

## CHAPTER 474

## PUBLIC DEVELOPMENT DEBT LAWS

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**474.01 CITATION; POLICIES, PURPOSES AND FINDINGS; PARTICIPATION BY MUNICIPALITIES.**

*[For text of subds 1 to 7, see M.S.1984]*

Subd. 7a. No municipality or redevelopment agency shall undertake any project authorized by sections 474.01 to 474.13, except a project referred to in section 474.02, subdivision 1f, unless its governing body finds that the project furthers the purposes stated in this section, nor until the commissioner of energy and economic development has approved the project, on the basis of preliminary information which the commissioner may require, as tending to further the purposes and policies of sections 474.01 to 474.13. The commissioner may not approve any projects relating to health care facilities except as permitted under subdivision 9. Approval shall not be deemed to be an approval by the commissioner of energy and economic development or the state of the feasibility of the project or the terms of the revenue agreement to be executed or the bonds to be issued therefor, and the commissioner shall state this in communicating approval.

*[For text of subds 7b and 8, see M.S.1984]*

Subd. 9. **Health care facilities.** The welfare of the state further requires the provision of necessary health care facilities, to the end that adequate health care services be made available to residents of the state at reasonable cost. However, some projects relating to nursing homes may be inconsistent with established state policies and detrimental to the welfare of the state. The commissioner of energy and economic development shall forward to the commissioner of human services and the commissioner of health for review, all applications for projects relating to nursing homes licensed by the commissioner of health under chapter 144A. This review process does not apply to projects approved by the housing finance agency involving residences for the elderly, the costs of which will not be reimbursed under the medical assistance program. The commissioner of human services and the commissioner of health must return the applications to the commissioner of energy and economic development with a recommendation within 30 days of receipt. The commissioner of energy and economic development may not approve an application unless the project has been determined by both the commissioner of human services and the commissioner of health to be consistent with policies of the state as reflected in a statute or rule. The following projects may not be approved:

(1) projects that will result in an increase in the number of nursing home or boarding care beds in the state, unless the increase was approved before May 1, 1985, under section 144A.071, subdivision 3;

(2) projects involving refinancing, unless the refinancing will result in a reduction in debt service charges that will be reflected in charges to patients and third-party payors; and

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(3) projects that are inconsistent with the established policies of the state as reflected in a statute or rule.

*[For text of subds 10 and 11, see M.S.1984]*

**History:** 1Sp1985 c 3 s 35,36

## 474.02 DEFINITIONS.

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

Subd. 1g. The term "project" shall also include any real properties used or useful in furtherance of the purposes and policies of sections 472B.03 to 472B.07.

*[For text of subds 2 to 9, see M.S.1984]*

**History:** 1985 c 194 s 28

## 474.16 DEFINITIONS.

*[For text of subds 1 and 2, see M.S.1984]*

Subd. 3. "Entitlement issuer" means an issuer provided an allocation under section 474.17.

Subd. 4. [Repealed, 1Sp1985 c 14 art 8 s 63]

*[For text of subd 5, see M.S.1984]*

Subd. 6. "Manufacturing project" means properties, real or personal, used in connection with a revenue producing enterprise in connection with assembling, fabricating, manufacturing, mixing, or processing any products of agriculture, forestry, mining, or manufacture. Properties used for storing, warehousing, or distributing qualify under this definition (a) if they are used as part of or in connection with an assembly, fabricating, manufacturing, mixing, or processing facility or (b) if they are used for the storing of agricultural products and are located outside of the metropolitan area, as defined in section 473.121, subdivision 2. Manufacturing project includes properties, real or personal, used in connection with research and development activity to develop or improve products, production processes, or materials. For purposes of this subdivision, "a product of manufacture" includes information and directions which dictate the functions to be performed by data processing equipment, commonly called computer software, regardless of whether they are embodied in or recorded on tangible personal property. A project qualifies as a manufacturing project only if 75 percent of the proceeds of the proposed obligations will be used for construction, acquisition, installation, or addition of properties described in this subdivision.

