A bill for an act
relating to metropolitan government; modifying provisions governing metropolitan livable communities fund; authorizing a transfer of funds between metropolitan livable communities fund accounts; authorizing a onetime transfer from the livable communities demonstration account for local planning assistance grants and loans; amending Minnesota Statutes 2006, sections 473.252, subdivision 3; 473.253, subdivision 2.

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

Section 1. Minnesota Statutes 2006, section 473.252, subdivision 3, is amended to read:

Subd. 3. **Distribution of funds.** (a) The council must use the funds in the account to make grants to municipalities or development authorities for the cleanup of polluted land in the metropolitan area. A grant to a metropolitan county or a development authority must be used for a project in a participating municipality. The council shall prescribe and provide the grant application form to municipalities. The council must consider the probability of funding from other sources when making grants under this section.

(b)(1) The legislature expects that applications for grants will exceed the available funds and the council will be able to provide grants to only some of the applicant municipalities. If applications for grants for qualified sites exceed the available funds, the council shall make grants that provide the highest return in public benefits for the public costs incurred, that encourage development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and that enhance the tax base of the recipient municipality.

(2) In making grants, the council shall establish regular application deadlines in which grants will be awarded from the available money in the account. If the council provides for application cycles of less than six-month intervals, the council must reserve

at least 40 percent of the receipts of the account for a year for application deadlines that occur in the second half of the year. If the applications for grants meeting the funding criteria and program guidelines exceed the available funds for an application cycle, no more than one-half of the funds may be granted to projects in a statutory or home rule charter city and no more than three-quarters of the funds may be granted to projects located in cities of the first class.

(3) In 2007 and each year thereafter, if there is an insufficient number of applications meeting funding criteria and program guidelines for the tax base revitalization account, any funds unused for an application cycle may be transferred to the livable communities demonstration account for distribution to eligible applicants under section 473.253, subdivision 2.

(c) A municipality may use the grant to provide a portion of the local match requirement for project costs that qualify for a grant under sections 116J.551 to 116J.557.

Sec. 2. Minnesota Statutes 2006, section 473.253, subdivision 2, is amended to read:

Subd. 2. **Distribution of funds.** The council shall use the funds in the livable communities demonstration account to make grants or loans to municipalities participating in the local housing incentives program under section 473.254 or to metropolitan area counties or development authorities to fund the initiatives specified in section 473.25, paragraph (b), in participating municipalities. A grant to a metropolitan county or a development authority must be used for a project in a participating municipality. For the purpose of this section, "development authority" means a statutory or home rule charter city, housing and redevelopment authority, economic development authority, or port authority. In 2007 and each year thereafter, if there is an insufficient number of applications meeting funding criteria and program guidelines for the livable communities demonstration account, any funds unused for an application cycle may be transferred to the tax base revitalization account for distribution to eligible applicants under section 473.252, subdivision 3.

Sec. 3. **ONETIME TRANSFER.**

Notwithstanding Minnesota Statutes, section 473.253, in 2007 the council may transfer to the planning assistance fund provided in Minnesota Statutes, section 473.867, subdivision 2, up to $1,000,000 of the amount levied by the council under Minnesota Statutes, section 473.253, subdivision 1, for taxes payable in 2007. The council shall use the amount transferred to the planning assistance fund for grants or loans to local governments under section 473.867.

Sec. 4. **APPLICATION.**

Sections 1 to 3 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. **EFFECTIVE DATE.**

Sections 1 to 4 are effective the day following final enactment.