

## CHAPTER 116J

## DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT

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**116J.01 DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT.**

Subdivision 1. **Appointment.** The department of energy and economic development shall be supervised and controlled by the commissioner of energy and economic development, who shall be appointed by the governor and serve under the provisions of section 15.06.

Subd. 2. **Confidential secretary.** The commissioner may appoint a confidential secretary in the unclassified service.

Subd. 3. **Departmental organization.** The commissioner shall organize the department as provided in section 15.06. The department shall be organized into three divisions, which shall be designated the energy division, the economic development division, and the financial management division; and the office of tourism. Each division and office is responsible for administering the duties and functions assigned to it by law. When the duties of the divisions or office are not allocated by law, the commissioner may establish and revise the assignments of each division and office. Each division shall be under the direction of a deputy commissioner in the unclassified service. The office of tourism is under the direction of a director of tourism in the unclassified service. The governor shall appoint the director of tourism.

**History:** 1983 c 289 s 40-42

**116J.02** [Repealed, 1983 c 289 s 119]

**116J.03 DEFINITIONS.**

Subdivision 1. **Scope.** As used in chapter 116J, the terms defined in this section have the meaning given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of energy and economic development.

Subd. 3. **Department.** "Department" means the department of energy and economic development.

**History:** 1983 c 289 s 43

#### 116J.04 ENERGY POLICY DEVELOPMENT TASK FORCE.

The commissioner may appoint an advisory task force on energy policy development. If created the task force shall include at least one member from each congressional district. The task force members shall broadly represent the scientific, technical, educational, business and labor fields. The task force shall develop recommendations on policy for energy issues and energy needs and shall advise the commissioner on the energy related functions of the department. The expiration, terms, compensation, and removal of members shall be as provided by section 15.059.

**History:** 1983 c 260 s 23; 1983 c 305 s 17

#### 116J.06 DEFINITIONS.

*[For text of subd 1, see M.S.1982]*

Subd. 2. "Earth sheltered" means constructed so that 50 percent or more of the exterior surface is covered or in contact with earth. Exterior surface includes all walls and roof, but excludes garages and other accessory buildings. Earth covering on walls is measured from the floor of the structure's lowest level. Earth covering on the roof must be at least 12 inches deep to be included in calculations of earth covering. Partially completed buildings shall not be considered earth sheltered.

*[For text of subds 3 to 13, see M.S.1982]*

**History:** 1983 c 231 s 2

#### 116J.09 DUTIES.

The commissioner shall:

(a) manage the department as the central repository within the state government for the collection of data on energy;

(b) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(c) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(d) carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 116J.05 to 116J.30;

(e) collect and analyze data relating to present and future demands and resources for all sources of energy, and specify energy needs for the state and various service areas as a basis for planning large energy facilities;

(f) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 116J.05 to 116J.30, and make recommendations for changes in energy pricing policies and rate schedules;

(g) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(h) design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(i) inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(j) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(k) charge other governmental departments and agencies involved in energy related activities with specific information gathering goals and require that those goals be met;

(l) report to the legislature by February 1 of each year both the processes and results of efforts to communicate the statutory requirements concerning energy efficiency standards under section 116J.27 and the extent of compliance with the requirements.

Further, the commissioner may participate fully in hearings before the public utilities commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 116J.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

**History:** 1983 c 179 s 1; 1983 c 289 s 44

### 116J.10 POWERS.

The commissioner may:

(a) Adopt rules pursuant to chapter 14 as necessary to carry out the purposes of sections 116J.05 to 116J.30 and, when necessary for the purposes of section 116J.15, adopt temporary rules pursuant to sections 14.29 to 14.36;

(b) Make all contracts pursuant to sections 116J.05 to 116J.30 and do all things necessary to cooperate with the United States government, and to qualify for, accept and disburse any grant intended for the administration of sections 116J.05 to 116J.30. Notwithstanding any other law the commissioner is designated the state agent to apply for, receive and accept federal or other funds made available to the state for the purposes of sections 116J.05 to 116J.30.

(c) Contract for professional services if such work or services cannot be satisfactorily performed by employees of the department or by any other state agency;

(d) Enter into interstate compacts to jointly carry out such research and planning with other states or the federal government where appropriate;

(e) Distribute informational material at no cost to the public upon reasonable request;

(f) Provide on-site technical assistance to units of local government in order to enhance local capabilities for dealing with energy problems;

(g) Administer for the state, energy programs pursuant to federal law, regulations or guidelines, except for the crisis fuel assistance and low income weatherization programs administered by the department of economic security, and coordinate the programs and activities with other state agencies, units of local government and educational institutions;

(h) Design and administer a statewide program for the energy and economic development authority and actively involve major organizations and community leaders in its work and shall solicit funds from all sources;

(i) Develop a state energy investment plan with yearly energy conservation and alternative energy development goals, investment targets, and marketing strategies;

(j) Perform market analysis studies relating to conservation, alternative and renewable energy resources, and energy recovery;

(k) Assist with the preparation of proposals for innovative conservation, renewable, alternative, or energy recovery projects;

(l) Manage and disburse funds made available for the purpose of research studies or demonstration projects related to energy conservation or other activities deemed appropriate by the commissioner; and

(m) Intervene in certificate of need proceedings before the public utilities commission.

**History:** 1983 c 289 s 45

#### 116J.18 STATE ENERGY POLICY AND CONSERVATION REPORT.

Subdivision 1. By July 1 of each even-numbered year, the commissioner shall transmit to the governor and the legislature a comprehensive report designed to identify emerging trends related to energy supply, demand, conservation, public health and safety factors, and to specify the level of statewide and utility service area energy need. The report shall include, but not be limited to, all of the following:

(a) A final report on the accuracy and acceptability of the energy forecasts received under section 116J.17 and the alternatives to meeting that demand;

(b) An estimate of statewide and utility service area energy need for the forthcoming 20 year period which, in the judgment of the commissioner, will reasonably balance requirements of state economic growth and development, protection of public health and safety, preservation of environmental quality, and conservation of energy resources;

(c) The anticipated level of statewide energy demand for 20 years, which shall serve as the basis for long range action;

(d) The identification of potential adverse social, economic, or environmental effects caused by a continuation of the present energy demand trends;

(e) An assessment of the state's energy resources, including examination of the availability of commercially developable and imported fuels;

(f) The estimated reduction in annual energy consumption resulting from various energy conservation measures;

(g) The cost of energy to residential and rental consumers in relation to their socio-economic status;

(h) An assessment of the economic and employment implications of proposed state energy policies;

(i) The status of the department's ongoing studies;

(j) Recommendations to the governor and the legislature for administrative and legislative actions to accomplish the purposes of sections 116J.05 to 116J.30.

Subd. 1a. **Rate plan.** The energy policy and conservation report shall include a section prepared by the public utilities commission. The commission's section shall be prepared in consultation with the commissioner of the department of energy, planning and development and shall include, but not be limited to, all of the following:

(a) A description and analysis of the commission's rate design policy as it pertains to the goals stated in sections 116J.05, 216B.164, and 216B.241, including a description of all energy conservation improvements ordered by the commission; and

(b) Recommendations to the governor and the legislature for administrative and legislative actions to accomplish the purposes of sections 116J.05, 216B.164, and 216B.241.

*[For text of subds 2 and 3, see M.S.1982]*

**History:** 1983 c 179 s 2; 1983 c 231 s 3

#### **116J.24 PUBLIC SCHOOL BUILDING ENERGY REPORTS AND AUDITS.**

*[For text of subds 1 to 5, see M.S.1982]*

Subd. 6. **Outreach for energy audit interpretation.** The commissioner shall establish a program to assist school officials in the understanding of energy audits performed on their schools. The program will also provide suggestions and assistance in the application for any state or federal grants or loans relating to energy conservation for which the school may be eligible.

**History:** 1983 c 301 s 124

#### **116J.27 ENERGY CONSERVATION STANDARDS FOR EXISTING RESIDENCES.**

*[For text of subd 1, see M.S.1982]*

Subd. 2. For the purposes of subdivisions 3 to 7, the following terms shall have the meanings given them.

