

Subd. 3a. Any precious metal dealer as defined in section 1, subdivision 2, or any person employed by a precious metal dealer as defined in section 1, subdivision 2, convicted of a second or subsequent violation under section 15 within a period of one year may be sentenced as provided in section 14, clause (1).

Sec. 17. Minnesota Statutes 1980, Section 609.53, Subdivision 4, is amended to read:

Subd. 4. Any person who has been injured by a violation of subdivision 1 or sections 14 to 16 may bring an action for three times the amount of actual damages, if ~~any~~, sustained by the plaintiff or \$1,500, whichever is greater, the costs of suit and reasonable attorney's fees.

Sec. 18. **EFFECTIVE DATE.**

Sections 1 to 17 are effective 60 days after final enactment.

Approved May 29, 1981

CHAPTER 334 — H.F.No. 493

An act relating to energy; authorizing the Minnesota energy agency to administer a program of loans to municipalities for establishing and improving district heating systems; authorizing the issuance of state bonds pursuant to Article XI of the Minnesota constitution; appropriating money; amending Minnesota Statutes 1980, Sections 412.321, Subdivision 1; 412.351; 412.361, Subdivision 3; 429.021, Subdivision 1; and 474.02, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapters 16, 116H, 216B, 465, and 475.

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

Section 1. **[116H.31] DISTRICT HEATING LOANS.**

Subdivision 1. POLICIES. Developing and improving efficient and economical district heating systems is a public purpose for state financing and a proper function of state government. Climate and geography make a reliable, economic supply of energy essential for industrial, commercial, and residential heating. Imported supplies are increasingly costly, unreliable, and environmentally disadvantageous. District heating systems employing cogeneration techniques and innovative technology offer an important means of increasing the efficiency of Minnesota's energy systems and reducing the state's reliance on imported energy supplies. The combination of the large initial capital cost and investors' lack of familiarity with district heating has made the private market reluctant to provide the necessary capital for district heating projects. As a result, public leadership, cooperation, and aid are needed to demonstrate the

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feasibility of district heating systems by establishing economically viable municipal district heating systems as demonstration projects. Municipal district heating systems may be financed by loans from the state and from other sources available to municipalities.

Subd. 2. **DEFINITIONS.** In this section:

- (a) "Commissioner" means the commissioner of finance.
- (b) "Construction costs" means all costs associated with the construction, modification or expansion of a district heating system except for preliminary planning costs and detailed design costs. Construction costs include the cost of debt service from the time a construction loan is made until five years after the beginning of the operation of the district heating system constructed or the part of the system being modified or expanded.
- (c) "Director" means the director of the Minnesota energy agency.
- (d) "District heating" means the use of a central energy conversion facility to produce hot water or steam for distribution to homes or businesses. District heating facilities may also produce electricity in addition to hot water or steam.
- (e) "Municipality" means any county, city, town, municipal power agency, or public utility, as defined in section 452.01, subdivision 3, owned and operated by a city, however organized or nonprofit corporation organized pursuant to the provisions of chapter 317 whose membership is limited to the mayor and governing body of the city in which the district heating system is located.

Subd. 3. **ELIGIBILITY.** The commissioner of finance, upon request of the governor, may make loans to municipalities for the acquisition, construction, expansion, or modification of district heating systems. A loan shall be made only to a municipality that has demonstrated that:

- (a) The municipality has the financial capability to sponsor the project;
- (b) The project is technologically feasible;
- (c) The district heating project will become a cogeneration facility or the project will utilize hot water or, if the project involves an existing district steam heating system, the project will become integrated with a hot water district heating system, or the project will allow the use of nonpetroleum fuels or will construct an efficient heat transmission system; and
- (d) The municipality has made adequate provision to assure proper and efficient operation and maintenance of the project after construction is completed.

Subd. 4. **PRIORITIES.** The director shall give higher priority to a project that does more to achieve the following goals:

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(a) The district heating conversion facility employs cogeneration techniques;

(b) The facility uses renewable or nonpetroleum sources of energy;

(c) The district heating facility will save petroleum or natural gas;

(d) The operation of the district heating facility will not have an adverse impact on the environment;

(e) The district heating facility may readily be expanded to serve additional customers or to supply additional amounts of energy, and market demand for the energy exists;

(f) The project has obtained additional financing from the federal government, private sources, or other sources of capital; and

(g) Other goals the director finds desirable for district heating systems.

