

A bill for an act
relating to metropolitan government; authorizing the cities of Minneapolis and
St. Paul to expand certain residential energy conservation programs to include
commercial and industrial property; amending Laws 1981, chapter 222, sections
1; 2; 3; 4, subdivision 2; repealing Laws 1981, chapter 222, section 7.

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

Section 1. Laws 1981, chapter 222, section 1, is amended to read:

Section 1. **MINNEAPOLIS AND ST. PAUL; RESIDENTIAL, COMMERCIAL,
AND INDUSTRIAL ENERGY CONSERVATION PROGRAM; PURPOSE.**

The legislature finds and declares that the state faces potential serious shortages in
energy resources and that implementing energy conservation measures requires expanded
authority and technical capability in order to minimize the use of traditional energy
sources in the housing ~~sector~~, commercial, and industrial sectors; that accomplishing
energy conservation is a public purpose; and that it is in the public interest to authorize
the city of Minneapolis and the city of St. Paul to provide existing ~~single family, existing
multifamily and existing rental housing~~ residential, commercial, and industrial property
loans for energy improvements.

Sec. 2. Laws 1981, chapter 222, section 2, is amended to read:

Sec. 2. **~~RESIDENTIAL~~ ENERGY CONSERVATION PROGRAM.**

Notwithstanding any provision of law or charter to the contrary the city of
Minneapolis and the city of St. Paul, individually or jointly are authorized to develop and
administer a program or programs for the making or purchasing of energy improvement or
energy rehabilitation loans with respect to ~~housing~~ residential, commercial, and industrial
properties located anywhere within their respective boundaries on such terms and

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conditions as set forth in this act and an ordinance which shall be adopted by the governing body or bodies of the municipality or municipalities establishing the program. At least 75 percent of the proceeds of each energy improvement or energy rehabilitation loan shall be used for ~~housing property repairs and~~ improvements, and equipment (1) which the city determines are (a) used or useful to conserve energy or (b) to convert or retrofit an existing structure for the purpose of using an energy source which does not depend on nuclear or nonrenewable petroleum based resources, and (2) which, when installed or completed, will ~~with respect to each housing unit~~ directly result in a cost effective reduction of energy use from nuclear or nonrenewable petroleum based resources. The ordinance establishing the program shall establish the manner of determining whether the ~~housing repairs and~~ improvements, and equipment will directly result in the required cost effective reduction of energy use. Loans may be made without regard to income level of the loan recipient, shall bear interest at a rate or rates as are established by the city or cities, shall be for a term of not to exceed 20 years, and may be secured by a mortgage or other security interest. The powers granted to each city by sections 1 to 5 of this act are supplemental and in addition to those granted by Minnesota Statutes, Chapter 462C₂, Chapter 469, and any other law or charter.

Sec. 3. Laws 1981, chapter 222, section 3, is amended to read:

Sec. 3. **LIMITATIONS.**

A program may be established pursuant to this act only after the city establishing the program determines that:

(1) There is a continued need to reduce consumption of energy from nonrenewable petroleum based resources.

(2) There are ~~housing units~~ properties within the jurisdiction of the city which are in need of energy improvements and energy rehabilitation.

(3) Private sources of financing are not reasonably available to provide the needed loans for energy improvements and energy rehabilitation.

(4) The types of energy improvements and energy rehabilitation will reduce the consumption of energy from nonrenewable petroleum based resources or from nuclear sources.

Findings made by the city pursuant to this section shall be conclusive and final.

Sec. 4. Laws 1981, chapter 222, section 4, subdivision 2, is amended to read:

Subd. 2. **Bonding and financial authority.** Notwithstanding the provisions of any other law, general or special to the contrary, and in addition to the authority contained in

any other law, the city of Minneapolis and the city of St. Paul individually or jointly may exercise any and all of the same powers in relation to the making or purchasing of loans or other securities and in the issuing of revenue bonds or obligations in furtherance of the programs authorized by sections 1 to 5 as the Minnesota housing finance agency is authorized to exercise under the provisions of Minnesota Statutes, Chapter 462A, without regard to any of the limitations set forth in Minnesota Statutes, Chapters 462C or 475. The revenue bonds or obligations shall be payable from revenues from the program and other city ~~housing~~ programs. The revenue bonds or obligations may be payable from other sources of city revenue which are derived from federal sources other than general revenue sharing, or private grant sources. The city shall not levy or pledge to levy any ad valorem tax upon real property for the purpose of paying principal of or interest on revenue bonds or obligations.

Sec. 5. **REPEALER.**

Laws 1981, chapter 222, section 7, is repealed.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment for each of the cities of Minneapolis and St. Paul without local approval under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a).