

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 340

(SENATE AUTHORS: HAWJ, Senjem and Sparks)

DATE	D-PG	OFFICIAL STATUS
02/07/2013	173	Introduction and first reading Referred to Jobs, Agriculture and Rural Development
03/20/2013	1282 1352	Comm report: To pass Second reading
05/02/2013	3200	Special Order
	3200	Third reading Passed
05/10/2013	3570	Returned from House Presentment date 05/13/13
05/18/2013	4194	Governor's action Approval 05/16/13
05/20/2013	5238	Secretary of State Chapter 64 05/16/13 Effective date 08/01/13

1.1

A bill for an act

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relating to economic development; modifying loans to development authorities;

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amending Minnesota Statutes 2012, section 116J.5764, subdivision 1.

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

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Section 1. Minnesota Statutes 2012, section 116J.5764, subdivision 1, is amended to

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read:

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Subdivision 1. **Terms.** Loans to development authorities for demolition costs may

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be made by the commissioner subject to the following terms and conditions:

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(1) the agreement to repay the loan ~~must~~ may be a general obligation of the

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development authority, payable primarily from a dedicated source of revenue, or other

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security subject to review and approval by the commissioner, and the development

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authority must deliver its bond or note to the commissioner to secure the loan;

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(2) the term of the loan may not exceed 15 years;

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(3) the loan shall bear interest at a rate equal to two percent, but interest will not

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accrue during the first two years of the loan term;

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(4) the development authority shall make semiannual interest payments and annual

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principal payments beginning in the third year of the loan until the end of the term;

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(5) the principal amount of a loan may not exceed \$1,000,000;

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(6) loan proceeds shall be disbursed for eligible demolition costs as incurred or paid

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by the borrower and upon submission of invoices and other supporting documentation

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satisfactory to the commissioner; and

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(7) an eligible borrower shall establish a dedicated source of revenue for repayment

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of the loan.