

CHAPTER 116J

DEPARTMENT OF ENERGY AND
ECONOMIC DEVELOPMENT

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116J.035 DUTIES AND POWERS OF COMMISSIONER; RULES.*[For text of subds 1 and 2, see M.S.1984]*

Subd. 3. **Plan.** The commissioner shall prepare a plan that must cover economic development, the community development corporation, and community development program activities, and shall submit the plan to the full productivity and opportunity coordinator in each even-numbered year, according to standards established by the coordinator, for use in developing a biennial statewide employment and training plan.

History: *1Sp1985 c 14 art 9 s 4***116J.19 ENERGY CONSERVATION.***[For text of subds 1 to 12, see M.S.1984]*

Subd. 13. No new room air conditioner or room air conditioner heat pump shall be sold or installed or transported for resale into Minnesota unless it has an energy efficiency ratio of 7.0 or higher. Beginning January 1, 1987, the energy efficiency ratio for room air conditioners with a 6,000 Btu per hour rating or higher must be 7.8 or higher. For purposes of this subdivision, "energy efficiency ratio" means the ratio of the cooling capacity of the air conditioner in British thermal units per hour to the electrical input in watts. The cooling capacity, electrical input, and energy efficiency ratio of room air conditioners and room air conditioning heat pumps is determined by using the standard for room air conditioners, approved by the American National Standards Institute on April 20, 1982, known as ANSI/AHAM RAC-1, with ASHRAE 58-74 used in lieu of ASHRAE 58-65. The method of sampling of room air conditioners shall be that required by the Department of Energy and found in 44 Federal Register 22410-22418 (April 13, 1979). A new room air conditioner having dual voltage ratings shall conform to the energy efficiency ratio requirements at each rating.

*[For text of subd 14, see M.S.1984]***History:** *1985 c 50 s 1***116J.36 DISTRICT HEATING AND QUALIFIED ENERGY IMPROVEMENT LOANS.***[For text of subds 1 to 5, see M.S.1984]*

Subd. 6. **Loans, district heating and qualified energy improvements.** Upon the recommendation of the authority pursuant to subdivision 8, the commissioner of finance 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 and counties containing a city of the first class, individually or through the exercise of joint powers agreements, the amount of the loan shall not exceed 40 percent of the design costs. For counties containing one city of the first class not exceeding 100,000 inhabitants, the amount of the loan for that portion of the county excluding the city of the first class shall not exceed 90 percent of the design costs. For cities of the second, third and fourth class, and other municipalities, 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 or improvement is economically and technologically feasible; that the district heating system or qualified energy improvement will be constructed, and that it has made adequate provisions to assure proper and efficient operation and maintenance of the project or improvement. For cities of the first class and counties containing a city of the first class, individually or through the exercise of joint powers agreements, the amount of the loan shall be up to 50 percent of the construction costs. For counties containing one city of the first class not exceeding 100,000 inhabitants, the amount of the loan for that portion of the county excluding the city of the first class shall not exceed 90 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, and other municipalities, 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 not more than 20 years from the date the loan is made. Interest shall accrue from the date of the loan at a rate of interest assigned at the date of loan commitment, but the first payment of interest shall not be due until one year after the loan was made. Principal payments shall begin not more than five years after receipt of the loan on a level payment schedule. The loan may be amortized in accordance with repayment schedules not exceeding 25 years in length. Any outstanding balance of the principal at the end of the repayment period must be repaid along with the final scheduled payment. Interest attributable to the first year of deferred payment shall be amortized in equal periodic payments over the remainder of the term of the loan. For each loan, the initial deposit to the state bond fund required by section 16A.65, subdivision 1, shall be made by the commissioner of finance, and no loan may be refused solely because the municipality does not provide the initial deposit.

(d) The authority may also pledge a segregated portion of the energy development fund to guarantee or insure bonds and notes, or the interest rate thereon, issued by the commissioner of finance on behalf of the state of Minnesota for purposes of this section or section 116J.37.

[For text of subds 7 to 11, see M.S.1984]

History: 1985 c 289 s 8; 1Sp1985 c 13 s 246

116J.37 ENERGY CONSERVATION INVESTMENT LOANS.

Subdivision 1. Definitions. In this section:

(a) "Commissioner" means the commissioner of energy and economic development. Upon passage of legislation creating a body known as the Minnesota energy authority, the duties assigned to the commissioner in this section are delegated to the authority.

(b) "Maxi-audit" has the meaning given in section 116J.06, subdivision 12.

(c) "Energy conservation investments" mean all capital expenditures that are associated with conservation measures identified in a maxi-audit and that have a ten-year or less payback period. Public school districts that received a federal institutional building grant in 1984 to convert a heating system to wood, and that apply for an energy conservation investment loan to match a federal grant for wood conversion, shall be allowed to calculate payback of conservation measures based on the costs of the traditional fuel in use prior to the wood conversion.

[For text of subds 2 to 7, see M.S.1984]

History: *1Sp1985 c 12 art 7 s 1*

116J.58 POWERS AND DUTIES.

