivision 3;

(h) (j) full-time undergraduate students employed by the school which they attend under a work study program or in connection with the receipt of any financial aid, irrespective of number of hours of service per week;

(i) (k) an individual who renders part-time teaching service for less than 300 hours in a fiscal year as an instructor in an adult vocational education program.

Sec. 2. Laws 1979, chapter 332, article I, section 116, as amended by Laws 1980, chapter 617, section 44, and Laws 1982, chapter 568, section 6, is amended to read:

Sec. 116. **EFFECTIVE DATE.**

The effective dates for Article I are as follows: sections 2, 4, 8, 40, 45, 46, 47, 58, 61, 65, 82 to 91, and 113 are effective upon final enactment. Section 64, is effective June 30, 1980. Sections 3, 5, 6 and 7 are effective July 1, 1981. The remaining provisions of Article I are effective July 1, 1979. The provisions of section 47 shall apply to all disciplinary actions taken on or after the effective date of section 47. The provisions of section 63 shall expire on July 1, 1981, but shall apply to all arbitration proceedings which are to determine contractual provisions for the 1981-1983 biennium. The provisions of section 64 shall expire on July 1, ~~1983~~ 1984, but shall apply to all arbitration proceedings which are to determine contractual provisions for the next contract period. The provisions of sections 93 to 111 and 113 shall expire on July 1, 1981. The provisions of section 137.02, subdivision 4, shall not apply to sections 93 to 111.

Sec. 3. **EFFECTIVE DATE.**

This act is effective July 1, 1983.

Approved June 14, 1983

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**CHAPTER 323 — H.F.No. 549**

*An act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.*

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

Section 1. **[116J.37] ENERGY CONSERVATION INVESTMENT LOANS.**

Subdivision 1. DEFINITIONS. In this section:

(a) "Commissioner" means the commissioner of energy, planning and development. Upon passage of legislation creating a body known as the Minnesota energy authority, the duties assigned to the commissioner in this section are delegated to the authority.

(b) "Maxi-audit" has the meaning given in section 116J.06, subdivision 12.

(c) "Energy conservation investments" mean all capital expenditures that are associated with conservation measures identified in a maxi-audit and that have a ten-year or less pay back period.

Subd. 2. ELIGIBILITY. The commissioner shall approve loans to school districts for energy conservation investments. A loan may be made to a school district that has demonstrated that it has complied with all the appropriate provisions of this section and has made adequate provisions to assure proper and efficient operation of the school facilities after improvements and modifications are completed.

Subd. 3. APPLICATION. Application for a loan to be made pursuant to this section shall be made by a school district to the commissioner on a form the commissioner prescribes by rule. The commissioner shall review each application to determine:

- (a) whether or not the district's proposal is complete;
- (b) whether the project is eligible for a loan;
- (c) the amount of the loan for which the project is eligible; and
- (d) the means by which the district proposes to finance the project including:
  - (1) a loan authorized by this section;
  - (2) a grant of money appropriated by state law;
  - (3) a grant to the district by an agency of the federal government within the amount of money then appropriated to that agency; or
  - (4) the appropriation of other money of the district to an account for the construction of the project.

Subd. 4. LOANS. The commissioner shall approve loans to school districts on the following conditions:

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(a) A district must demonstrate that all audit activities for a given building or project have been completed, that the project is economically feasible, and that it has made adequate provisions to assure proper and efficient operation of the facility once the project is completed.

(b) A loan made pursuant to this section is repayable over a period of not more than ten years from the date the loan is made. Interest shall accrue from the date the loan is made, but the first payment of interest or principal shall not be due until one year after the loan was made. The principal shall be amortized in equal periodic payments over the remainder of the term of the loan. The accrued interest on the balance of the loan principal shall be due with each payment. Interest attributable to the first year of deferred payment shall be paid in the same manner as principal.

**Subd. 5. PAYMENT; OBLIGATION.** The commissioner shall not approve payment to a school district pursuant to an approved loan until he or she has determined that financing of the project is assured by an irrevocable undertaking, by resolution of the school board, to annually levy or otherwise collect an amount of money sufficient to pay the principal and interest due on the loan as well as any of the commissioner of finance's administrative expenses according to the terms of the loan.

**Subd. 6. RECEIPTS; APPROPRIATION.** The commissioner of finance shall deposit in the state treasury all principal and interest payments received in repayment of the loans authorized by this section. These payments shall be credited to the state building fund and are appropriated to the commissioner of finance for the purposes of that account.

