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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **33**

01/08/2015   Authored by Quam

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1   A bill for an act

1.2   relating to local government aid; dedicating the use of a portion of proceeds to

1.3   rehabilitation of housing; amending Minnesota Statutes 2014, section 477A.013,

1.4   by adding a subdivision.

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

1.6   Section 1. Minnesota Statutes 2014, section 477A.013, is amended by adding a

1.7   subdivision to read:

1.8   Subd. 14. **Use of proceeds.** (a) A city that receives aid under subdivision 9 must

1.9   allocate a portion of the aid solely to supplement funds distributed by the Minnesota

1.10   Housing Finance Agency under section 462A.05. The percentage of the aid that must be

1.11   allocated to this purpose is equal to the percentage of the city's revenue need attributable

1.12   to factors in section 477A.011, subdivisions 30 and 30a.

1.13   (b) Each city must establish, by resolution or through adoption of a plan, guidelines

1.14   for the use of the proceeds dedicated under paragraph (a). The guidelines must conform

1.15   with the policy described in section 462A.02. A city may appropriate the proceeds

1.16   directly, or may use any portion of the proceeds to provide funding for a joint powers

1.17   board or cooperative agreement with another political subdivision. All proceeds must be

1.18   appropriated in collaboration with the Minnesota Housing Finance Agency. Any money

1.19   appropriated by a city to a different entity or political subdivision must be used as required

1.20   under this subdivision. Each city must submit a certification of the use of the proceeds to

1.21   the Department of Revenue by December 31 of the year the payments are received.

1.22   **EFFECTIVE DATE.** This section is effective for aids payable in 2015 and thereafter.