(a) "Residence" means any dwelling for habitation either seasonally, meaning all or a portion of the months of November through April, or permanently by one or more persons. A residence may be part of a multidwelling or multipurpose building, but shall not include buildings such as hotels, hospitals, motels, dormitories, sanitariums, nursing homes, schools and other buildings used for educational purposes, or correctional institutions. A manufactured home as defined in section 168.011, subdivision 8, shall be a residence for purposes of this section.

(b) "Applicable energy efficiency standards" means those standards established under subdivision 1 which are not shown to be economically infeasible for the building in question.

*[For text of subds 3 and 4, see M.S.1982]*

Subd. 5. [Repealed, 1983 c 301 s 235]

Subd. 6. **Building evaluators.** The commissioner shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy efficiency standards. The commissioner shall, by rule pursuant to chapter 14, adopt standards for the certification and performance

of evaluators and set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner shall encourage the certification of existing groups of trained municipal personnel and qualified individuals from community-based organizations and public service organizations. Each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy efficiency standards established pursuant to subdivision 1. The inspections shall be made within 30 days of the request. Evaluators shall be certified only if they also meet all requirements for conducting residential energy audits pursuant to 42 U.S.C. 8211 et seq. The commissioner shall enter into an agreement with the department of education for the provision of evaluator training through the area vocational technical institutes. The commissioner may contract with the area vocational technical institutes to reduce the training costs to the students. The commissioner may eliminate the examination fee for persons seeking upgraded certificates. The commissioner may also establish requirements for continuing education, periodic recertification, and revocation of certification for evaluators.

Subd. 7. [Repealed, 1983 c 301 s 235]

[For text of subd 8, see M.S.1982]

History: 1983 c 301 s 125,126

#### 116J.28 CERTIFICATE OF NEED.

Subdivision 1. The commission shall, pursuant to chapter 14 and sections 116J.05 to 116J.30, adopt assessment of need criteria to be used in the determination of need for large energy facilities pursuant to this section.

Subd. 2. No large energy facility shall be sited or constructed in Minnesota without the issuance of a certificate of need by the commission pursuant to sections 116J.05 to 116J.30 and consistent with the criteria for assessment of need.

Subd. 3. No proposed large energy facility shall be certified for construction unless the applicant has justified its need. In assessing need, the commissioner shall evaluate:

(1) The accuracy of the long-range energy demand forecasts on which the necessity for the facility is based;

(2) The effect of existing or possible energy conservation programs under sections 116J.05 to 116J.30 or other federal or state legislation on long-term energy demand;

(3) The relationship of the proposed facility to overall state energy needs, as described in the most recent state energy policy and conservation report prepared pursuant to section 116J.18;

(4) Promotional activities which may have given rise to the demand for this facility;

(5) Socially beneficial uses of the output of this facility, including its uses to protect or enhance environmental quality;

(6) The effects of the facility in inducing future development;

(7) Possible alternatives for satisfying the energy demand including but not limited to potential for increased efficiency of existing energy generation facilities;

(8) The policies, rules, and regulations of other state and federal agencies and local governments; and

(9) Any feasible combination of energy conservation improvements, required by the commission pursuant to section 216B.241, that can (a) replace part or all of

the energy to be provided by the proposed facility, and (b) compete with it economically.

Subd. 4. Any person proposing to construct a large energy facility shall apply for a certificate of need prior to construction of the facility. The application shall be on forms and in a manner established by the commission. In reviewing each application the commission shall hold at least one public hearing pursuant to chapter 14. The public hearing shall be held at a location and hour reasonably calculated to be convenient for the public. An objective of the public hearing shall be to obtain public opinion on the necessity of granting a certificate of need. The commission shall designate a commission employee whose duty shall be to facilitate citizen participation in the hearing process.

Subd. 5. Within six months of the submission of an application, the commission shall approve or deny a certificate of need for the facility. Approval or denial of the certificate shall be accompanied by a statement of the reasons for the decision. Issuance of the certificate may be made contingent upon modifications required by the commission.

Subd. 6. Any application for a certificate of need shall be accompanied by the fee required pursuant to this subdivision. The maximum fee shall be \$50,000, except for an application for an electric power generating plant as defined in section 116J.06, subdivision 3, clause (a), or a high voltage transmission line as defined in section 116J.06, subdivision 3, clause (b), for which the maximum fee shall be \$100,000. The commission may require an additional fee to recover the costs of any rehearing. The fee for a rehearing shall not be greater than the actual cost of the rehearing or the maximum fee specified above, whichever is less. The commission shall establish by rule pursuant to chapter 14 and sections 116J.05 to 116J.30, a schedule of fees based on the output or capacity of the facility and the difficulty of assessment of need. Money collected in this manner shall be credited to the general fund of the state treasury.

Subd. 7. Other state agencies authorized to issue permits for siting, construction or operation of large energy facilities, and those state agencies authorized to participate in matters before the commission involving utility rates and adequacy of utility services, shall present their position regarding need and participate in the public hearing process prior to the issuance or denial of a certificate of need. Issuance or denial of certificates of need shall be the sole and exclusive prerogative of the commission and these determinations and certificates shall be binding upon other state departments and agencies, regional, county, and local governments and special purpose government districts except as provided in sections 116C.01 to 116C.08 and 116D.04, subdivision 9.

Subd. 8. This section does not apply to plants or facilities for the production of ethanol or fuel alcohol nor in any case where the commission shall determine after being advised by the attorney general that its application has been preempted by federal law.

**History:** 1983 c 289 s 46

### **116J.31 ENERGY AUDITS.**

The commissioner shall develop and administer state programs of energy audits of residential and commercial buildings including those required by United States Code, title 42, section 8211, et seq. and section 8281. The attorney general may release information on consumer complaints about the operation of the program to the commissioner.

**History:** 1983 c 289 s 47; 1983 c 301 s 127

**116J.315 ALTERNATIVE ENERGY ECONOMIC ANALYSIS.**

The commissioner shall carry out the following energy economic analysis duties:

- (a) provide continued analysis of alternative energy issues for the biennial report, certificates of need, and legislative requests;
- (b) provide alternative energy information to consumers and business;
- (c) assist in the maintenance and improvement of alternative energy input-output multipliers and market penetration models;
- (d) provide analysis of alternative energy data.

**History:** 1983 c 301 s 128

**116J.36 DISTRICT HEATING LOANS.**

*[For text of subs 1 to 3, see M.S.1982]*

Subd. 3a. **Grant eligibility.** The commissioner of energy, planning and development may provide planning grants to municipalities for planning related to the development of district heating systems. The municipality must demonstrate that a community heatload survey and map have been successfully completed, that potential district heating load is sufficiently large to justify further consideration, and that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include project definition, development of preliminary financing and distribution system plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of the grant to a municipality is limited to 90 percent of eligible planning costs and shall not exceed \$70,000 as established by rule or temporary rule.

*[For text of subs 4 to 11, see M.S.1982]*

**History:** 1983 c 301 s 129

**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:

(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.

**History:** 1983 c 323 s 1

### 116J.373 SUPERINSULATED HOME DEMONSTRATION PROJECT.

The superinsulated home demonstration project funded under Laws 1981, chapter 356, section 30, shall be continued under the direction of the commissioner

and the center to monitor and document new projects and projects in progress. The project shall:

- (a) work with the financial community to bring energy cost and savings into mortgage underwriting standards;
- (b) develop a definition of superinsulation for use by financial institutions.

**History:** 1983 c 301 s 132

### 116J.38 BUILDING ENERGY RESEARCH CENTER.

Subdivision 1. **Energy partnership.** To improve the energy efficiency of buildings, the commissioner shall administer a building energy research center that shall be a cooperative effort among the commissioner, the University of Minnesota, area vocational-technical institutes, and certain associations and businesses from the private sector. The center's goal is to become a nationally recognized center for building research.

Subd. 2. **Purpose.** The purpose of the building energy research center is to:

- (a) conduct studies of Minnesota building experience;
- (b) disseminate information acquired relating to building energy efficiency;
- (c) conduct continuing education courses;
- (d) provide limited energy and design consultation services for innovative projects;
- (e) coordinate and stimulate research efforts; and
- (f) seek private sector pledges to match appropriations for this program.

**History:** 1983 c 301 s 133

### 116J.41 [Repealed, 1983 c 289 s 119]

### 116J.42 POWERS AND DUTIES.

Subdivision 1. The director shall:

(1) Prepare comprehensive, long range recommendations for the orderly and coordinated growth of the state including detailed recommendations on major public investment proposals and programs in the state.