Subd. 7. "Pollution control project" means properties, real or personal, used in the abatement or control of noise, air, or water pollution, or in the disposal of solid waste, in connection with a revenue producing enterprise, engaged in or to be engaged in any business or industry. A project qualifies as a pollution control project only:

(a) if 75 percent of the proceeds of the obligations will be used for the construction, acquisition, installation, or addition of properties described in this subdivision; or

(b) if it is not a manufacturing project and 75 percent of the proceeds of the obligations will be used for the construction, acquisition, installation, or addition of properties described in this subdivision and in subdivision 6.

Subd. 8. "Waste management project" means a project which is authorized by chapter 115A or 400, or sections 473.801 to 473.834.

Subd. 9. "Commercial redevelopment project" means a project as defined in section 474.02, if it is not a manufacturing or pollution control project and one of the following conditions is met:

(a) The project site would qualify as a redevelopment district as defined in section 273.73, subdivision 10. To qualify the project need not be included in a tax increment financing district.

(b) Seventy-five percent of the proceeds of the obligations will be used to acquire and rehabilitate or replace an existing structure which is functionally obsolete or contains structural or other defects justifying substantial renovation or clearance.

(c) The project will be undertaken and the obligations issued pursuant to a written program administered by the local issuer and the financing provides for a substantial commitment of local public funds.

(d) Substantially all of the proceeds of the obligations will be used to finance facilities with respect to which an urban development action grant has been made under section 119 of the federal Housing and Community Development Act of 1974.

Subd. 10. "Written development program" or "program" means a written economic development plan that contains at least substantially all of the following:

(a) a description of the area subject to the plan, which may not exceed 20 percent of the total acreage of the issuer;

(b) a statement of the objectives for the development of the area subject to the plan;

(c) a statement of the development plan for the area subject to the plan, including the property within the area, if any, which is to be acquired by a governmental unit;

(d) a description of the type of specific development reasonably expected to take place within the area subject to the plan; and

(e) a description of the kind and an estimate of the amount of public funds, including local public funds, expected to be spent in connection with the development of the area subject to the plan.

Subd. 11. "Substantial commitment of local public funds" means that either of the following two conditions is satisfied.

(a) Under the project financing the governmental unit appropriates, pledges, guarantees, or otherwise provides local public funds to pay part of the cost of financing the obligations, including bond issuance, debt service, loan origination, and carrying expenses, or of the facility financed with the proceeds of the obligations. This condition is satisfied only if at the time the obligations are issued, the issuer reasonably expects that the aggregate value of the local public funds will exceed the lesser of \$1,000,000 or one percent of the face amount of the obligations. No provision may be made for a nonexempt person to reimburse the governmental unit for the local public funds.

(b) The governmental unit appropriates, pledges, guarantees, or otherwise provides a program contribution of local public funds or governmental services to the program or a facility financed with the proceeds of the obligations. This condition is satisfied only if the issuer reasonably expects at the time the obligations are issued that the aggregate value of the local public funds will exceed \$5,000,000 or five percent of the aggregate face amount of the obligations. The issuer must value

the services at the reasonable cost of delivering them. The program contribution must be used for one or more of the following purposes:

- (i) reducing the cost of financing the obligations, as described in paragraph (a);
- (ii) securing the payment of debt service on obligations issued pursuant to the program;
- (iii) financing public improvements under a comprehensive redevelopment or renewal program, if the costs are reasonably allocable to a facility financed with the proceeds of the obligations and if the improvements are made no earlier than three years prior to issuance of the obligations to which the contribution applies or more than one year after issuance; or
- (iv) other costs reasonably related to the program.

If the governmental unit is reimbursed by a nonexempt person for any part of the program within five years after the contribution was made, the reimbursement must be applied for one or more of the purposes described in this paragraph.

For purposes of this subdivision, "governmental unit" means the local issuer that issues the obligations for the project or the governmental unit that approves the obligations for purposes of section 103(k)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1984, or both.