Subd. 5. APPLICATION. Application for a loan to be made pursuant to subdivision 6 shall be made by a municipality to the director on a form prescribed by the director by rule. The director shall review each application and determine:

(a) Whether or not the project is eligible for a loan;

(b) The priority of the project when ranked with all other eligible projects for which a loan application has been submitted;

(c) The total estimated cost of the project;

(d) The amount of the loan for which the project is eligible;

(e) The terms upon which the loan would be made; and

(f) The means by which the municipality proposes to finance the project, including:

(1) A loan authorized by state law; or

(2) A grant of money appropriated by state law; or

(3) A grant to the municipality by an agency of the federal government within the amount of money then appropriated to that agency and allocated by it to projects within the state; or

(4) The appropriation of proceeds of bonds or other money of the municipality to an account for the construction of the project; or

(5) User charges, franchise fees, special assessments or taxes; or

(6) Any or all of the means referred to in clauses (1) to (5).

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Subd. 6. LOANS. Upon the recommendation of the governor pursuant to subdivision 8, the commissioner shall make loans to municipalities on the following terms:

(a) In the case of loans for design costs, the maximum amount of the loan shall be limited by the provisions of this clause. For cities of the first class, the amount of the loan shall not exceed 40 percent of the design costs. For cities of the second, third and fourth class, the amount of the loan shall not exceed 90 percent of the design costs;

(b) In the case for loans for construction costs, a municipality must demonstrate that all design activities have been completed; that the project is economically and technologically feasible; that the district heating system will be constructed, and that it has made adequate provisions to assure proper and efficient operation and maintenance of the project. For cities of the first class, the amount of the loan shall be up to 50 percent of the construction costs. For cities of the second class, the amount of the loan shall be up to 80 percent of the construction costs. For cities of the third or fourth class, the amount of the loan shall be up to 90 percent of the construction costs.

(c) A loan made pursuant to this section is repayable over a period of 20 years, with interest payments beginning the first year. Interest shall accrue from the date of the loan at a rate of interest assigned at the date of loan commitment. Principal payments shall begin in the sixth year after the receipt of the loan on a 25 year level payment schedule with the balance of the principal to be retired with the payment due 20 years after receipt of the loan.

Subd. 7. MODERN STEAM SYSTEMS. (a) A municipality which has operating within its boundaries a modern steam district heating system owned by a district heating utility may apply for a loan or grant under this section even though the district heating project for which the loan or grant application is made may be planned, constructed, or owned by a district heating utility. The loan or grant application shall be treated in the same manner as loan or grant applications for district heating projects where the projects are to be planned, constructed, or owned by a municipality.

All or a portion of the proceeds of a loan made to a municipality described in this subdivision may be used to make loans to a district heating utility to provide financial assistance for the planning, modification, expansion or construction of a district heating project. Prior to making the loan to the district heating utility, the municipality shall:

(1) Adopt a district heating plan which identifies the areas of the city to be served by district heating; a time schedule indicating when service would be available in different areas of the city and the type of service to be offered; and

(2) Enter into a written agreement with the district heating utility which includes a requirement that the district heating utility restrict expansion of its

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existing steam system within its current geographic boundaries as determined by the municipality and develop a hot water system on a specific time schedule.

(b) The powers, authority and obligations granted to a municipality under this subdivision are supplemental to the powers, authority and obligations granted all municipalities under this section.

(c) As used in this subdivision, "modern steam district heating system" means a steam district heating system with condensate return built after 1970 and before the effective date of this section. "District heating utility" means any person, corporation, or other legal entity which owns or operates or plans to own or operate a district heating system. "District heating project" means a new district heating system, or the expansion or modification of the existing modern steam district heating system.

Subd. 8. LOAN APPROVAL. The director shall prepare and submit to the legislative advisory commission a list of district heating loan requests. The list shall contain the supporting information required by subdivisions 3, 4, 5, 6, and 7. The recommendation of the legislative advisory commission shall be transmitted to the governor. The governor shall approve or disapprove, or return for further consideration, each project recommended for approval by the legislative advisory commission. Loans may be disbursed only upon approval by the governor.