(2) Develop and maintain a statewide long-range policy planning process involving local units of government, regional development commissions, the metropolitan council, and state agencies.

(3) Develop and analyze information and forecasts relating to the state's population, economy, natural resources and human services, including but not limited to: (a) collection and analysis of information necessary to enable him to report annually to the governor and the legislature on the status of the state's economy and on forecasts of medium and long-term economic prospects for the state; (b) analysis and reporting on the comparability of economic data, assumptions and analyses used by other planning entities, state agencies, and levels of government as he deems appropriate; (c) assessment of the implications of demographic, economic, and programmatic trends on state and local policies and institutions for providing health, education, and other human services; and (d) assessment of the availability and quality of data for long-range planning and policy development.

(4) Assist the governor in developing and evaluating alternative long-range policies and strategies.

(5) Act in coordination with the commissioner of finance and affected state agencies in the planning and financing of major public programs, including but not limited to capital improvements.

(6) Initiate studies of major policy issues having long-range implications.

(7) Provide planning assistance to local, regional, and state agencies, and coordinate these levels of planning with the state long-range policy planning process.

Subd. 2. The director shall:

(1) Review plans, studies and proposed studies, of all state departments and agencies.

(2) Report regularly and on or before November 15 of each even numbered year to the legislature, reviewing in each report the state planning program, and the progress and development thereof. Thereafter, as soon as practicable, he shall make recommendations for desirable legislation and necessary appropriations.

(3) Make available to the legislature or any authorized committee or commission information concerning statewide development plans and basic research from which the plans have been developed.

(4) Develop and maintain, in consultation with local government elected officials, a process and procedures for the review of federal grant applications, and the coordination of planning activities including state and local responsibilities as existed on January 1, 1983, in federal Office of Management and Budget Circular A-95, Parts I, II, III, and IV; and the federal Executive Order 12372.

(5) Assist the governor and the commissioner of finance in the review of biennial budget proposals and in the analysis of major public investments.

(6) Promote awareness by citizens and public officials of major long-range trends and policy issues.

Subd. 3. [Repealed, 1983 c 289 s 119]

Subd. 4. The director shall:

(1) undertake studies to obtain information and data on urban and rural needs, assistance programs, and activities;

(2) conduct research and make recommendations to the governor and the legislature concerning relationships among federal, state, and local governments; and review and report on changes in federal policies and budgets as they affect the state and state and local government programs;

(3) provide regional development commissions, the metropolitan council, and units of local government with information, technical assistance, training, and advice in utilizing federal and state programs;

(4) receive and administer the small cities community development block grant program authorized by the Congress under the Housing and Development Act of 1974, as amended; and

(5) receive and administer other state and federal grants and grant programs for planning, community affairs, community development purposes, and other state and federal programs assigned to the agency by law or by the governor in accordance with section 4.07.

Subd. 5. [Repealed, 1983 c 289 s 119]

Subd. 6. [Repealed, 1983 c 289 s 119]

Subd. 7. The director shall:

(1) Appoint the state demographer, who shall be compensated in accordance with section 43A.18, subdivision 3. The state demographer shall be professionally

competent in the field of demography and shall possess demonstrated ability, based upon past performance;

(2) Continuously gather and develop demographic data within the state;

(3) Design and test methods of research and data collection;

(4) Periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division as necessary to carry out the purposes of this section;

(5) Review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) Serve as the state liaison with the federal bureau of census, and coordinate his activities with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) Compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116J.43;

(8) On or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) Cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; and

(10) Prepare an estimate of population and of the number of households for each governmental subdivision for which the metropolitan council does not prepare an annual estimate, and shall communicate the estimates to the governing body of each governmental subdivision by May 1 of each year.

Subd. 8. (1) The land management information center is established to foster integration of environmental information and provide services in computer mapping and graphics, environmental analysis, and small systems development.

(2) The director shall periodically compile studies of land use and natural resources on the basis of county, regional, and other political subdivisions.

(3) The director shall charge fees to clients for information products and services. Fees shall be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the commissioner of energy, planning and development for operation of the land management information system, including the cost of all services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the department that is attributable to the land management information system. The commissioner may require a state agency to make advance payments to the revolving account sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving account is abolished or liquidated, the total net profit from operations shall be distributed to the various funds from which purchases were made. The amount to be distributed to each fund shall bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during a period of time that fairly reflects the amount of net profit

each fund is entitled to receive under this distribution. Employees paid from this account are in the unclassified service.

Subd. 9. **Juvenile justice.** The governor shall designate the state planning agency as the sole agency responsible for supervising the preparation and administration of the state plan for juvenile justice required by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

The governor shall designate the Juvenile Justice Advisory Committee as the supervisory board for the state planning agency with respect to preparation and administration of the state plan and award of grants.

The governor shall appoint members to the Juvenile Justice Advisory Committee in accordance with the membership requirements of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

**History:** 1983 c 289 s 48-53; 1983 c 301 s 134; 1983 c 342 art 5 s 1

**116J.46** [Repealed, 1983 c 289 s 119]

**116J.47** [Repealed, 1983 c 289 s 119]

### **116J.58 POWERS AND DUTIES.**

Subdivision 1. **Enumeration.** The commissioner shall:

(1) investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;

(2) locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) study trends and developments in the industries of the state and analyze the reasons underlying the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

(9) cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(10) cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;

(11) assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on the public works; gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by him, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;

(12) study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(13) confer and cooperate with the executive, legislative, or planning authorities of the United States and neighboring states and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the development of such neighboring states, counties, and municipalities and the development of this state;

(14) generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in a manner that seems wise.

*[For text of subs 2 and 3, see M.S.1982]*

**History:** 1983 c 289 s 54

### **116J.60 PROMOTIONAL EXPENSES.**

In the promotion of tourism and economic development of the state, the commissioner of energy and economic development may expend money appropriated by the legislature for these purposes in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. An expenditure for food, lodging, or travel is not governed by the travel rules of the commissioner of employee relations. No money shall be expended for the appearance in radio or television broadcasts by an elected public official.

**History:** 1983 c 289 s 55

### **116J.61 ADDITIONAL POWERS AND DUTIES.**

The commissioner shall:

(1) Have control of the work of carrying on a continuous program of education for businessmen;

(2) Publish, disseminate, and distribute information and statistics;

(3) Promote and encourage the expansion and development of markets for Minnesota products;

(4) Promote and encourage the location and development of new business in the state as well as the maintenance and expansion of existing business and for

that purpose cooperate with state and local agencies and individuals, both within and outside the state;

(5) Advertise and disseminate information as to natural resources, desirable locations, and other advantages for the purpose of attracting business to locate in this state;

(6) Aid the various communities in this state in getting business to locate therein;

(7) Advise and cooperate with municipal, county, regional, and other planning agencies and planning groups within the state for the purpose of promoting coordination between the state and localities as to plans and development in order to maintain a high level of gainful employment in private profitable production and achieve commensurate advancement in social and cultural welfare; coordinate the activities of state-wide and local planning agencies, correlate information secured from them and from state departments and disseminate information and suggestions to the planning agencies; and encourage and assist in the organization and functioning of local planning agencies where none exist; and may provide at the request of any governmental subdivision hereinafter mentioned planning assistance, which includes but is not limited to surveys, land use studies, urban renewal plans, technical services and other planning work to any city or other municipality in the state or perform similar planning work in any county, metropolitan or regional area in the state. The commissioner shall not perform the planning work with respect to a metropolitan or regional area which is under the jurisdiction for planning purposes of a county, metropolitan, regional or joint planning body, except at the request or with the consent of the respective county, metropolitan, regional or joint planning body. The commissioner is authorized to receive and expend money from municipal, county, regional and other planning agencies; and may accept and disburse grants and other aids for planning purposes from the federal government and from other public or private sources, and may utilize moneys so received for the employment of consultants and other temporary personnel to assist in the supervision or performance of planning work supported by money other than state appropriated money, and may enter into contracts with agencies of the federal government, units of local government or combinations thereof, and with private persons that are necessary in the performance of the planning assistance function of the commissioner. In furtherance of their planning functions, any city or town, however organized, may expend money and contract with agencies of the federal government, appropriate departments of state government, other local units of government and with private persons;

(8) Adopt measures calculated to promote public interest in and understanding of the problems of planning and, to that end, may publish and distribute copies of any plan or any report and may employ other means of publicity and education that will give full effect to the provisions of sections 116J.58 to 116J.63.