Subd. 12. "Local public funds" means the funds of a governmental unit except the following:

- (a) the proceeds of an obligation subject to a federal limitations act;
- (b) payments or property furnished by a nonexempt person to repay or secure the loan of proceeds of an obligation subject to a federal limitations act or other payments made in consideration of the issuance of an obligation subject to a federal limitations act;
- (c) payments furnished by a nonexempt person for its right to use in its trade or business a facility financed with the proceeds of obligations subject to a federal limitations act;
- (d) tax increments, as defined in section 273.76; or
- (e) tax reductions provided pursuant to sections 273.1312 to 273.1314.

Subd. 13. "Nonexempt person" means a person or entity other than an exempt person as defined in section 103(b)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1984.

Subd. 14. "Preliminary resolution" means a resolution adopted by the governing body of the issuer or in the case of the iron range resources and rehabilitation board by the commissioner of the board. The resolution must express a preliminary intention of the issuer to issue obligations for a specific project and must identify the proposed project, the proposed site for the project, and the proposed amount of the obligations to be issued. The resolution for a waste management project need not include the site for the project if the resolution identifies a specific process and a deadline for site selection.

Subd. 15. "Issuer" means any entity authorized by state law to issue obligations subject to a federal limitation act and specifically includes the higher education coordinating board, the energy and economic development authority, the commissioner of the iron range resources and rehabilitation board, and any local issuer.

**History:** *1Sp1985 c 14 art 8 s 31-41*

#### **474.17 ALLOCATION OF PRIVATE ACTIVITY BONDS.**

Subdivision 1. **Higher education coordinating board allocation.** \$10,000,000 for calendar year 1985 and \$25,000,000 for each subsequent calendar year of the

aggregate limit of bond issuance authority allocated to the state pursuant to a federal limitation act is allocated to the higher education coordinating board for the issuance of obligations pursuant to chapter 136A. On September 1, any unused portion of the bonding authority allocated to the higher education coordinating board pursuant to this subdivision shall be canceled and the authority shall be allocated pursuant to section 474.19.

**Subd. 2. Iron range resources and rehabilitation allocation.** From January 1 to August 31 of each calendar year, \$30,000,000 of the aggregate limit of bond issuance authority allocated to the state for any calendar year pursuant to a federal limitation act is allocated to the iron range resources and rehabilitation commissioner. From September 1 to October 31 of each year, the iron range resources and rehabilitation commissioner may retain his allocation or a portion of it only if he has submitted to the energy and economic development authority on or before September 1 a letter which states (a) his intent to issue obligations pursuant to his allocation or a portion of it before the end of the calendar year or within the time period permitted by a federal limitation act and (b) a description of the specific project or projects for which the obligations will be issued, together with an application deposit in the amount of one percent of the amount of the remaining unused allocation or the portion of it pursuant to which he intends to issue obligations. If the iron range resources and rehabilitation commissioner does not submit the required letter of intent and the application deposit, the amount originally allocated to the iron range resources and rehabilitation commissioner or the portion not already used not subject to a letter of intent shall be canceled and subject to reallocation in accordance with section 474.19. If the iron range resources and rehabilitation commissioner returns for reallocation all or any part of his allocation on or before October 31, that portion of his application deposit equal to one percent of the amount returned shall be refunded within 30 days.

Upon the request of a statutory city located in the taconite tax relief area which received an entitlement allocation under section 474.18 of \$5,000,000 or more for calendar year 1985, the iron range resources and rehabilitation commissioner shall enter into an agreement with the city whereby the commissioner issues obligations, in an amount requested by the city but not to exceed \$5,000,000, on behalf of the city.

**Subd. 3. Energy and economic development authority allocation.** \$60,000,000 of the aggregate limit of bond issuance authority allocated for each calendar year to the state pursuant to a federal limitation act is allocated to the department of energy and economic development for use or allocation pursuant to section 116J.58, subdivision 4. After August 31 of each year, the energy and economic development authority or any entity which receives an allocation from the department of energy and economic development pursuant to section 116J.58, subdivision 4, may retain its allocation or a portion of it only if it has submitted to the department of energy and economic development responsible for administering Laws 1984, chapter 582, on or before September 1 a letter which states (a) its intent to issue obligations pursuant to its allocation or a portion of it before the end of the calendar year or within the time period permitted by a federal limitation act, and (b) a description of the specific project or projects for which the obligations will be issued, together with an application deposit in the amount of one percent of the amount of its remaining unused allocation or the portion of it pursuant to which it intends to issue obligations. If the energy and economic development authority or any entity which receives an allocation from the department of energy and economic development pursuant to section 116J.58, subdivision 4, does not submit the required letter of intent and the application deposit, the amount originally allocated to the energy and