**Subd. 7. RULES.** The commissioner shall adopt rules necessary to implement this section. The commissioner shall adopt temporary rules pursuant to sections 14.29 to 14.36, meeting the requirements of this section. The rules shall contain as a minimum:

- (a) procedures for application by districts;
- (b) criteria for reviewing loan applications; and
- (c) procedures and guidelines for program monitoring, closeout, and evaluation.

Sec. 2. Minnesota Statutes 1982, section 275.125, subdivision 11a, is amended to read:

**Subd. 11a. CAPITAL EXPENDITURE LEVY.** (a) Each year a school district may levy an amount not to exceed the amount equal to \$90 per pupil unit, or \$95 per pupil unit in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year. No levy under this clause shall exceed seven mills times the

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adjusted assessed valuation of the taxable property in the district for the preceding year.

(b) The proceeds of the tax may be used to acquire land, to equip and re-equip buildings and permanent attached fixtures, to rent or lease buildings for school purposes, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments as ~~required pursuant to section 116J.24~~, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, such as those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures to reduce or eliminate barriers to or increase access to school facilities by handicapped individuals. The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10. The proceeds of the tax may also be used to pay fees for capital outlay expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors. The proceeds of the tax may also be used to pay principal and interest on loans from the state authorized by section 1.

(c) Subject to the commissioner's approval, the tax proceeds may also be used to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(e) The proceeds of the tax shall not be used for custodial or other maintenance services.

(f) Each year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per pupil unit for capital expenditures for equipment for these programs.

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(g) For purposes of computing allowable levies under this subdivision and subdivision 11b, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, section 124.17, subdivision 1, clauses (4) and (5) for 1980-1981.

Sec. 3. Minnesota Statutes 1982, section 275.125, subdivision 11b, is amended to read:

Subd. 11b. **SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.** In 1981 and each year thereafter, in addition to the levy authorized in subdivision 11a, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy audits on district owned buildings ~~conducted pursuant to chapter 116H,~~ and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F; and

(d) to pay principal and interest on loans from the state authorized by section 1.

Sec. 4. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 12a. ENERGY CONSERVATION LEVY. The school district may levy, without the approval of a majority of the voters in the district, an amount equal to the actual costs of the energy conservation investments for the purposes of repaying the principal and interest of the law made pursuant to section 1.

#### Sec. 5. APPROPRIATIONS.

Subdivision 1. The sum of \$30,000,000 is appropriated from the state building fund to the commissioner of finance for the purpose of making loans to school districts for energy conservation investments pursuant to section 1. Any expense incidental to the sale, printing, execution, and delivery of the bonds, including the costs of the commissioner of finance, shall be paid from the

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proceeds of the bond sales authorized in section 6 and the amounts necessary for these expenses are hereby appropriated. To reduce the amount of taxes otherwise required to be levied, there is also appropriated from the general fund, on November 1 in each year, a sum of money sufficient in amount, when added to other funds appropriated for the bonds, to pay all bonds and interest on them due and to become due to and including July 1 in the second ensuing year.

Subd. 2. None of the appropriations made in this section shall lapse until the purpose for which it is made has been accomplished or abandoned. The amount of each loan approved for disbursement shall be and remain appropriated for that purpose until the loan is fully disbursed or part or all of it is revoked by the energy division.

Subd. 3. ADMINISTRATION COSTS. The sum of \$259,300 in fiscal year 1984 and \$320,000 in fiscal year 1985 is appropriated from the general fund to the commissioner of energy, planning and development to administer section 1. The complement of the department of energy, planning and development is increased by 11 positions. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. AUDIT EXPENSES. The sum of \$200,000 in fiscal year 1984 and \$300,000 in fiscal year 1985 is appropriated to the commissioner of energy, planning and development for the purpose of providing cost-share audit revision services for previously audited buildings in an amount not to exceed \$2,000 per building and to provide cost-share audit services for nonaudited buildings in an amount not to exceed \$5,000 per building to eligible institutions applying for loans authorized in section 1. The commissioner of energy, planning and development shall contract for provision of audit services, and determine the amount, if any, of audit revision and audit services for which the institution is eligible. Any unencumbered balance remaining in the first year shall not cancel but is available in the second year.

#### **Sec. 6. BOND SALE.**

To provide the money appropriated from the state building fund by section 5, subdivision 1, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$30,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.63 to 16A.66, and by the Minnesota Constitution, article XI, sections 4 to 7.

#### **Sec. 7. EFFECTIVE DATE.**

This act is effective the day following final enactment.

Approved June 14, 1983

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