**History:** 1983 c 289 s 56

### **116J.615 OFFICE OF TOURISM.**

Subdivision 1. **Duties of director.** The director of tourism shall:

(1) publish, disseminate, and distribute informational and promotional literature;

(2) promote and encourage the expansion and development of international tourism marketing;

(3) advertise and disseminate information about travel opportunities in the state of Minnesota;

(4) aid various local communities to improve their tourism marketing programs;

(5) coordinate and implement a comprehensive state tourism marketing program that takes into consideration all public and private businesses and attractions;

(6) conduct market research and analysis to improve marketing techniques in the area of tourism;

(7) investigate and study conditions affecting Minnesota's tourism industry, collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the director in promoting and developing Minnesota's tourism industry, both within and outside the state;

(8) apply for, accept, receive, and expend any funds for the promotion of tourism in Minnesota. All money received by the director under this subdivision shall be deposited in the state treasury and is appropriated to the director for the purposes for which the money has been received. The money does not cancel and is available until expended; and

(9) plan and conduct information and publicity programs to attract tourists, visitors, and other interested persons from outside the state to this state; encourage and coordinate efforts of other public and private organizations or groups of citizens to publicize facilities and attractions in this state; and work with representatives of the hospitality and tourism industry to carry out its programs.

Subd. 2. **Art and historical exhibitions.** In order to promote tourism, trade, and cultural enrichment, the director of tourism may arrange for the exhibition of art collections and historical displays from other nations in the state capitol and in other public buildings throughout the state of Minnesota. The director of tourism shall cooperate with the state historical society in implementing this cultural exchange program and may enter into any contracts or joint ventures that are necessary to achieve the objectives of this section.

**History:** 1983 c 289 s 57

**116J.62** [Repealed, 1983 c 289 s 119]

## **116J.65 COMMUNITY DEVELOPMENT CORPORATIONS.**

*[For text of subd 1, see M.S.1982]*

Subd. 1a. "Authority" means the energy and economic development authority, formerly known as the small business finance agency.

*[For text of subds 2 to 4, see M.S.1982]*

Subd. 5. The authority shall administer this section and shall enforce the rules related to the community development corporations promulgated by the authority. The authority may amend, suspend, repeal or otherwise modify these rules as provided for in chapter 14.

*[For text of subds 6 to 8, see M.S.1982]*

Subd. 8a. The energy and economic development authority shall be named as an assignee of the rights of a state funded community development corporation on any loan or other evidence of debt provided by a community development corporation to a private enterprise. The assignment of rights shall provide that it



will be effective upon the dormancy or cessation of existence of the community development corporation. "Dormancy" for the purpose of this section means the continuation of the corporation in name only without any functioning officers or activities. Upon the cessation of the activities of a state funded community development corporation, any assigned moneys paid to the energy and economic development authority shall be deposited into the community development corporation fund to be used for the purposes as set out in chapter 116J.

*[For text of subs 9 to 11, see M.S.1982]*

**History:** 1983 c 289 s 58-60

### **116J.67 CERTIFIED STATE DEVELOPMENT COMPANY.**

Subdivision 1. **Purpose; objectives.** The energy and economic development authority may create, promote, and assist a state development company, also known as a "503" certified development company, that will qualify as a certified development company for the purposes of United States Code, title 15, section 697, and Code of Federal Regulations, title 13, section 108.503.

The authority shall utilize the development company program to stimulate the state's economic activity.

The development company and its directors and officers shall comply with the organizational, operational, regulatory, and reporting requirements as promulgated by the United States small business administration and the guidelines contained in the bylaws, articles of incorporation, and standard operating procedure prescribed by the small business administration.

*[For text of subs 2 to 8, see M.S.1982]*

**History:** 1983 c 289 s 61

### **116J.70 DEFINITIONS.**

*[For text of subs 1 and 2, see M.S.1982]*

Subd. 2a. **License; exceptions.** "Business license" or "license" does not include the following:

(1) Any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

(2) Any license issued by a county, home rule charter city, statutory city, township or other political subdivision;

(3) Any license required to practice the following occupation regulated by the following sections:

- (a) Abstracters regulated pursuant to chapter 386;
- (b) Accountants regulated pursuant to chapter 326;
- (c) Adjusters regulated pursuant to chapter 72B;
- (d) Architects regulated pursuant to chapter 326;
- (e) Assessors regulated pursuant to chapter 270;
- (f) Attorneys regulated pursuant to chapter 481;
- (g) Auctioneers regulated pursuant to chapter 330;
- (h) Barbers regulated pursuant to chapter 154;
- (i) Beauticians regulated pursuant to chapter 155A;

- (j) Boiler operators regulated pursuant to chapter 183;
- (k) Chiropractors regulated pursuant to chapter 148;
- (l) Collection agencies regulated pursuant to chapter 332;
- (m) Cosmetologists regulated pursuant to chapter 155A;
- (n) Dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;
- (o) Detectives regulated pursuant to chapter 326;
- (p) Electricians regulated pursuant to chapter 326;
- (q) Embalmers regulated pursuant to chapter 149;
- (r) Engineers regulated pursuant to chapter 326;
- (s) Insurance brokers and salespersons regulated pursuant to chapter 60A;
- (t) Midwives regulated pursuant to chapter 148;
- (u) Morticians regulated pursuant to chapter 149;
- (v) Nursing home administrators regulated pursuant to chapter 144A;
- (w) Optometrists regulated pursuant to chapter 148;
- (x) Osteopathic physicians regulated pursuant to chapter 147;
- (y) Pharmacists regulated pursuant to chapter 151;
- (z) Physical therapists regulated pursuant to chapter 148;
- (aa) Physicians and surgeons regulated pursuant to chapter 147;
- (bb) Plumbers regulated pursuant to chapter 326;
- (cc) Podiatrists regulated pursuant to chapter 153;
- (dd) Practical nurses regulated pursuant to chapter 148;
- (ee) Professional fundraisers regulated pursuant to chapter 309;
- (ff) Psychologists regulated pursuant to chapter 148;
- (gg) Real estate brokers, salespersons and others regulated pursuant to chapters 82 and 83;
- (hh) Registered nurses regulated pursuant to chapter 148;
- (ii) Securities brokers, dealers, agents and investment advisers regulated pursuant to chapter 80A;
- (jj) Steamfitters regulated pursuant to chapter 326;
- (kk) Teachers and supervisory and support personnel regulated pursuant to chapter 125;
- (ll) Veterinarians regulated pursuant to chapter 156;
- (mm) Watchmakers regulated pursuant to chapter 326;
- (nn) Water conditioning contractors and installers regulated pursuant to chapter 326;
- (oo) Water well contractors regulated pursuant to chapter 156A;
- (pp) Water and waste treatment operators regulated pursuant to chapter 115;
- (qq) Motor carriers regulated pursuant to chapter 221;
- (rr) Professional corporations regulated pursuant to chapter 319A;
- (4) Any driver's license required pursuant to chapter 171;
- (5) Any aircraft license required pursuant to chapter 360;
- (6) Any watercraft license required pursuant to chapter 361;
- (7) Any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or

use of or interference with the resources of land, air or water, which is required to be obtained from a state agency or instrumentality; and

(8) Any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health.

**History:** 1983 c 70 s 1; 1983 c 216 art 1 s 23

### **116J.875 ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY; PURPOSES.**

The legislature finds that certain public needs can best be met by the public and private sectors working in close cooperation. Two of the specific areas in which this cooperation is most needed are small business development and energy program management and financing. The energy and economic development authority created by section 116J.89 is the mechanism for cooperation in these two areas. By providing an efficient arrangement to pool financing, personnel, information, and technological knowledge, the authority, as a partnership between the public and private sectors, will promote job creation, business development, and energy policies more effectively than would be the case if these sectors acted independently.

**History:** 1983 c 289 s 62

### **116J.88 SMALL BUSINESS FINANCE AGENCY, DEFINITIONS.**

*[For text of subd 1, see M.S.1982]*

Subd. 2. **Authority.** "Authority" means the energy and economic development authority created in section 116J.89.