economic development authority or any entity which receives an allocation from the department of energy and economic development pursuant to section 116J.58, subdivision 4, or the portion not already used and not subject to a letter of intent shall be canceled and subject to reallocation in accordance with section 474.19. If the energy and economic development authority or any entity which receives an allocation from the energy and economic development authority pursuant to section 116J.58, subdivision 4, returns for reallocation all or any part of its allocation on or before October 31, that portion of its application deposit equal to one percent of the amount returned shall be refunded within 30 days.

Subd. 3a. **Entitlement cities.** From January 1 to August 31 of each calendar year an amount of bond issuance authority shall be allocated to (a) cities of the first class and (b) the largest Minnesota city located in a standard metropolitan statistical area that does not contain a city of the first class, if the city has a population of 25,000 or more. The amount allocated to a first class city shall be an amount equal to \$200 multiplied by the city's population. The amount allocated to each city qualifying under clause (b) is \$5,000,000. After August 31 of each year, a local issuer receiving an allocation under this subdivision may retain all or a portion of its allocation only if it has submitted to the department of energy and economic development by September 1 a letter stating its intent to issue obligations pursuant to its allocation before the end of the calendar year or within the time permitted by a federal limitation act and an application deposit equal to one percent of the amount of the unused allocation for which it intends to issue obligations. The portion of any unused issuance authority for which an application deposit and letter of intent has not been received by the department on September 1, is canceled and must be reallocated under section 474.19. If a local issuer returns for reallocation all or part of its allocation under this subdivision by October 31, the application deposit for the amount of the returned authority must be refunded to the local issuer.

For purposes of this subdivision, "city" means a statutory or home rule charter city and "population" means the population determined under section 477A.011, subdivision 3.

Subd. 3b. **Entitlement transfers.** An entitlement issuer may enter into an agreement with another entitlement issuer whereby the recipient entitlement issuer issues bonds pursuant to issuance authority allocated to the original entitlement issuer under this section.

Subd. 4. **Pool allocation.** Any amount of the aggregate limit of bond issuance authority allocated to the state for any calendar year pursuant to a federal limitation act which is not allocated pursuant to subdivisions 1 to 3a shall be allocated among issuers pursuant to sections 474.19 to 474.23.

**History:** 1985 c 248 s 62; 1Sp1985 c 14 art 8 s 42

**474.18** [Repealed, 1Sp1985 c 14 art 8 s 63]

#### **474.19 ALLOCATION OF POOL AMOUNT.**

Subdivision 1. **Pool amount.** From January 1 to October 31 of any calendar year, the amounts available for allocation or reallocation pursuant to section 474.17 or this section shall be allocated among issuers pursuant to this section. An entitlement issuer may apply for an allocation pursuant to this section after August 15 and only if the applicant has adopted a final resolution authorizing the sale of bonds equal to any allocation received pursuant to section 474.17 or has returned any remaining allocation for reallocation pursuant to this section. A city of the first

class may apply for an allocation for a manufacturing project at any time, notwithstanding the preceding sentence.

**Subd. 2. Application.** An issuer may apply for an allocation of bond issuance authority pursuant to this section by submitting to the department of energy and economic development on or before the 10th or the 25th day of any month from December to September or on or before the tenth of October an application on forms provided by the department of energy and economic development, accompanied by (i) a preliminary resolution of the local issuer; and (ii) an application deposit in the amount of one percent of the requested allocation. A local issuer may elect not to submit an application for an allocation of bond issuance authority for a project for which the local issuer previously adopted a preliminary resolution.