[For text of subds 1 to 3, see M.S.1984]

Subd. 4. Federal limitation act allocation. The commissioner shall:

(1) in accordance with sections 474.16 to 474.23, review applications for and grant allocations of authority to issue bonds or other obligations subject to a federal limitation act; and

(2) adopt rules, including emergency rules under sections 14.29 to 14.36, to provide for the allocation of the amount of issuance authority allocated pursuant to section 474.17, subdivision 3. The rules shall contain criteria and procedures for allocation of authority for use by the department, and to other state agencies, political subdivisions, or other authorities authorized by other law to issue bonds subject to a federal limitation act.

For the purposes of this subdivision, a "federal limitation act" is an act of Congress defined in section 474.16, subdivision 5.

History: *1984 c 582 s 23; 1985 c 248 s 30; 1Sp1985 c 14 art 8 s 63*

116J.64 LOANS TO INDIANS.

[For text of subds 1 to 5, see M.S.1984]

Subd. 6. The remaining 20 percent of the tax revenue received by the county auditor under section 273.165, subdivision 1 shall be remitted by the county auditor to the state treasurer and shall be deposited in a special account called the "Indian business loan account," which shall be a revolving fund created and established under the jurisdiction and control of the agency, which may engage in a business loan program for American Indians as that term is defined in subdivision 2. The tribal councils may administer the fund, provided that, before making any eligible loans, each tribal council must submit to the agency, for its review and approval, a plan for that council's loan program which specifically describes, as to that program, its content, utilization of funds, administration, operation, implementation, and other matters required by the agency. All such programs must provide for a reasonable balance in the distribution of funds appropriated pursuant to this section for the purpose of making business loans between Indians residing on and off the reservations within the state. As a condition to the making of such eligible loans, the tribal councils shall enter into a loan agreement and other contractual arrangements with the agency for the purpose of carrying out the provisions of this chapter, and shall agree that all official books and records relating to the business loan program shall be subject to audit by the legislative auditor in the same manner prescribed for agencies of state government.

Whenever any moneys are appropriated by the state treasurer to the agency solely for the above-specified purpose or purposes, the agency shall establish a separate bookkeeping account or accounts in the Indian business loan fund to record the receipt and disbursement of such money and of the income, gain and loss from the investment and reinvestment thereof.

[For text of subds 7 to 11, see M.S.1984]

History: *1Sp1985 c 14 art 4 s 16*

116J.76 GENERAL FUNCTIONS; POWERS AND DUTIES.

The bureau, by and through the director or his duly authorized employees, shall have the following functions, powers, and duties:

(a) providing comprehensive information on licenses required for business undertakings, projects, and activities in the state and making the information available to applicants and other persons;

(b) providing interested persons with an opinion as to the number, kind, and source of required licenses and potential difficulties in obtaining the licenses, based on a review of a potential applicant's business concept at an early stage in its planning;

(c) developing with the assistance of other departments a master application procedure to expedite the identification and processing of these licenses;

(d) facilitating or recommending consolidation of hearings required pursuant to licensing applications when feasible and advantageous;

(e) encouraging and facilitating the participation of federal and local government agencies in licensing coordination;

(f) making recommendations for eliminating, consolidating, simplifying, expediting, or otherwise improving licensing procedures affecting business undertakings;

(g) serving as an advocate for small business license applicants with state, federal, and local agencies in the process of applying for licenses and complying with licensing standards and requirements; and

(h) adopting rules, procedures, instructions, and forms as are required to carry out the functions, powers, and duties imposed upon the bureau by sections 116J.73 to 116J.86.

History: *1Sp1985 c 13 s 247*

116J.94 COUNCIL ON BIOTECHNOLOGY.

Subdivision 1. Membership. The council on biotechnology consists of 15 voting members appointed by the commissioner of energy and economic development as follows: six members representing public and private post-secondary education, seven members of the business or financial community, and two members representing state agencies.

Subd. 2. Terms, compensation, expiration. Terms, compensation, and removal of members and expiration of the council are governed by section 15.059.

Subd. 3. Staff. The council shall hire an executive director in the unclassified service. The commissioner of energy and economic development shall provide the council with administrative staff and other administrative support.

Subd. 4. Duties. (a) The council shall develop a strategic plan to facilitate economic expansion in the state by encouraging biotechnology-related developments. The plan must include recommendations for legislation required to encourage

biotechnology-related development and must be submitted to the legislature by December 1, 1986.

(b) The council shall advise the governor, legislature, other governmental units, and institutions of higher education on matters relating to biotechnology that may affect the state and its citizens.

(c) The council shall develop a long-range biotechnology strategy for the state.

(d) The council shall recommend activities needed to promote economic development through biotechnology, including the needs of higher education and business.

(e) The council shall facilitate the interaction and information exchange on biotechnology among the business and financial communities and the state's higher education institutions.

(f) The council may accept gifts and grants in furtherance of its duties.

