A bill for an act

relating to capital improvements; appropriating money for a green building innovation grant program for local governmental units; authorizing the sale and issuance of state bonds.

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

Section 1. **GREEN BUILDING INNOVATION GRANT PROGRAM.**

Subdivision 1. **Establishment.** A green building innovation account is created in the bond proceeds fund. Money in the account may only be used for capital costs of eligible green building innovation projects.

Subd. 2. **Definitions.** For purposes of this section:

(1) "commissioner" means the commissioner of administration;

(2) "local government unit" means a county, city, town, special district, or other political subdivision or public corporation; and

(3) "governing body" means the council, board of commissioners, board of trustees, or other body charged with the governance of the local government unit.

Subd. 3. **Grant program established.** (a) The commissioner shall administer a green building innovation grant program and make grants for the construction, reconstruction, renovation, or rehabilitation of public buildings owned by local government units that will provide for more environmentally sustainable buildings which require the use of less energy, save and treat water on site, generate power on site, provide geothermal heating and cooling, and other conservation and green building measures. Eligible grant proposals can include photovoltaic systems, passive and active solar powered electrical and heating systems, building specific wind turbines on site, gray water and black water waste treatment systems with biomass filtering, and green roofs.

(b) Grants under this section must be matched by an equal amount of nonstate funds. An individual grant may not exceed $100,000. However, an individual public building may be eligible for more than one grant.

(c) The commissioner shall report to the legislature annually beginning on January 1, 2009, on the number and amount of the grants, the names of the public buildings, and an evaluation of the energy savings and conservation outcomes resulting from the grants.

Subd. 4. **Application.** The commissioner must develop forms, criteria, and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a local government unit must include the following information in its application:

(1) a resolution of its governing body certifying that the money required to complete the project is available and committed;

(2) a detailed estimate of the total development costs and timeline for the project;

(3) an assessment of the potential or likely use and public benefit of the project; and

(4) any additional information or material the commissioner prescribes.

The determination of whether to make a grant under this section is within the discretion of the commissioner. The commissioner's decision is not subject to judicial review, except for abuse of discretion.

Subd. 5. **Cancellation of grant.** If a grant is awarded to a local government unit and funds are not encumbered for the grant within four years after the award date, the grant must be canceled.

Sec. 2. **APPROPRIATION.**

$5,000,000 is appropriated from the bond proceeds fund to the commissioner of administration for the purposes of section 1.

Sec. 3. **BOND SALE.**

To provide the money appropriated in section 2 from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to $5,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.