

CHAPTER 64—S.F.No. 340

An act relating to economic development; modifying loans to development authorities; amending Minnesota Statutes 2012, section 116J.5764, subdivision 1.

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

Section 1. Minnesota Statutes 2012, section 116J.5764, subdivision 1, is amended to read:

Subdivision 1. **Terms.** Loans to development authorities for demolition costs may be made by the commissioner subject to the following terms and conditions:

(1) the agreement to repay the loan ~~must~~ may be a general obligation of the development authority, payable primarily from a dedicated source of revenue, or other security subject to review and approval by the commissioner, and the development authority must deliver its bond or note to the commissioner to secure the loan;

(2) the term of the loan may not exceed 15 years;

(3) the loan shall bear interest at a rate equal to two percent, but interest will not accrue during the first two years of the loan term;

(4) the development authority shall make semiannual interest payments and annual principal payments beginning in the third year of the loan until the end of the term;

(5) the principal amount of a loan may not exceed \$1,000,000;

(6) loan proceeds shall be disbursed for eligible demolition costs as incurred or paid by the borrower and upon submission of invoices and other supporting documentation satisfactory to the commissioner; and

(7) an eligible borrower shall establish a dedicated source of revenue for repayment of the loan.

Presented to the governor May 13, 2013

Signed by the governor May 16, 2013, 5:33 p.m.