Subd. 3. [Repealed, 1983 c 289 s 119]

Subd. 4. **Eligible small business.** "Eligible small business" means an enterprise determined by the authority to constitute a small business concern as defined in regulations of the United States small business administration pursuant to United States Code, title 15, sections 631 to 647, as amended from time to time.

Subd. 5. **Targeted small business.** "Targeted small business" for the purpose of section 116J.90, subdivision 5, means a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association, or cooperative, which entity:

(a) has 20 or fewer full-time employees or not more than the equivalent of \$1,000,000 in annual gross revenues in the preceding fiscal year; and

(b) is not at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in its field of operation. For the purpose of this subdivision, "dominant in its field of operation" means having more than 20 full-time employees and more than \$1,000,000 in annual gross revenues.

"Targeted small business" includes a farm business engaged in farming, agricultural production or processing, or storage of agricultural products.

Subd. 6. **Financial institution.** "Financial institution" means a bank, bank or trust company, trust company, mortgage company, mortgage banker, national banking association, savings bank, savings and loan association, building and loan association, insurance company, securities broker-dealer, financial organizations relating to commercial credit or venture capital or any other financial or lending institution, whether organized under federal law or the laws of any state of the United States, and whether located within or without this state.

Subd. 7. **Business loan.** "Business loan" means a loan, other than a pollution control loan, to the owner of an eligible small business for the financing of (a) capital expenditures, on an interim or long-term basis, for the acquisition or improvement of land, acquisition, construction, removal, or improvement of buildings, or acquisition and installation of fixtures and equipment useful for the conduct of the business; or (b) short-term costs of conducting an eligible small business.

Subd. 7a. **Farm loan.** "Farm loan" means a loan to a farm business for the acquisition, installation, improvement, construction or removal of buildings, or acquisition and installation of fixtures or equipment, useful for the conduct of a farm business.

Subd. 8. **Pollution control loan.** "Pollution control loan" means a loan to an eligible small business for the acquisition, construction, or improvement of pollution control facilities or operations. Pollution control facilities or operations may include real and personal property likely to help prevent, reduce, abate, or control noise, air, or water pollution or contamination by removing, altering, disposing, or storing pollutants, contaminants, wastes, or heat, and real and personal property to be used for the collection, storage, treatment, utilization, processing, or final disposal of solid or liquid waste.

Subd. 9. **Fund.** "Fund" means the economic development fund created by section 116J.89, subdivision 1c.

**History:** 1983 c 289 s 63-69

#### 116J.89 ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY.

Subdivision 1. **Creation; successor status.** The small business finance agency created by Laws 1980, chapter 547, is renamed the energy and economic development authority and may act on behalf of the state within the scope of the powers granted to it in sections 116J.88 to 116J.91 to implement loan programs and to provide financial assistance under the economic development fund by which, the authority alone or in cooperation with cities, towns, counties, and private or public lenders, may provide adequate funds or incentives to financing such as guarantees or insurance on sufficiently favorable terms to assist and encourage the establishment, maintenance, and growth of eligible small businesses and employment opportunities in Minnesota and to reduce to a manageable level the cost of the control of pollution and disposal of waste resulting from the operations of eligible small businesses.

The authority so named is the legal successor in all respects of the small business finance agency as originally named and constituted and all bonds, resolutions, contracts, and liabilities of that original agency are the bonds, resolutions, contracts, and liabilities of the authority as so renamed and reconstituted.

Because of its ability to pool or combine loans to be funded from one or more issues of bonds, whether or not the interest on the bonds is exempt from federal income taxes, the authority will be able to spread its financing costs among the eligible small businesses to which the authority provides financing, thereby reducing costs incurred by each eligible small business.

Subd. 1a. **Use of economic development fund.** In addition, the authority may use the economic development fund to provide financial assistance to eligible small businesses as follows:

(a) to provide loan guarantees or insurance, in whole or in part, to eligible small businesses in connection with business loans or pollution control loans;

(b) to provide direct loans to eligible small businesses in connection with business loans or pollution control loans;

(c) to participate in other investment programs as appropriate under the terms of sections 116J.65, 116J.67, 116J.88 to 116J.91, and chapters 472 and 474;

(d) to purchase loan packages made to eligible small businesses by financial institutions in the state in connection with business loans or pollution control loans;

(e) to enter into or to pay fees on insurance contracts, letters of credit, municipal bond insurance, surety bonds, or similar obligations and other agreements or contracts with financial institutions;

(f) to guarantee or insure bonds and notes issued by the authority, in whole or in part;

(g) the authority may create separate accounts within the fund for use in accordance with the separate purposes listed in this section and may irrevocably pledge and allocate moneys on deposit in the fund to the accounts for the purposes. The authority may make contracts with note and bond holders, trustees for them, financial institutions, or other persons interested in the disposition of moneys in the fund or its accounts with respect to the conditions upon which money in the fund or its accounts is to be held, invested, applied, and disposed of and the use of the fund and its accounts and the termination of accounts. The authority may determine to leverage amounts in accounts to be used to guarantee or insure bonds and notes of the authority or loans to eligible small businesses and may covenant as to the rate of leveraging with holders of the authority's bonds and notes or any trustee for them, financial institutions, or other persons. Money in the fund and its accounts shall, consistent with contracts with holders of the authority's bonds and notes or any trustee for them, financial institutions, or other interested persons, be invested in accordance with section 116J.91, subdivision 15, and the investment income from them, absent contractual provisions to the contrary, shall be added to and retained in the fund or its accounts if provided by the authority. The repayments to the authority of any direct loans made by the authority from money in the fund or its accounts shall be paid by the authority into the fund or, as provided by the authority, into an account. The authority may collect fees, initially or from time to time, or both, with respect to any direct loan it extends or any insurance or guarantee it grants. The authority may enter into contracts and security instruments with eligible small businesses, with bond and note holders or any trustee for them, or financial institutions or other persons to provide for and secure the repayment to the authority of money provided by the authority from the fund or its accounts for direct loans or which have been paid by the authority from the fund or accounts pursuant to an authority guarantee or insurance.

The state covenants with all holders of the authority's bonds and notes, financial institutions, and other persons interested in the disposition of money in the fund or its accounts, which money the authority has irrevocably pledged and allocated for any authorized purpose described in this subdivision, that the state will not take any action to limit the effect of the pledge and allocation and will not take any action to limit the effect of contracts entered into as authorized in this subdivision with respect to the pledge and allocation and will not limit or alter the rights vested in the authority or the state to administer the application of money pursuant to the pledge and allocation and to perform its obligations under the contracts. The authority may include and recite this covenant of the state in any of its bonds or notes benefitting from the pledge and allocation or contracts or related documents or resolutions;

(h) to enter into contract with note and bond holders or other persons interested in the disposition of the fund; and

(i) for any legal purpose or program of the authority, including without limitation the payment of the cost of issuing authority bonds and notes and authority administrative costs and expenses.

**Subd. 1b. Preferences.** (a) The following eligible small businesses have preference among business applicants:

(1) businesses located in areas of the state that are experiencing the most severe unemployment rates in the state;

(2) eligible small businesses that are likely to expand and provide additional permanent employment;

(3) businesses located in border communities that experience a competitive disadvantage due to location;

(4) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;

(5) businesses that utilize state resources, thereby reducing state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state;

(6) businesses located in designated enterprise zones, as described in section 273.1312, subdivision 4; and

(7) business located in federally designated economically distressed areas.

(b) Except in the issuance of authority bonds or notes, the authority may not invest the fund in a program that does not have financial participation from the private sector, as determined by the authority.

**Subd. 1c. Creation of economic development fund.** There is created the economic development fund to be administered by the authority. All money in the fund is appropriated to the authority to accomplish the authority's business development purposes.

**Subd. 2. Public purposes.** Sections 116J.88 to 116J.91 and sections 116J.921 to 116J.926 are enacted to promote the welfare and prosperity of the state by maintaining and increasing the career and job opportunities of its citizens; by reducing, controlling, and preventing environmental pollution and waste of resources; and by protecting and enhancing the tax base on which state and local governments depend for the financing of public services.

*[For text of subs 3 to 5, see M.S.1982]*

**Subd. 6.** The property of the agency and its income and operation shall be exempt from all taxation by the state or any of its political subdivisions.

