

State of Minnesota

H. F. No. **1323**

1.1 A bill for an act

1.2 relating to capital investment; establishing a loan fund for solar energy systems in

1.3 state buildings; appropriating money; authorizing the sale and issuance of state

1.4 bonds; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

1.6 Section 1. **[16B.324] STATE BUILDING ENERGY CONSERVATION REVOLVING**

1.7 **LOAN FUND.**

1.8 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have

1.9 the meanings given them.

1.10 (b) "Energy conservation improvement" means the predesign, design, acquisition,

1.11 construction, or installation of a solar energy system for a state building that:

1.12 (1) is incorporated into the building or is a permanent fixture;

1.13 (2) has a useful life of more than ten years; and

1.14 (3) is designed to result in a demand-side net reduction in energy use by the state

1.15 building's electrical, heating, ventilating, air-conditioning, or hot water systems, which

1.16 extends the life or enhances the value of the state building.

1.17 (c) "State agency" means an agency in the executive branch of state government, but

1.18 does not include constitutional officers.

1.19 (d) "State building" means a building owned by the state of Minnesota.

1.20 Subd. 2. **Establishment.** A state building energy conservation revolving loan fund is

1.21 established to make loans to state agencies for the purpose of implementing energy

2.1 conservation improvements in state buildings. The fund must be credited with investment
2.2 income, and with repayments of principal and interest. Money in the fund is annually
2.3 appropriated to the commissioner and does not lapse.

2.4 Subd. 3. **Fund management.** The commissioner shall manage and administer the state
2.5 building energy conservation revolving loan fund through an office established to manage
2.6 environmental sustainability measures for state property.

2.7 Subd. 4. **Applications.** A state agency applying for an energy conservation improvement
2.8 loan must submit an application to the commissioner on a form, in the manner, and at the
2.9 time prescribed by the commissioner. An applicant must supply the following information:

2.10 (1) the total estimated cost of the energy conservation improvements and the loan amount
2.11 sought;

2.12 (2) a description of the energy conservation improvements;

2.13 (3) a detailed budget for the project, including all sources and uses of money;

2.14 (4) calculations sufficient to demonstrate the expected energy and monetary savings that
2.15 will result from construction and installation of the energy conservation improvements;

2.16 (5) information demonstrating that extended life or increased value of the state building
2.17 will result from construction and installation of the energy conservation improvements;

2.18 (6) information demonstrating the state agency's ability to repay the loan; and

2.19 (7) any additional information requested by the commissioner.

2.20 Subd. 5. **Loan conditions.** (a) A state agency may not be awarded more than an aggregate
2.21 total of \$....., whether for one or more projects or one or more loans under this section. A
2.22 loan may be for up to percent of total project costs.

2.23 (b) A loan interest rate must be at one-half the rate the state pays in interest for the
2.24 various purpose bonds sold immediately preceding the issuance of the loan to the state
2.25 agency.

2.26 (c) A loan term must not exceed 15 years.

2.27 (d) Loan principal and interest payments must begin no later than one year after
2.28 completion of the project.

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

3.1 Sec. 2. **APPROPRIATION; BOND SALE AUTHORIZATION.**

3.2 Subdivision 1. **Appropriation.** \$16,000,000 is appropriated from the bond proceeds
3.3 fund to the commissioner of administration to provide loans to state agencies for energy
3.4 conservation improvements under Minnesota Statutes, section 16B.324.

3.5 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond
3.6 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
3.7 the state in an amount up to \$16,000,000 in the manner, upon the terms, and with the effect
3.8 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
3.9 Constitution, article XI, sections 4 to 7.

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