Subd. 9. PAYMENT; OBLIGATION. The commissioner shall not pay money to a municipality pursuant to an approved loan until he has determined that:

(a) Financing of the project as proposed by the municipality is assured by an irrevocable undertaking, by resolution of the governing body of the municipality, to use all money made available by the financing plan exclusively for the eligible costs of the project, and to pay any additional amount by which the cost of the project exceeds the estimate by the appropriation to the construction account of additional municipal money or the proceeds of additional bonds to be issued by the municipality; and that

(b) The governing body of the municipality has adopted a resolution obligating the municipality to repay the loan according to the terms in the loan. The obligation may be payable from user charges, franchise fees, special assessments or other money available to the municipality. The resolution shall obligate the municipality to annually impose and collect user charges, franchise fees, special assessments, or to use any other money available to it from any other specified source, in amounts and at times that if collected in full will annually produce at least five percent in excess of the amount needed for all annual costs of the system, including annual repayment on state loans. A municipality may also pledge to levy an ad valorem tax to guarantee the payments under the loan agreement. For the purpose of repaying the loan, the

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municipality by resolution of its governing body may fix the rates and charges for district heating system service and products, may enter into contracts for the payment by others of costs of construction, maintenance, and use of the project in accordance with section 444.075 and may pledge the revenues derived therefrom. The commissioner shall condition a loan upon the establishment of rates and charges or the execution of contracts sufficient to produce annually the revenues pledged for repayment of all annual costs of the system, including annual repayment of the state loan.

Subd. 10. RECEIPTS. All principal and interest payments received by the commissioner in repayment of the loans authorized by this section shall be deposited in the state treasury and credited to the state bond fund and are appropriated to the commissioner for the purposes of that account.

Subd. 11. RULES. The director shall adopt rules necessary to carry out this section. The director shall adopt temporary rules pursuant to section 15.0412, subdivision 5, meeting the requirements of this section. The rules shall contain as a minimum:

- (a) Procedures for application by municipalities; and
- (b) Criteria for reviewing grant and loan applications.

Sec. 2. Minnesota Statutes 1980, Section 412.321, Subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY TO OWN AND OPERATE.** Any statutory city may own and operate any waterworks, district heating system, or gas, light, power, or heat plant for supplying its own needs for utility service or for supplying utility service to private consumers or both. It may construct and install all facilities reasonably needed for that purpose and may lease or purchase any existing utility properties so needed. It may, in lieu of providing for the local production of gas, electricity, water, hot water, steam, or heat, purchase the same wholesale and resell it to local consumers. After any such utility has been acquired, the council, except as its powers have been limited through establishment of a public utilities commission in the city, shall make all necessary rules and regulations for the protection, maintenance, operation, extension, and improvement thereof and for the sale of its utility products.

Sec. 3. Minnesota Statutes 1980, Section 412.351, is amended to read:

412.351 COMMISSION, JURISDICTION.

The council shall, in the ordinance establishing the commission, decide which of the following public utilities shall be within the commission's jurisdiction: (1) the city water system; (2) light and power system, including any system then in use or later acquired for the production and distribution of steam heat; (3) gas system; (4) sanitary or storm sewer system or both, including the city sewage disposal plant; (5) public buildings owned or leased

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by the city; (6) district heating system. As used subsequently in sections 412.351 to 412.391, the term "public utility" means any water, light and power, gas or sewer system, or public buildings thus placed by ordinance under the jurisdiction of the public utilities commission. Any public utility not placed under the jurisdiction of the public utilities commission by the ordinance establishing the commission may be placed under the jurisdiction of the commission by an amendment to the original ordinance.

Sec. 4. Minnesota Statutes 1980, Section 412.361, Subdivision 3, is amended to read:

Subd. 3. The commission shall have power to buy all fuel and supplies, and it may purchase wholesale electric energy, steam heat, hot water energy, gas or water, as the case may be, for municipal distribution.

Sec. 5. Minnesota Statutes 1980, Section 429.021, Subdivision 1, is amended to read:

Subdivision 1. **IMPROVEMENTS AUTHORIZED.** The council of a municipality shall have power to make the following improvements:

(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend and maintain steam heating mains.

