

Sec. 2. EFFECTIVE DATE.

Section 1 is effective the day following final enactment.

Presented to the governor March 13, 2002

Signed by the governor March 15, 2002, 12:10 p.m.

CHAPTER 246—H.F.No. 2899

An act relating to metropolitan government; making changes to the livable community provisions; amending Minnesota Statutes 2000, sections 473.253, subdivision 2; 473.254, subdivisions 1, 6; 473.255, subdivisions 1, 4.

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

Section 1. Minnesota Statutes 2000, section 473.253, subdivision 2, is amended to read:

Subd. 2. **DISTRIBUTION OF FUNDS.** The council shall use the funds in the livable communities demonstration account to make grants or loans to municipalities participating in the local housing incentives program under section 473.254 or to metropolitan area counties or development authorities to fund the initiatives specified in section 473.25, paragraph (b), in participating municipalities. A grant to a metropolitan county or a development authority must be used for a project in a participating municipality. For the purpose of this section, "development authority" means a statutory or home rule charter city, housing and redevelopment authority, economic development authority, or port authority.

Sec. 2. Minnesota Statutes 2000, section 473.254, subdivision 1, is amended to read:

Subdivision 1. **PARTICIPATION.** (a) By November 15 of each year, A municipality may elect to participate in the local housing incentive account program. If a municipality does not elect to participate for the year, it is not subject to this section. If the election to participate occurs by November 15 of any year, it is effective commencing the next calendar year; otherwise it is effective commencing the next succeeding calendar year. An election to participate in the program is effective until revoked according to paragraph (b). A municipality is subject to this section only in those calendar years for which its election to participate in the program is effective. For purposes of this section, municipality means a municipality electing to participate in the local housing incentive account program for the calendar year in question, unless the context indicates otherwise.

(b) A municipality may revoke its election to participate in the local housing incentive account program. If the revocation occurs by November 15 of any year, it is effective commencing the next calendar year; otherwise it is effective commencing the next succeeding calendar year. After revoking its election to participate in the program, a municipality may again elect to participate in the program according to paragraph (a).

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(c) A municipality that elects to participate may receive grants or loans from the tax base revitalization account, livable communities demonstration account, or the local housing incentive account. A municipality that does not participate is not eligible to receive a grant under sections 116J.551 to 116J.557. The council, when making discretionary funding decisions, shall give consideration to a municipality's participation in the local housing incentives program.

Sec. 3. Minnesota Statutes 2000, section 473.254, subdivision 6, is amended to read:

Subd. 6. **DISTRIBUTION OF FUNDS.** The funds in the account must be distributed annually by the council to municipalities that:

(1) have not met their affordable and life-cycle housing goals as determined by the council; and

(2) are actively funding projects designed to help meet the goals.

Funds may also be distributed to a development authority for a project in an eligible municipality. The funds distributed by the council must be matched on a dollar-for-dollar basis by the municipality or development authority receiving the funds. When distributing funds in the account, the council must give priority to these municipalities projects that (1) are in municipalities that have contribution net tax capacities that exceed their distribution net tax capacities by more than \$200 per household, (2) demonstrate the proposed project will link employment opportunities with affordable and life-cycle housing, and (3) provide matching funds from a source other than the required amount under subdivision 3. For the purposes of this subdivision, "municipality" means a statutory or home rule charter city or town in the metropolitan area and "development authority" means a housing and redevelopment authority, economic development authority, or port authority.

Sec. 4. Minnesota Statutes 2000, section 473.255, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) "Inclusionary housing development" means a new construction development, including owner-occupied or rental housing, or a combination of both, with a variety of prices and designs which serve families with a range of incomes and housing needs.

(b) "Municipality" means a statutory or home rule charter city or town participating in the local housing incentives program under section 473.254.

(c) "Development authority" means a housing and redevelopment authority, economic development authority, or port authority.

Sec. 5. Minnesota Statutes 2000, section 473.255, subdivision 4, is amended to read:

Subd. 4. **INCLUSIONARY HOUSING GRANTS.** The council shall use funds in the inclusionary housing account to make grants or loans to municipalities or development authorities to fund the production of inclusionary housing developments

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that are located in municipalities that offer incentives to assist in the production of inclusionary housing. Such incentives include but are not limited to: density bonuses, reduced setbacks and parking requirements, decreased roadwidths, flexibility in site development standards and zoning code requirements, waiver of permit or impact fees, fast-track permitting and approvals, or any other regulatory incentives that would result in identifiable cost avoidance or reductions that contribute to the economic feasibility of inclusionary housing.

Sec. 6. APPLICATION.

Sections 1 to 5 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 7. EFFECTIVE DATE.

This act is effective on the day following its final enactment.

Presented to the governor March 20, 2002

Signed by the governor March 21, 2002, 3:12 p.m.

CHAPTER 247—H.F.No. 3584

An act relating to judgments; changing the formula for certain calculations; amending Minnesota Statutes 2000, section 549.09, subdivision 1.

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

Section 1. Minnesota Statutes 2000, section 549.09, subdivision 1, is amended to read:

Subdivision 1. **WHEN OWED; RATE.** (a) When a judgment or award is for the recovery of money, including a judgment for the recovery of taxes, interest from the time of the verdict, award, or report until judgment is finally entered shall be computed by the court administrator or arbitrator as provided in clause (c) and added to the judgment or award.

(b) Except as otherwise provided by contract or allowed by law, preverdict, preaward, or prereport interest on pecuniary damages shall be computed as provided in clause (c) from the time of the commencement of the action or a demand for arbitration, or the time of a written notice of claim, whichever occurs first, except as provided herein. The action must be commenced within two years of a written notice of claim for interest to begin to accrue from the time of the notice of claim. If either party serves a written offer of settlement, the other party may serve a written acceptance or a written counteroffer within 30 days. After that time, interest on the judgment or award shall be calculated by the judge or arbitrator in the following manner. The prevailing party shall receive interest on any judgment or award from the time of commencement of the action or a demand for arbitration, or the time of a

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