History: *1Sp1985 c 13 s 248*

116J.951 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to sections 116J.951 to 116J.961.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of energy and economic development.

Subd. 3. **Council.** "Council" means the governor's rural development council.

Subd. 4. **Member.** "Member" means a member of the council.

History: *1985 c 254 s 1*

116J.955 RURAL REHABILITATION REVOLVING FUND.

Subdivision 1. **Establishment.** The rural rehabilitation revolving fund is established as an account in the state treasury. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation revolving fund. The principal amount of the rural rehabilitation revolving fund, \$9,300,000, may not be spent and must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the activities of the rural development council.

Subd. 2. **Expenditure of investment income.** The commissioner may only use the income from the investment of the rural rehabilitation revolving fund for the purposes that are allowed under the Minnesota rural rehabilitation corporation's charter and agreement with the United States Secretary of Agriculture as provided in Public Law Number 499, 81st Congress, enacted May 3, 1950 and as allowed under section 116J.961, subdivision 8. Not more than three percent of the book value of the Minnesota rural rehabilitation corporation's assets may be used for administrative purposes in a year without approval of the United States Secretary of Agriculture.

Subd. 3. **Transfer of authorized records to commissioner.** The authority, assets, books, and records held by the Minnesota rural rehabilitation corporation and later by the state executive council under Public Law Number 499, 81st Congress, May 3, 1950, is transferred to the commissioner.

History: *1985 c 254 s 2*

116J.961 GOVERNOR'S RURAL DEVELOPMENT COUNCIL.

Subdivision 1. **Establishment.** The governor's rural development council is established in the department of energy and economic development. The council shall consist of one representative from each of the state's development regions, including the seven-county metropolitan area, and the commissioner.

Subd. 2. **Selection of members.** Members representing the state's development regions must be selected by a majority vote of the regional development commissions, where they exist, and the metropolitan council. In regions that have dissolved their development commissions, members must be selected by a majority vote of the chairs of the respective county boards of commissioners in the region. Members must reside within the region they represent. The county boards of commissioners and the regional development commissions selecting members are encouraged to give preference to persons that hold an elected office. The county boards of commissioners and the regional development commissions must give public notice of vacancies on the council and make a selection of a member from applications received for the positions. The terms, compensation, and expiration of the council and its members are as provided in section 15.059 except that existing members of the council shall serve until January 1, 1987. A member may not serve more than two consecutive terms.

Subd. 3. **Officers.** The council may elect a chairperson, vice chairperson, and other officers as is necessary from its members.

Subd. 4. **Advisory task forces.** The council may form advisory task forces to advise or assist the council to identify and work with rural development issues. The council shall appoint persons to the task forces. The persons on the task force may not receive per diem but may be reimbursed for expenses.

Subd. 5. **Council staff.** (a) The commissioner shall employ, with the concurrence of the council, an executive director experienced in public administration and rural development issues. The executive director is not a member of the council, but shall perform duties the council may require in carrying out its responsibilities. The executive director's position is in the unclassified service.

(b) The commissioner shall employ professional staff, clerical help, and other necessary employees upon the recommendation of the council and the executive director. Support staff shall serve in the classified civil service. The commissioner shall also provide materials and administrative help necessary for the council's activities including personnel, budget, payroll, and contract administration.

Subd. 6. **Expenses of council.** The commissioner shall pay for the expenses of the council, the council staff, and the council's programs from the appropriation under section 116J.955, subdivision 1.

Subd. 7. **Identification of rural development policy.** The council shall advise the governor and the legislature on matters of public policy relating to rural development. The council shall identify prominent rural issues and formulate and advocate policies that serve the needs of the rural population of the state.

Subd. 8. **Administration of annual investment income from the rural rehabilitation revolving fund.** (a) The council shall administer the annual investment income from the rural rehabilitation revolving fund by:

(1) administering a rural development grant program including the establishment of grant eligibility criteria, solicitation and review of grant applications, and determination of projects to be funded;

(2) developing priorities for state projects and activities related to rural development;

(3) providing technical help and rural development information services to state agencies, regional agencies, special districts, local governments, and interested citizens;

(4) preparing an annual budget and work program, and a biennial budget;

(5) preparing an annual report for the state office of the farmers home administration, United States Department of Agriculture outlining program activities and expenditures from the trust fund; and

(6) reporting to the house agriculture and senate agriculture and natural resources committees by January 31 of each year on the grants, projects, and activities of the council.

(b) The commissioner shall make agreements or contracts to distribute grant funds to projects selected by the council.

Subd. 9. **Rules.** The commissioner shall, with the concurrence of the council, adopt rules for the administration of a rural development grant program.

Subd. 10. **Budget.** The commissioner shall review and approve a biennial budget prepared by the council and submit it to the governor and the legislature for approval as part of the biennial budget process.

History: 1985 c 254 s 3

116J.965 INTERAGENCY COOPERATION.

State departments and agencies shall cooperate with and assist the council in its work.

History: 1985 c 254 s 4