

A bill for an act

relating to economic development; providing for transition activities and termination of a neighborhood revitalization program in a city of the first class; amending Minnesota Statutes 2010, section 469.1831, by adding a subdivision.

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

Section 1. Minnesota Statutes 2010, section 469.1831, is amended by adding a subdivision to read:

Subd. 9. **Transition and termination requirements.** (a) Notwithstanding any law, charter, or ordinance to the contrary, termination of a neighborhood revitalization program created by a city of the first class is subject to the requirements of this subdivision.

(b) Funds dedicated for neighborhood revitalization program activities under this section and received by the neighborhood revitalization program prior to January 1, 2011, any interest derived from those funds in the future, and program income derived from the expenditure of any funds allocated to a neighborhood under an approved action plan, that is retained by the neighborhood, the program, or the city may only be expended for a purpose listed in subdivision 3, 4, or 5, and in accordance with the process required in subdivision 6.

(c) When the agreement creating the policy board required under this section terminates on or after December 31, 2011, the respective existing governing body members of the policy board identified in the agreement shall continue to operate the program under the terms of the agreement for the purpose of providing the functions and oversight of the program required by subdivisions 4 to 7, subject to the requirements of this subdivision. This continuation shall be in effect until all the contracts have been transferred as described in paragraph (d).

2.1 (d) The policy board shall oversee and manage the development and implementation
2.2 of all contracts necessary and convenient for the implementation of neighborhood action
2.3 plans, and all administrative contracts necessary to conduct the required activities of the
2.4 policy board, until contracts have been entered into that obligate all remaining funds. All
2.5 funds must be spent or obligated by December 31, 2014. After the contracts have been
2.6 executed, the board may transfer the duties and obligations of the contract to another
2.7 entity. After all contracts have been transferred, the city that created the program may
2.8 terminate the program. Prior to termination, the city and the policy board shall provide for
2.9 an orderly transition of program staff and duties.

2.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.