**Subd. 3. Allocation criteria.** The department of energy and economic development shall rank each application on the basis of the number of points awarded to it, with one point being awarded for each of the following criteria satisfied:

(1) The current rate of unemployment for the applicant is at or above 110 percent of the statewide average unemployment rate for the most recently available reporting period, as determined by the department of economic security. The unemployment rate for the applicant shall be the greater of (i) the most recent estimate available for the smallest jurisdiction which wholly includes the jurisdiction of the applicant, as reported by the department of economic security, or (ii) another estimate supplied by the applicant with respect to its jurisdiction, which is documented by the applicant.

(2) The number of individuals employed in the applicant's jurisdiction declined from the second calendar year before the application, to the first calendar year before the application. The estimate of the number of individuals employed for each year shall be based on the same source, and shall be (i) the most recent estimate available for the smallest jurisdiction which wholly includes the applicant, as reported by the department of economic security, or (ii) another estimate supplied by the applicant with respect to its jurisdiction, which is documented by the applicant.

(3) The project will provide additional general tax revenue to the taxing jurisdictions in which the project is located beginning not later than three years after issuance and sale of the obligations.

(4) The number of jobs to be created by the project described in the application is at least two jobs for each \$100,000 of issuance authority requested for the project.

(5) As of the date of application the total market value of all taxable property in the applicant's jurisdiction, as based on the most recent certification of assessed value to the commissioner of revenue, has either (i) declined in relation to the first calendar year before the certification, or (ii) increased in relation to the first calendar year before the certification at a rate which is not in excess of 90 percent of the rate of increase of the state average market value over the same period.

(6) The total capital expenditures for the project exceed by ten percent the amount of the proceeds of the obligations to be issued for the project.

(7) The project is wholly located in an enterprise zone designated pursuant to section 273.1312.

(8) The project site meets the criteria necessary to qualify as a tax increment redevelopment district as defined in section 273.73, subdivision 10. To qualify under this clause the project need not be included in a tax increment financing district.

(9) The project meets one of the following energy conservation criteria: (i) the project is eligible for the additional federal investment tax credits for energy property, (ii) the project involves construction or expansion of a district heating

system as defined in section 116J.36, or (iii) the project involves construction of an energy source as described in section 116J.26, clause (a), (b), or (d) or 116M.03, subdivisions 22, 23 and 26.

(10) The project consists of the renovation, rehabilitation, or reconstruction of an existing building which is (i) located in a historic district designated under section 138.73, or on a site listed in the state registry of historical sites under sections 138.53 to 138.5819; or (ii) designated in the National Register pursuant to United States Code, title 16, section 470a.

(11) Service connections to sewer and water systems are available to the project at the time the application is submitted.

(12) As provided by a binding agreement with the municipality, at least ten percent of the individuals employed by the principal user or users of the project will be minority or low income individuals.

(13) When the application is submitted either (a) neither the anticipated owner of the project, nor any party of which the owner was a controlling partner or shareholder, or which was a controlling shareholder or partner of the owner, owned or operated a substantially similar business within the state or (b) the project is an expansion of the operations of an existing business which is not likely to have the effect of transferring existing employment from one or more other municipalities within the state to the municipality in which the project is located.

(14) A controlling interest in the project will be owned by one or more women or minority persons.

(15) Seventy-five percent or more of the proceeds of the proposed issue will be used to rehabilitate an existing structure.

**Subd. 4. Allocation procedure.** (a) The department of energy and economic development shall allocate available issuance authority to applications by the tenth day succeeding each application deadline specified in subdivision 2 in the following order of priority and available issuance authority may not be allocated to any other project:

- (i) applications for manufacturing projects;
- (ii) applications for pollution control projects or waste management projects;
- and
- (iii) applications for commercial redevelopment projects.

Within each category of applications available authority shall be assigned on the basis of the numerical rank determined pursuant to this section. In the case of an application for issuance authority that includes more than one project to be financed by one issue of obligations, the points assigned to the application shall be computed on the basis of the weighted average of points for the projects. The projects must all be of the same category of projects to be submitted as a multiproject application. If two or more applications have the same numerical rank, the allocation of issuance authority as between the applications shall be by lot unless otherwise agreed by the respective local issuers. If an application is rejected, the department of energy and economic development shall return the application deposit to the applicant within 30 days.

