

annual installments. Any quota sold to the state shall cancel and is not available for reallocation to any other licensee. When a walleye quota is sold to the state and canceled, the gill net license of the licensee shall be canceled.

Sec. 18. **EFFECTIVE DATE.**

Sections 9, 10, and 14 to 17 are effective March 1, 1984. The remaining sections of this act are effective the day following final enactment.

Approved June 14, 1983

CHAPTER 357 — S.F.No. 679

An act relating to redevelopment; authorizing the commissioner of iron range resources and rehabilitation to exercise certain powers and to issue bonds to finance certain projects and programs in tax relief areas; appropriating money; amending Minnesota Statutes 1982, section 298.292; proposing new law coded in Minnesota Statutes, chapter 298.

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

Section 1. **[298.2211] FINANCING ACTIVITIES.**

Subdivision 1. PURPOSE; GRANT OF AUTHORITY. In order to accomplish the legislative purposes specified in chapters 362A, 462C, and 474, within tax relief areas as defined in section 273.134, the commissioner of iron range resources and rehabilitation may exercise the following powers: (1) all powers conferred upon a rural development financing authority under sections 362A.01 to 362A.05; (2) all powers conferred upon a city under chapter 462C, subject to compliance with the provisions of section 462C.09; (3) all powers conferred upon a municipality or a redevelopment agency under chapter 474; (4) all powers provided by chapter 362A to further any of the purposes and objectives of chapters 462C and 474; and (5) all powers conferred upon a municipality or an authority under sections 273.73 to 273.76, section 273.77, except paragraph (a) thereof, and section 273.78, subject to compliance with the provisions of section 273.74, subdivisions 1, 2, and 3; provided that any tax increments derived by the commissioner from the exercise of this authority may be used only to finance or pay premiums or fees for insurance, letters of credit, or other contracts guaranteeing the payment when due of net rentals under a project lease or the payment of principal and interest due on or repurchase of bonds issued to finance a project or program, to accumulate and maintain reserves securing the payment when due on bonds issued to finance a project or program, or to provide an interest rate reduction program pursuant to section 462.445, subdivision 10. Tax increments and earnings thereon remaining in any bond reserve account after payment or discharge of any bonds secured thereby shall be

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used within one year thereafter in furtherance of this section or returned to the county auditor of the county in which the tax increment financing district is located. If returned to the county auditor, the county auditor shall immediately allocate the amount among all government units which would have shared therein had the amount been received as part of the other ad valorem taxes on property in the district most recently paid, in the same proportions as other taxes were distributed, and shall immediately distribute it to the government units in accordance with the allocation.

Subd. 2. AREA OF OPERATION. Projects undertaken, developed, or financed pursuant to this section shall be located within the tax relief area defined in section 273.134.

Subd. 3. PROJECT APPROVAL. All projects authorized by this section shall be submitted by the commissioner to the iron range resources and rehabilitation board, which shall recommend approval or disapproval or modification of the projects. Each project shall then be submitted to the legislative advisory committee for any review and comment the committee deems appropriate. Prior to the commencement of a project involving the exercise by the commissioner of any authority of sections 273.71 to 273.86, the governing body of each municipality in which any part of the project is located and the county board of any county containing portions of the project not located in an incorporated area shall by majority vote approve or disapprove the project. Any project, as so approved by the board and the applicable governing bodies, if any, together with any comment provided by the legislative advisory committee, detailed information concerning the project, its costs, the sources of its funding, and the amount of any bonded indebtedness to be incurred in connection with the project, shall be transmitted to the governor, who shall approve, disapprove, or return the proposal for additional consideration within 30 days of receipt. No project authorized under this section shall be undertaken, and no obligations shall be issued and no tax increments shall be expended for a project authorized under this section until the project has been approved by the governor.

Subd. 4. OBLIGATIONS NOT STATE DEBT. Bonds and other obligations issued by the commissioner pursuant to this section are not general obligations of the state of Minnesota. The full faith and credit and taxing powers of the state are not and may not be pledged for the payment of these bonds or other obligations, and no person has the right to compel the levy of any state tax for their payment or to compel the appropriation of any moneys of the state for their payment except as specifically provided herein. These bonds and obligations shall be payable solely from the property and moneys derived by the commissioner pursuant to the authority granted in this section that the commissioner pledges to their payment. All these bonds or other obligations must contain the provisions of this subdivision or words to the same effect on their face.

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Subd. 5. APPROPRIATION OF MONEYS. There is appropriated to the commissioner for the purpose of carrying out any project or program undertaken pursuant to this section, all property and moneys derived by the commissioner through the exercise of the powers conferred by this section. The commissioner may pledge all the property or moneys for the security or payment of bonds or other obligations issued or entered into by him for this purpose.

Sec. 2. Minnesota Statutes 1982, section 298.292, is amended to read:
298.292 **POLICY.**

The legislature is cognizant of the severe economic dislocations and widespread unemployment that result when a single industry on which an area is largely dependent, experiences a drastic reduction in activity. The northeast Minnesota economic protection trust fund is hereby created to be devoted to economic rehabilitation and diversification of industrial enterprises where these conditions ensue as the result of the decline of such a single industry. Priority shall be given to using the northeast Minnesota economic protection trust fund for the following purposes:

(a) projects and programs that are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses;

(b) projects and programs to promote the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism;

(c) projects and programs for which technological and economic feasibility have been demonstrated; and

(d) loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing in preference to grants; and

(e) funding reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 1.

Money from the trust fund shall be expended only in or for the benefit of the tax relief area defined in section 273.134.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

Approved June 14, 1983

CHAPTER 358 — S.F.No. 682

An act relating to animals; providing for the welfare of certain pets and companion animals; imposing a penalty; proposing new law coded in Minnesota Statutes, chapter 346.

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