**Subd. 7.** [Repealed, 1983 c 213 s 25]

**Subd. 8. Membership.** The members and governing body of the authority shall be the commissioner and ten other members appointed by the governor. The governor shall designate the chairman from among the members. The board shall elect a secretary from among its members. On July 1, 1983, the governor shall have authority to appoint new members. The terms of the current members shall expire, respectively, when they are replaced and new members are appointed by the governor and qualified. Section 15.0575 governs the terms, compensation, removal and filling of vacancies in the offices of members other than the commissioner.

Subd. 9. **Exercise of powers.** The powers of the authority are vested in the members. A majority of the members, excluding vacant memberships, is a quorum. When a quorum is present at any meeting of which notice has been given to or waived by all absent members in the manner provided in bylaws adopted by the vote of a majority of all members, any action of the authority may be taken by the vote of a majority of the members present. Fewer than a quorum may hear reports and adjourn from time to time.

Subd. 10. **Staffing.** The commissioner shall appoint permanent and temporary employees necessary for the administration of the authority. The commissioner may enter into agreements under which staff from private corporations, agencies, or other organizations are loaned to the authority for the purpose of performing its duties.

**History:** 1983 c 213 s 5; 1983 c 216 art 2 s 2,18; 1983 c 289 s 70-78

### 116J.90 LOANS.

Subdivision 1. **Generally.** The authority may make or purchase or participate with financial institutions in making or purchasing business loans, pollution control loans, and farm loans upon the conditions described in this section, and may enter into commitments therefor.

Subd. 2. **Business loans; limitations.** The authority may make or purchase or participate with financial institutions in making or purchasing business loans not exceeding \$1,000,000 in principal amount with respect to business loans made or purchased by the authority and not exceeding \$1,000,000 principal amount with respect to the authority's share thereof when the authority participates in making or purchasing business loans.

With respect to business loans that the authority makes or purchases or participates with, the authority may determine or provide for their servicing, the percentage of authority participation, if any, the times the loans or participations shall be payable and the amounts of payment, their amount and interest rates, their security, if any, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The authority may provide for or require the insurance or guaranteeing of the business loans or authority participations in whole or in part by the federal government or a department, agency, or instrumentality of it, by an appropriate account created with respect to the economic development fund, or by a private insurer. In connection with making or purchasing business loans or participations in them, the authority may enter into commitments to purchase or participate with financial institutions upon the terms, conditions, and provisions determined by it. Business loans or participations may be serviced by financial institutions or other persons designated by the authority. The dollar limitations contained in this subdivision do not apply to energy loans and loans insured under sections 93 and 94.

Subd. 3. **Direct business and farm loans; limitations.** The authority may make business loans or farm loans not exceeding \$100,000 in principal amount, at interest rates and subject to terms determined by the authority, provided that each loan shall be made only from the proceeds of a bond or note payable in whole or part from the repayments of principal and interest on the loan. The loans may also be guaranteed or insured by money on deposit in the economic development fund or any special account of it, and may be secured by reserve funds and other collateral and available money as determined by the authority. The authority may enter into all necessary contracts and security instruments in connection with

them. The limitation on loan amounts in this subdivision does not apply to energy loans and loans insured under sections 93 and 94.

**Subd. 4. Pollution control loans.** The authority may make or purchase or participate in making or purchasing pollution control loans in any amount, which may be secured in whole or part by the guarantee or insurance of the federal government or any federal department, agency, or instrumentality, by a private insurer, from guarantees or insurance provided by the economic development fund or any special account of it, by reserves, moneys, funds, or other collateral required by the authority or any combination of the foregoing. To the extent consistent with this subdivision, the authority may make or purchase or participate in the making or purchasing of pollution control loans in the manner provided in subdivision 2 or 3 with respect to business loans.

**Subd. 5. Targeted loans.** The authority shall make every effort to assure that at least 50 percent of the principal amount of the loans made or purchased by the authority in each fiscal year consists of loans with a principal amount of \$100,000 or less to targeted small businesses as defined in section 116J.88, subdivision 5, and the financial management division shall provide technical assistance needed by targeted small businesses to complete applications and meet other requirements for those loans. The authority shall report to the legislature annually on or before February 1 as to its compliance with the requirements of this subdivision during the preceding fiscal year. Noncompliance with this subdivision does not affect the validity of bonds and notes heretofore or hereafter issued.

**Subd. 6. Reports.** (a) Each financial institution that participates in a pollution control or business loan with the authority shall annually on or before March 1 submit a report for the prior calendar year to the authority on a form prescribed by the state auditor. The report shall include a listing of each new and outstanding loan in which the financial institution is a participant, the amount and terms of the loan, the purpose of the loan, and any other information as the state auditor may reasonably require.

(b) The authority shall annually on or before May 1 submit a report on a form prescribed by the state auditor for the prior calendar year to the state auditor on all loans that it makes, purchases, or participates in. The report shall include a listing of each new and outstanding loan in which the financial institution is a participant, the amount and terms of the loan, the purpose of the loan, and any other information as the state auditor may reasonably require.

(c) The state auditor shall annually on or before July 1 submit a report for the prior calendar year to the governor and the legislature summarizing the report submitted pursuant to clause (b).

(d) The cost of preparing and submitting the reports required by this subdivision shall be borne by the party submitting it. Any financial institution that fails to comply with the requirements of this subdivision shall be prohibited from participating in future loans until it complies.

**History:** 1983 c 289 s 79

## 116J.91 POWERS; DUTIES.

**Subdivision 1.** In implementing the purposes and the programs described in sections 116J.88 to 116J.91, the authority shall have the powers and duties set forth in this section.

*[For text of subs 2 and 3, see M.S.1982]*



Subd. 4. It may adopt, amend, and repeal rules not inconsistent with the provisions of sections 116J.88 to 116J.91 as necessary to effectuate its purposes.

*[For text of subs 5 to 8, see M.S.1982]*

Subd. 9. It may procure insurance against any loss in connection with its property in the amounts, and from the insurers, as may be necessary or desirable. It may obtain municipal bond insurance, letters of credit, surety obligations, or equivalent security for its bonds and notes.

Subd. 10. It may consent, whenever it deems it necessary or desirable in the fulfillment of its purpose, to the modification of the rate of interest, time of payment, or any installment of principal or interest, or other term, of a contract or agreement of any kind to which the authority is a party.

Subd. 11. It may borrow money to carry out and effectuate its purposes and may issue its negotiable bonds or notes as evidence of any such borrowing in accordance with sections 462A.08 to 462A.13, 462A.16 and 462A.17, all with the force and effect stated and the incidental powers granted and duties imposed in those sections. The bonds and notes may be issued pursuant to a trust indenture that is substantially identical to a resolution pursuant to which the authority issues bonds and notes as provided in sections 462A.08 to 462A.13, 462A.16, and 462A.17, except that the authority may pledge money and securities to a trustee for the security of the holders of bonds and notes. The authority may refund bonds and notes and may guarantee or insure its bonds and notes in whole or in part with money from the economic development fund or an account created by the authority for that purpose. The aggregate principal amount of the authority's bonds and notes outstanding at any one time, excluding the amount satisfied and discharged by payment or provision for payment in accordance with their terms, and deducting amounts held in debt service reserve funds therefor and amounts used to make loans guaranteed or insured by the federal government or a department, an agency or instrumentality of the federal government or by a private insurer or guarantor authorized to do business in the state of Minnesota and acceptable to the authority, shall not exceed \$30,000,000 unless authorized by another law.