(b)(i) From January 1 through October 31, no more than 35 percent of the total amount of issuance authority available for allocation during the calendar year pursuant to this section may be allocated to pollution control and waste management projects.

(ii) From January 1 through October 31, no more than 20 percent of the total amount of issuance authority available for allocation during the calendar year



pursuant to this section may be allocated to commercial redevelopment projects. This amount is increased to 30 percent of the total available authority for the next month's allocation if the following two conditions occur. (A) On or after June 30 the total amount of issuance authority available under this section which has not been allocated or has been allocated to but was returned by an issuer exceeds 45 percent of the total amount of issuance authority available for allocation under this section for the calendar year. (B) The entire amount of issuance authority available under this subparagraph for commercial redevelopment projects has been allocated.

**Subd. 5. Letter of intent.** A local issuer which has received an allocation pursuant to this section prior to September 1 and which intends to issue obligations pursuant to it after August 31 of the year in which the allocation was received, shall submit to the department of energy and economic development on or before September 1 a letter stating its intent to issue bonds before the end of the calendar year or within the time period permitted by a federal limitation act. If the letter of intent is not submitted to the department of energy and economic development, the one percent application deposit shall be returned to the local issuer, the issuance authority shall be canceled, and the issuance authority previously allocated to the local issuer will be available for reallocation pursuant to this section. If a local issuer returns for reallocation all or any part of its allocation on or before October 31, that portion of its application deposit equal to one percent of the amount returned shall be refunded within 30 days.

**Subd. 6. Final allocation.** From November 1 to December 31 of each year any amount determined pursuant to section 474.17, which is not both previously allocated and subject to a preliminary resolution for a specific project, whether or not committed pursuant to a letter of intent, is available for allocation or reallocation and shall be allocated among issuers. Applications for an allocation under this subdivision must be submitted on or before the tenth day prior to the following allocation dates: November 5, December 5, and December 20. An application for this allocation must include evidence of passage of a preliminary resolution and state that it is the intent of the applicant that the obligations will be issued by the end of the year or within the time period permitted by a federal limitation act, and must be accompanied by an application deposit in the amount of one percent of the requested allocation. The department of energy and economic development shall notify applicants of their allocation on or before the fifth day after the allocation date.

Authority may be allocated under this subdivision to any project, notwithstanding the percentage limits and other restrictions contained in subdivision 4. Applications must be ranked and authority allocated first according to the order of priority and ranking of points under subdivisions 3 and 4. The remaining authority must be allocated according to the ranking of points under subdivision 3. If two or more applications receive an equal number of points, allocations among them must be made by lot unless otherwise agreed by the respective applicants.

If issuance authority remains or becomes available following the final December 20th allocation, the department of energy and economic development must allocate the available authority to the higher education coordinating board.

**Subd. 7. Return of allocation.** If prior to December 20 of any year, an issuer determines that it will not issue obligations pursuant to authority allocated to it pursuant to this section or section 474.17 or 474.18 by the end of that year or within the time period permitted by a federal limitation act, the issuer may notify the department of energy and economic development and such amount will be available for reallocation pursuant to this subdivision. In such case, the department of energy and economic development shall refund to the issuer within 30 days that portion of any application deposit equal to one-third of one percent of the amount returned for

reallocation. The amounts available for reallocation shall be allocated on or before December 31 pursuant to subdivision 6.

**History:** 1985 c 248 s 63,64; 1Sp1985 c 14 art 8 s 43

#### **474.191 CARRYFORWARD ALLOCATION OF 1984 ISSUANCE AUTHORITY.**

The department of energy and economic development shall allocate any amount of the state private activity bond issuance authority for calendar year 1984 pursuant to a federal limitation act which is not used on or before December 31, 1984, by any issuer or allocated to a project eligible for carryforward treatment pursuant to Laws 1984, chapter 582, to issuers for projects which qualify for carryforward treatment of private activity bond issuance authority under a federal limitation act and regulations thereunder. An issuer which desires an allocation pursuant to this section must submit an application to the department on or before the last date on which an election may be filed to carry forward unused private activity bond issuance authority pursuant to a federal limitation act and regulations thereunder. The application must contain the following information:

- (1) the name and address of the issuer;
- (2) a description of the project for which an allocation of private activity bond issuance authority is requested (the higher education coordinating board may satisfy the requirements of this clause by stating that the bond proceeds are intended to be used for student loans);
- (3) the amount of bond issuance authority requested; and
- (4) a certification of the issuer that the project to which the application relates qualifies for carryforward treatment of allocated 1984 private activity bond issuance authority according to the terms of a federal limitation act and regulations thereunder.