(4) To install, replace, extend and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care and removal.

(8) To abate nuisances and to drain swamps, marshes and ponds on public or private property and to fill the same.

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(9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

(10) To construct, reconstruct, extend and maintain retaining walls and area walls.

(11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain and promote a pedestrian skyway system.

(12) To acquire, construct, reconstruct, extend, operate, maintain and promote underground pedestrian concourses.

(13) To acquire, construct, improve, alter, extend, operate, maintain and promote public malls, plazas or courtyards.

(14) To construct, reconstruct, extend, and maintain district heating systems.

Sec. 6. [465.74] AUTHORIZATION TO OPERATE DISTRICT HEATING SYSTEMS.

Subdivision 1. CITIES OF THE FIRST CLASS. Any city operating or authorized to operate a public utility pursuant to chapter 452 or its charter is authorized to acquire, construct, own, and operate a municipal district heating system pursuant to the provisions of that chapter or its charter. Acquisition or construction of a municipal district heating system shall not be subject to the election requirement of sections 452.11 and 452.12, or city charter provision, but must be approved by a three-fifths vote of the city's council or other governing body. Loans obtained by a municipality pursuant to section 1 are not subject to the limitations on the amount of money which may be borrowed upon a pledge of the city's full faith and credit or the election requirements for general obligation borrowing, contained in section 452.08.

Subd. 2. CITIES OF THE SECOND, THIRD, AND FOURTH CLASS. A home rule or statutory city of the second, third, or fourth class may, pursuant to sections 412.331 to 412.391, or chapter 455 or its charter acquire, construct, own, and operate a municipal district heating system.

Subd. 3. EXTENSION OF SERVICE OUTSIDE CITY. A municipal district heating system, operating pursuant to this section, may sell energy to customers located outside of the municipality.

Subd. 4. NET DEBT LIMITS. The loan obligations or debt incurred by a political subdivision pursuant to section 1 or 7 shall not be considered as a part of its indebtedness under the provisions of its governing charter or of any law of this state fixing a limit of indebtedness.

Subd. 5. DISTRICT HEATING FACILITIES. Notwithstanding any other law, general or special, or the provisions of any home rule charter city to the contrary, the governing body of a municipality may by ordinance grant a

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district heating franchise for a term not to exceed 31 years and by resolution or ordinance secure any obligations issued by the municipality for a district heating system with a mortgage or indenture of trust co-extensive with the term of the obligations.

Sec. 7. [475.525] MUNICIPAL DISTRICT HEATING BONDS.

Subdivision 1. GENERAL OBLIGATION BONDS. A municipality may, by resolution, authorize, issue and sell general obligation bonds or obligations to finance any expenditure by the municipality for the acquisition, construction, expansion, modification or operation of a district heating system and for the purpose of loaning the proceeds of the bonds or obligations to any person, firm or public or private corporation to acquire, construct, expand or modify a district heating system. Except with regard to the net debt limit as provided in section 465.74, subdivision 4, the general obligation bonds or obligations authorized by this subdivision shall be authorized, issued and sold in the same manner and subject only to the same conditions as those provided in chapter 475. When revenues from the operation of a district heating system are pledged to the repayment of the bonds or obligations, the estimated collections of said revenues so pledged may be deducted from the taxes otherwise required to be levied before the issuance of the bonds or obligations under section 475.61, subdivision 1, or the collections thereof may be certified annually to reduce or cancel the initial tax levies in accordance with section 475.61, subdivision 1 or 3.

Subd. 2. REVENUE BONDS. Notwithstanding any other law, general or special, or the provisions of any home rule charter to the contrary, a municipality may, by resolution, authorize, issue and sell revenue bonds or obligations payable solely from all or a portion of revenues derived from a district heating system located wholly or partially within a municipality to finance the acquisition, construction, expansion, modification, or operation of a district heating system and for the purpose of loaning the proceeds of the bonds or obligations to any person, firm or public or private corporation to acquire, construct, expand or modify a district heating system. The bonds or obligations shall mature as determined by resolution of the municipality and may be issued in one or more series and shall bear such date or dates, bear interest at such rate or rates, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in medium of payment at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution, its trust indenture or mortgage may provide. The bonds or obligations may be sold at public or private sale at the price or prices as the municipality by resolution shall determine, and any provision of any law to the contrary notwithstanding, shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any bonds or obligations of the municipality or the security therefor, any bond