Subd. 12. It may issue and sell bonds, notes, and other obligations payable solely from particular moneys, assets, or revenues derived from its programs, or any business loan, farm loan, or pollution control loan, notwithstanding section 462A.08, subdivision 3. Obligations issued to participate in making or purchasing business loans or pollution control loans shall be payable solely from revenues derived by the authority from repayments of these loans and from enforcement of the security therefor, or from a debt service reserve fund or funds, or from a general reserve fund or from a segregated portion thereof, or from other funds or security specifically pledged by the authority, irrevocably pledged and appropriated to pay principal and interest due, for which other funds are not available. A general reserve fund is created and is eligible to receive direct appropriations from the state treasury or a transfer from the economic development fund as the authority may provide by resolution. The authority may irrevocably pledge and appropriate all or a segregated portion of the general reserve fund to pay principal and interest due on all or one or more series of its obligations for which other funds are not available, pursuant to the terms and conditions that the authority shall determine. Until so pledged and appropriated by the authority the general reserve fund shall not be available to pay principal and interest on the authority's obligations. The authority may at its option provide by resolution that obligations issued to participate in making or purchasing business loans or pollution control

loans be secured at the time of issuance in whole or in part by a debt service reserve fund or funds, a portion of the general reserve fund segregated to secure one or more series of bonds, or the portion of the general reserve fund not segregated to secure one or more series of bonds. The operation of the debt service reserve fund or funds or a segregated portion of the general reserve fund and other relevant terms or provisions shall be determined by resolution or indenture of the authority. Obligations issued to make or purchase business loans, farm loans, or pollution control loans may be issued pursuant to an indenture of trust or a resolution of the authority. It may pledge to holders of obligations, or to a trustee, repayments from the loans, any security or collateral for them, contract rights with respect to them, and any other funds or security specifically pledged by the authority for them.

*[For text of subd 13, see M.S.1982]*

Subd. 14. It may establish and collect reasonable interest and amortization payments on loans, and in connection therewith may establish and collect or authorize the collection of reasonable fees and charges or require funds to be placed in escrow, sufficient to provide for the payment and security of its bonds, notes, commitments and other obligations and for the servicing thereof, to provide reasonable allowances for or insurance against losses which may be incurred and to cover the cost of issuance of obligations and technical, consultative, and project assistance services.

*[For text of subd 15, see M.S.1982]*

Subd. 16. It may provide general consultative and technical services to assist in financing small business facilities for which loans may be made. It may enter into agreements or other transactions concerning the receipt or provision of those services.

*[For text of subds 17 and 18, see M.S.1982]*

Subd. 19. Proceeds of the authority's bonds, notes, and other obligations; amounts granted or appropriated to the agency for the making or purchase or the insurance or guaranty of loans or for bond reserves; income from investment; money in the economic development fund; and all revenues from loans, fees, and charges of the authority are annually appropriated to the agency for the accomplishment of its corporate purposes and shall be expended, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the agency. Notwithstanding section 16A.28, these appropriations are available until expended.

Subd. 20. The authority may do all things necessary and proper to fulfill its purpose and the purposes of the economic development fund as provided in sections 116J.65, 116J.67, 116J.88 to 116J.91, sections 116J.921 to 116J.926, and chapters 472 and 474.

**History:** 1983 c 289 s 80-89

#### **116J.921 ENERGY FINANCING POLICIES.**

A reliable, economic supply of energy is essential for the state's households, business establishments, and municipalities. Imported supplies are increasingly costly, unreliable, and environmentally disadvantageous. As a result, a partnership of the private and public sectors is needed to provide leadership, cooperation,

and aid for the purposes of planning, developing, and managing economically viable energy conservation programs.

**History:** 1983 c 289 s 90

### 116J.922 DEFINITIONS.

Subdivision 1. **General.** For purposes of sections 116J.921 to 116J.926, the terms defined in this section have the meanings given them, unless the context in which they are used clearly indicates otherwise or another meaning is specifically provided.

Subd. 2. **Authority.** "Authority" means the energy and economic development authority, formerly known as the small business finance agency.

Subd. 3. **Person.** "Person" includes an individual, firm, partnership, corporation, or association.

Subd. 4. **Conservation.** "Conservation" means a product or system designed to reduce the amount of energy needed for an energy-consuming activity or process. Conservation includes but is not limited to thermal insulation and air infiltration control in buildings, products or methods that reduce energy consumption for transportation or soil tillage practices, improvements in combustion efficiency or heat transfer efficiency in boilers, furnaces or direct-fired process heaters, and changes to industrial production equipment that result in lower energy use per unit of output.

Subd. 5. **Municipality.** "Municipality" means a city, town, county, school district, special taxing district, or a municipal power agency governed by chapter 453, or a group or combination of those units operating under an agreement to jointly undertake projects authorized by sections 116J.921 to 116J.926.

Subd. 6. **Alternative energy resource.** "Alternative energy resource" means a source of energy available from indigenous Minnesota resources including but not limited to peat, biomass, solar energy, wind, municipal wastes, agricultural or forestry wastes, hydropower, and agricultural crops suitable for conversion to an energy fuel.

Subd. 7. **Renewable energy resource.** "Renewable energy resource" means a source of energy occurring in Minnesota which, when consumed for energy purposes, is replaced within a matter of days, months, or years by new or additional supplies of the energy source. Renewable energy resources include, but are not limited to, forestry products and forest harvest residues, solar energy, wind energy, waterpower, and agricultural wastes.

Subd. 8. **Energy recovery.** "Energy recovery" means the extraction of energy from materials, components, or processes which would normally represent wasted energy resources. Municipal solid wastes, volatile sewer gases, and power plant waste heat, among others, offer the potential for energy recovery.

Subd. 9. **Business.** "Business" means any commercial, industrial, or non-profit enterprise.

**History:** 1983 c 289 s 91

### 116J.923 POWERS AND DUTIES OF COMMISSIONER AND AUTHORITY RELATING TO ENERGY PROGRAMS.

Subdivision 1. **Services.** The authority shall identify general consultative and technical services to assist in financing and marketing household and municipal energy conservation or alternative energy development. It may enter into agreements or other transactions concerning the receipt or provisions of those services.

Subd. 2. **Data privacy.** Financial information, including but not limited to credit reports, financial statements and net worth calculations, received or prepared by the authority regarding any loan or loan insurance issued by the authority is private data on individuals, as defined in section 13.02, subdivision 12, or, if not relating to individuals, is nonpublic data as defined in section 13.02, subdivision 9.

Subd. 3. **Broad interpretation.** The authority through the commissioner shall perform, direct, or closely oversee the functions and programs delegated to it. The powers granted to the authority shall be broadly interpreted to facilitate innovative leadership in all areas of energy including policy setting, goal definition, strategy planning, conservation, development of renewable and alternative energy resources, energy recovery, and monitoring.

Subd. 4. **Campaign for energy efficiency.** The authority shall promote a campaign for energy efficiency. The authority shall actively promote public awareness of the potentials and benefits of energy efficiency.

Subd. 5. **Job creation, low income.** The authority shall assure that programs under its control and direction make accommodation wherever possible for job creation and the needs of low income families and persons.

Subd. 6. **Financing programs.** The authority shall initiate and operate programs to assist the financing of qualified energy projects by:

(a) insuring private loans to businesses; and

(b) issuing its revenue bonds, notes, or other obligations for the purpose of making or purchasing or participating with financial institutions in making or purchasing loans to businesses.

Subd. 7. **Loans to municipalities.** The authority shall receive applications from municipalities for loans to finance improvements to public buildings for the purpose of energy conservation, reduction of the use of conventional energy sources, or the use of alternative energy resources, and make recommendations thereon to the commissioner of finance, in the event of the authorization and issuance of bonds of the state for this purpose. Financial and technical support for this program shall be provided by the financial management division. This program shall include the district heating loan program established in section 116J.36 and the program of energy improvement loans to schools created by Laws 1983, chapter 323.

Subd. 8. **Rules.** The authority may adopt temporary and permanent rules for the purpose of implementing subdivisions 6 and 7. The temporary rules need not be adopted in compliance with chapter 14 and shall be effective for 360 days or until the permanent rules are adopted, whichever occurs first. The temporary rules shall be effective upon adoption by the authority and shall be published in the State Register as soon thereafter as possible.

Subd. 9. **Planning and reports.** (a) The authority shall adopt a plan to use as the basis for its investment decisions.

(b) By the start of the 1984 legislative session, the authority shall have (1) identified various nongovernmental funding sources; (2) provided for the efficient administration of its affairs; (3) solicited public comment on its plans; and (4) prepared recommendations as to appropriate reserve and guarantee fund levels required by sections 116J.921 to 116J.926.

(c) The authority shall annually report not later than February 1 to the legislature. The report should contain recommendations for legislation as necessary to better coordinate its activities and the energy activities of state government.

Subd. 10. **Conservation equipment.** The authority may assist in the financing of the development and operation of conservation or alternative or renewable energy system equipment.