Applications submitted pursuant to this section need not be accompanied by an application deposit or preliminary resolution. The department shall award allocations of 1984 private activity bond issuance authority to applications in the order in which applications are received by the department. The department shall return the application deposits made by applicants for a carryover allocation pursuant to section 474.19, subdivision 7. The amount necessary to pay the refund of application deposits is appropriated to the department of energy and economic development from the general fund. The department shall not award any allocation of 1984 private activity bond issuance authority pursuant to this section to any application which does not comply with clause (4).

For purposes of this section, "issuer" means a local issuer or the higher education coordinating board.

**History:** 1985 c 1 s 1

#### **474.20 NOTICES REQUIRED.**

**Subdivision 1. Notice of issue.** Any issuer of obligations subject to limitation under a federal limitation act shall give a notice of issue stating the date of issuance of the obligations, the allocation under which the obligations are issued, and the principal amount of the obligations to the department of energy and economic development within five days after the obligations are issued. If obligations are to be issued as a series of obligations, the notice of issue must be filed within five days after each of the series of obligations is issued. If the notice of issue is not filed within five days after the obligations are issued or within five days after each of the

series of obligations are issued that are a part of obligations to be issued as a series of obligations, the obligations shall be void unless this provision is waived by the department of energy and economic development. Within 30 days after receipt of the notice, the department of energy and economic development shall refund a portion of any application deposit equal to one percent of the principal amount of the obligations issued.

**Subd. 2. Notice of available authority.** The department of energy and economic development shall as soon as possible after the fifth day of each month publish in the State Register a notice of the amount of authority available for allocation or reallocation in the following month as of the fifth day of the month during which the notice is published, after allocation of authority pursuant to section 474.19.

**History:** 1Sp1985 c 14 art 8 s 44

#### 474.22 LEGISLATIVE REVIEW.

On March 1, 1986, the department of energy and economic development shall deliver a comprehensive report to the secretary of the senate and the clerk of the house which provides detailed information concerning the allocation of issuing authority pursuant to sections 474.16 to 474.20.

**History:** 1Sp1985 c 14 art 8 s 45

#### 474.23 ADDITIONAL CONDITIONS.

**Subdivision 1. Projects not included.** Action under this chapter with respect to any project which is to be financed by obligations which are subject to volume limitation of a federal limitation act shall be subject to the following conditions:

(a) No municipality or redevelopment agency shall undertake any project, except a project referred to in section 474.02, subdivision 1f, unless its governing body finds that the project would not be undertaken but for the availability of industrial development bond financing.

(b) Notwithstanding any provision of this chapter, the term "project" shall not include: an airplane; a private luxury box; a facility primarily used for gambling; or a store the principal business of which is the sale of alcoholic beverages for consumption off premises.

**Subd. 2. Warehouse projects prohibited.** Notwithstanding any provision of this chapter, proceeds of obligations which are subject to volume limitation of a federal limitation act may not be used for the financing of a warehouse project. For the purposes of this section, "warehouse project" means any building or structure that is used primarily for the self storage by an individual of goods, wares, or merchandise for compensation. "Warehouse project" does not include a safe deposit box or a storage area on the grounds of, and maintained primarily for the convenience of the occupants of, residential housing structures.

**History:** 1Sp1985 c 14 art 8 s 46

#### 474.24 [Repealed, 1Sp1985 c 14 art 8 s 63]

#### 474.26 APPROPRIATION.

The amount necessary to pay the return or refund of application deposits required by sections 474.17 and 474.19 is annually appropriated to the department of energy and economic development from the general fund.

**History:** 1Sp1985 c 14 art 8 s 47