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or obligation reciting in substance that it has been issued by the municipality to aid in the acquisition, construction, expansion, modification or operation of a district heating system shall be conclusively deemed to have been issued for such purpose. Neither the municipality nor any council member, officer, employee or agent of the municipality nor any person executing the bonds or obligations shall be liable personally on the bonds or obligations by reason of the issuance thereof. The bonds or obligations may be further secured by a pledge and mortgage of all or any portion of the property in aid of which the bonds or obligations are issued and such covenants as the municipality shall deem by such resolution to be necessary and proper to secure payment of the bonds or obligations. The bonds or obligations, and the bonds or obligations shall so state on their face, shall not be payable from nor charged upon any funds other than the revenues and property pledged or mortgaged to the payment thereof, nor shall the issuing municipality be subject to any liability thereon or have the powers to obligate itself to pay or pay the bonds or obligations from funds other than the revenues and properties pledged and mortgaged and no holder or holders of the bonds or obligations shall ever have the right to compel any exercise of any taxing power of the issuing municipality or any other public body to pay the principal of or interest on any such bonds or obligations, nor to enforce payment thereof against any property of the municipality or other public body other than that expressly pledged or mortgaged for the payment thereof.

Subd. 3. REDEVELOPMENT AGENCY. A municipality may itself, or by ordinance authorize any redevelopment agency as defined in section 474.03, subdivision 3, acting for the municipality, to exercise any and all of the powers granted to the municipality under subdivision 2 and to the redevelopment agency under any other law for the purpose of financing all or any portion of the district heating system and any conversion facilities for modifying the user's heating or water system to use the heat energy converted from the steam or hot water furnished by the district heating system including, but without limitation, the payment of interest during construction and for a reasonable time thereafter and the establishment of reserves for bond payment and for working capital, in which event if the issuer is a redevelopment agency the sources of revenue that may be pledged to the payment of revenue bonds or obligations shall include any revenues of the redevelopment agency. The proceeds of bonds or obligations issued by the municipality or redevelopment agency may be used to make or purchase loans for facilities which the issuer estimates will require such financing, and, for the purpose of making or purchasing such loans the issuer shall have power to enter into loan agreements and other related agreements, both before and after the issuance of the obligations, with such persons, firms, public or private corporations, federal or state agencies, governmental units, and under such terms and conditions as the issuer shall deem appropriate; and any governmental unit in the state shall have the power to apply, contract for and receive the loans without limitation under any other provisions of chapter 475.

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Sec. 8. *Minnesota Statutes 1980, Section 474.02, Subdivision 1, is amended to read:*

Subdivision 1. The term "project" as used in sections 474.01 to 474.13, *unless a different meaning clearly appears from the context, means any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in generating, transmitting, or distributing electricity, assembling, fabricating, manufacturing, mixing, processing, storing, warehousing, or distributing any products of agriculture, forestry, mining, or manufacture, or in research and development activity in this field. The term "project" shall also include any properties, real or personal, used or useful in the abatement or control of noise, air or water pollution, or in the disposal of solid wastes, in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in any business or industry. The term "project" shall also mean any properties, real or personal, used or useful in connection with the business of telephonic communications, conducted or to be conducted by a telephone company, including, without limitation, toll lines, poles, cables, switching and other electronic equipment and administrative, data processing, garage and research and development facilities. The term "project" also means any properties, real or personal, used or useful in connection with a district heating system, consisting of the use of one or more energy conversion facilities to produce hot water or steam for distribution to homes and businesses, including cogeneration facilities, distribution lines, service facilities and retrofit facilities for modifying the user's heating or water system to use the heat energy converted from the steam or hot water.*

Sec. 9. **[216B.166] COGENERATING POWER PLANTS.**

Subdivision 1. **FINDING.** The legislature finds and declares that significant public benefits may be derived from the cogeneration of electrical and thermal energy and that cogenerated district heating may result in improved utilization and conservation of fuel, the substitution of coal for scarce oil and natural gas, the substitution of domestic fuel for imported fuel, and the establishment of a reliable, competitively priced heat source. Since the cost of cogenerated thermal energy is dependent upon the method used to allocate costs between the production of electric and thermal energy at a power plant, and because the method of cost allocation can be a significant factor in determining investment in district heating, it is necessary to develop cost allocation methods rapidly.