Subd. 11. **Services to businesses.** The authority shall provide direct assistance to businesses that plan to begin or expand their operations into the area of energy. The assistance shall include:

(a) providing data currently collected by the state that relates to resources, markets, economics, demographics, loans, and business planning;

(b) performing a limited technical review of prototypes or processes;

(c) conducting a limited number of feasibility studies to assist business development;

(d) conducting workshops, seminars, and other educational opportunities that relate to starting energy businesses or specific technical subjects, when appropriate, working in cooperation with the department of education and appropriate educational institutions in the state; and

(e) sharing information or networking among energy developers by use of newsletters, conferences, or the like.

Subd. 12. **Appropriations, gifts, grants.** The authority may accept appropriations, gifts, grants, bequests, and devises and utilize or dispose of the same to carry out any provision of sections 116J.921 to 116J.926. All gifts, grants, bequests, and revenues from those sources are appropriated to the authority for the purposes of sections 116J.921 to 116J.926. The funding may include, but is not limited to, public utility investments and expenditures ordered by the public utilities commission pursuant to the provisions of section 216B.241.

**History:** 1983 c 289 s 92

### 116J.924 ENERGY LOAN INSURANCE PROGRAM.

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(a) "Fund" means the energy loan insurance fund created by subdivision 2.

(b) "Lender" means any state or federally chartered bank, credit union, savings bank, savings and loan association, savings association, trust company or a lender certified by the secretary of housing and urban development or the administrator of veterans affairs or approved or certified by the administrator of the farmers home administration.

(c) "Energy loan" means a loan or advance of credit, with security as may be required by the authority.

(d) "Qualified energy project" means acquiring, installing or constructing land, buildings, capital improvements, or equipment for (1) conservation of energy or use of alternative or renewable energy resources in the operation of a business, (2) recovery or production from alternative or renewable resources of energy to be sold in the course of business, or (3) production for sale in the course of business of equipment for the conservation or recovery of energy or for the use of energy from alternative or renewable resources.

Subd. 2. **Energy loan insurance fund.** An energy loan insurance fund is created. The fund shall be used by the authority as a revolving fund, and all money in the fund is appropriated to the authority, for carrying out the provisions of this section with respect to loans insured under subdivision 3.

Subd. 3. **Insurance of loans.** (a) **Authorization.** The authority is authorized, upon application by a lender, to insure loans for qualified energy projects as

provided in this section; and under terms as the authority may prescribe by rule, to make commitments for the insuring of loans prior to the date of their execution or disbursement.

(b) **Eligibility requirements.** The authority may by rule establish requirements for energy loans to be eligible for insurance under this section, relating to:

(1) maximum principal amount, amortization schedule, interest rate, delinquency charges, and other terms;

(2) the portion of the loan to be insured;

(3) acceleration and other remedies;

(4) covenants regarding insurance, repairs, and maintenance of the project;

(5) conditions regarding subordination of the loan security, if any, of the project to other liens against the property;

(6) the aggregate principal amount of loans to be insured in relation to the reserves from time to time on hand in the insurance fund, and priorities as to the loans to be insured; and

(7) any other matters determined by the authority.

(c) **Conclusive evidence of insurability.** Any contract of insurance executed by the authority under this section shall be conclusive evidence of the eligibility of the loan for insurance, and the validity of any contract of insurance properly executed and in the hands of any approved lender shall not be contestable, except for fraud or misrepresentation on the part of the lender.

(d) **Premiums.** The authority is authorized to fix premium charges for the insurance of loans under this section at levels which in its judgment, taking into account other amounts available in the fund, will be sufficient to cover and maintain a reserve for loan losses.

(e) **Procedures upon default.** The authority may establish procedures to be followed by lenders and to be taken by the authority in the event of default upon an energy loan, including:

(1) time for filing claims;

(2) rights and interests to be assigned and documents to be furnished by the lender;

(3) principal and interest to be included in the claim; and

(4) conditions, if any, upon which the authority will pay the entire principal amount in default, after foreclosure and receipt of marketable title to the property.

Subd. 4. **Investment interest.** All interest and profits accruing from investment of the fund's money shall be credited to and be a part of the fund, and any loss incurred in the principal of the investments of the fund shall be borne by the fund.

Subd. 5. **Maximum authorized insurance.** The authority may not at any time issue insurance under this section aggregating in excess of an amount equal to the current balance contained in the fund multiplied by ten.

**History:** 1983 c 289 s 93

## 116J.925 ENERGY LOAN PROGRAM.

Subdivision 1. **Authority to make loans.** The authority may make loans to individuals, partnerships, corporations, or other entities for the financing of capital improvements to be used in connection with a trade or business if the principal purpose of improvement is energy conservation, to reduce the usage of convention-

al fuels as a source of energy, or to develop Minnesota's alternative energy resources as provided by the authority's rules.

**Subd. 2. Revenue bonds.** The authority may borrow money and may issue bonds, notes, or other obligations as evidence of the borrowing in accordance with sections 462A.08 to 462A.17, all with the force and effect stated and the incidental powers granted and duties imposed in those sections. The authority may sell any of its obligations at public or private sale, at the price or prices as the authority determines are appropriate, notwithstanding the limitations on sale price in section 462A.09. These obligations may be issued and loans made from the proceeds in excess of the limitations contained in section 116J.90, subdivisions 2 and 3, and section 116J.91, subdivision 11.

**Subd. 3. Energy development fund.** An energy development fund is created and is eligible to receive appropriations. The authority may irrevocably pledge and appropriate all or a segregated portion of the energy development fund to make principal and interest payments when due on all or one or more series of its obligations for which other funds are not available, pursuant to the terms and conditions the authority shall prescribe. Unless the energy development fund has been pledged and appropriated to secure the obligations, the energy development fund shall not be available to make principal or interest payments on the obligations.

**Subd. 4. Investment income.** All interest and profits accruing from investment of the energy development fund's moneys shall be credited to and be part of the energy development fund, and any loss incurred in the principal of the investment of the reserve fund shall be borne by the fund. Assets of the energy development fund shall be invested only in direct obligations or obligations of agencies of the United States or in insured depository accounts, up to the amount of the insurance, in any institution insured by an agency of the United States government, or in other obligations or depository accounts referred to in section 11A.24, subdivision 4, except clause (d) of that subdivision. Other funds and revenues of the authority shall be invested or deposited in the manner and with the security provided in bond or note resolutions or indentures under which obligations of the authority are issued for the program.

**Subd. 5. Additional powers.** In addition to the powers specifically enumerated, the authority shall have any corporate powers necessary to effectuate or appropriate to the efficient implementation and operation of the revenue bond loan program authorized by this section, except to the extent explicitly limited by this section.

**Subd. 6. Funding.** All proceeds of the authority's bonds, notes, and other obligations, any amounts granted or appropriated to the authority to make, purchase, or insure loans, or for bond reserves, all income from the investment thereof, and all revenues from loans, fees, and charges of the authority are annually appropriated to the authority to accomplish its purposes and shall be expended, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the authority.

**History:** 1983 c 289 s 94

## 116J.926 LOANS TO MUNICIPALITIES.

**Subdivision 1. Qualified energy improvements.** For the purposes of this section, "qualified energy improvements" means any capital improvements to public land or buildings, including the installation of equipment, undertaken by a

municipality for the principal purpose of energy conservation or to reduce usage of conventional energy sources, as provided by rules adopted by the authority.

**Subd. 2. Applications.** The authority shall establish procedures, form, and the required contents of applications to be made by municipalities for loans to finance the acquisition or construction of qualified energy improvements when state bonds are authorized and issued for this purpose.

**Subd. 3. Municipal obligation.** A loan shall not be made to a municipality until it has entered into an agreement with the state providing that the municipality shall make payments of principal and interest at least equal in the aggregate to the principal amount of the loan plus interest at the rate payable on the state bonds. The annual amounts of the payments shall be determined by the commissioner of finance, and need not coincide with the principal and interest payments on the bonds. However, the amounts due each year shall be payable prior to the times transfers are required to be made pursuant to section 16A.65. The agreement shall obligate the municipality to levy an ad valorem property tax equal to the amounts necessary to make the payments. The amount required to be levied may be reduced by any other available amounts contained in a special fund dedicated to payment of the loan obligation.

**Subd. 4. Receipts.** The principal and interest in repayment of the loans authorized by this section shall be deposited in the state treasury and credited to the state bond fund and are appropriated to the commissioner of finance for the purpose of that fund.

**History:** 1983 c 289 s 95