Subd. 2. **DEFINITIONS.** For the purpose of this section, the following terms shall have the meanings given.

(a) "Cogeneration" means a combined process whereby electrical and thermal energy are simultaneously produced by a public utility power plant.

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(b) "District heating" means a process whereby thermal energy is distributed within a community for use as a primary heat source.

(c) "District heating utility" means any person, corporation, or other legal entity which owns and operates a facility for district heating.

Subd. 3. ALLOCATION. The methods used to allocate or assign costs between electrical and thermal energy produced by cogeneration power plants owned by public utilities shall be consistent with the following principles:

(a) The method used shall result in a cost per unit of electricity which is no greater than the cost per unit which would exist if the power plants owned by the public utility had been normally constructed and operated without cogenerating capability;

(b) Costs which the public utility incurs for the exclusive benefit of the district heating utility, including but not limited to backup and peaking facilities, shall be assigned to thermal energy produced by cogeneration;

(c) The methods and procedures may be different for retrofitted than for new cogeneration power plants; and

(d) The methods should encourage cogeneration while preventing subsidization by electric consumers so that both heating and electricity consumers are treated fairly and equitably with respect to the costs and benefits of cogeneration.

Sec. 10. [16.244] DISTRICT HEATING CONTRACTS.

Notwithstanding any other law, general or special, the commissioner of administration is authorized to enter into or approve a written agreement not to exceed 31 years with a district heating utility that will specify, but not be limited to, the appropriate terms and conditions for the interchange of district heating services.

Sec. 11. APPROPRIATIONS.

Subdivision 1. The sum of \$43,170,000 is appropriated from the state building fund to the commissioner of finance for the purpose of making loans to municipalities for district heating systems pursuant to section 1.

Subd. 2. The sum of \$2,700,000 is appropriated from the state building fund to the commissioner of administration to install district heating in the capitol complex, the capitol square building, and the department of economic security building.

Subd. 3. The sum of \$2,500,000 is appropriated from the state building fund to Moorhead State University to install district heating in its facilities.

Subd. 4. The sum of \$1,200,000 is appropriated from the state building fund to the commissioner of finance for the purpose of making loans to develop

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wood fuel conversion facilities managed by a consortium consisting of Independent School District No. 692, Babbitt, Independent School District No. 696, Ely, and Independent School District No. 708, Tower-Soudan. The loans shall be repaid to the commissioner of finance over a period not to exceed 20 years, with interest at a rate sufficient to cover the cost to the state of borrowing the money. Repayments shall be credited to the state bond fund. The money shall not be loaned until an agreement authorized pursuant to section 471.59 is executed by the boards of the designated districts. The agreement shall include the organization of the consortium, the management, accounting and allocation of money among members of the consortium, and the consortium's plans for fuel conversion, plant retrofitting and energy conservation.

Subd. 5. The sum of \$400,000 is appropriated from the state building fund to Vermillion Community College for the purpose of funding a wood fuel conversion facility.

Subd. 6. The appropriations made by subdivisions 1, 2, 3, 4, and 5 are available until expended and shall not cancel pursuant to section 16A.28 or other law.

Sec. 12. BOND SALE; DEBT SERVICE.

To provide the money appropriated from the state building fund by section 11, subdivisions 1, 2, 3, 4 and 5, the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$50,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, Sections 16A.63 to 16A.67, and by the Constitution, Article XI, Sections 4 to 7.

Sec. 13. BOND SALE EXPENSES.

The sum of \$30,000 is appropriated to the commissioner of finance for bond sale expenses pursuant to Minnesota Statutes, Sections 16A.64, Subdivision 4; and 121.215, Subdivision 3.

Sec. 14. EFFECTIVE DATE.

This act is effective the day following final enactment.

Approved May 29, 1981

CHAPTER 335 — H.F.No. 321

An act relating to the city of St. Paul; authorizing the city of St. Paul to permit the dispensing of intoxicating liquor at Town Square Park.

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