

## CHAPTER 116J

DEPARTMENT OF ENERGY AND ECONOMIC  
DEVELOPMENT

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**116J.01 DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT.**

Subdivision 1. **Appointment.** The department of energy and economic development shall be supervised and controlled by the commissioner of energy and economic development, who shall be appointed by the governor and serve under the provisions of section 15.06.

Subd. 2. **Confidential secretary.** The commissioner may appoint a confidential secretary in the unclassified service.

Subd. 3. **Departmental organization.** The commissioner shall organize the department as provided in section 15.06. The department shall be organized into four

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divisions, which shall be designated the energy division, the community development division, the economic development division, and the financial management division; and the office of tourism. Each division and office is responsible for administering the duties and functions assigned to it by law. When the duties of the divisions or office are not allocated by law, the commissioner may establish and revise the assignments of each division and office. Each division shall be under the direction of a deputy commissioner in the unclassified service. The office of tourism is under the direction of a director of tourism in the unclassified service. The governor shall appoint the director of tourism.

**History:** 1981 c 356 s 64; 1983 c 289 s 40-42; 1984 c 558 art 4 s 3

**116J.02** [Repealed, 1983 c 289 s 119]

## **116J.03 DEFINITIONS.**

Subdivision 1. **Scope.** As used in chapter 116J, the terms defined in this section have the meaning given them.

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

Subd. 3. **Department.** "Department" means the department of energy and economic development.

**History:** 1981 c 356 s 66,248; 1983 c 289 s 43

## **116J.035 DUTIES AND POWERS OF COMMISSIONER; RULES.**

Subdivision 1. **Powers.** The commissioner may:

(a) apply for, receive, and expend money from municipal, county, regional, and other government agencies;

(b) apply for, accept, and disburse grants and other aids from other public or private sources;

(c) contract for professional services if such work or services cannot be satisfactorily performed by employees of the department or by any other state agency;

(d) enter into interstate compacts to jointly carry out such research and planning with other states or the federal government where appropriate;

(e) distribute informational material at no cost to the public upon reasonable request; and

(f) enter into contracts necessary for the performance of the commissioner's duties with federal, state, regional, metropolitan, local, and other agencies or units of government; educational institutions, including the University of Minnesota. Contracts made pursuant to this section shall not be subject to the competitive bidding requirements of chapter 16.

The commissioner may apply for, receive, and expend money made available from federal or other sources for the purpose of carrying out the duties and responsibilities of the commissioner pursuant to this chapter.

All moneys received by the commissioner pursuant to this chapter shall be deposited in the state treasury and are appropriated to the commissioner for the purpose for which the moneys have been received. The money shall not cancel and shall be available until expended.

Subd. 2. **Rules.** The commissioner may adopt rules pursuant to chapter 14 as necessary to carry out the commissioner's duties and responsibilities pursuant to this chapter.

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:** 1984 c 604 s 2; 1Sp1985 c 14 art 9 s 4; 1986 c 444

## ENERGY

**116J.04 ENERGY POLICY DEVELOPMENT TASK FORCE.**

The commissioner may appoint an advisory task force on energy policy development. If created the task force shall include at least one member from each congressional district. The task force members shall broadly represent the scientific, technical, educational, business and labor fields. The task force shall develop recommendations on policy for energy issues and energy needs and shall advise the commissioner on the energy related functions of the department. The expiration, terms, compensation, and removal of members shall be as provided by section 15.059.

**History:** 1981 c 356 s 67; 1983 c 260 s 23; 1983 c 305 s 17

**116J.05 FINDINGS AND PURPOSE.**

The legislature finds and declares that continued growth in demand for energy will cause severe social and economic dislocations, and that the state has a vital interest in providing for: increased efficiency in energy consumption, the development and use of renewable energy resources wherever possible, and the creation of an effective energy forecasting, planning and education program.

The legislature further finds and declares that the protection of life, safety and financial security for citizens during an energy crisis is of paramount importance.

Therefore, the legislature finds that it is in the public interest to review, analyze and encourage those energy programs that will minimize the need for annual increases in fossil fuel consumption by 1990 and the need for additional electrical generating plants, and provide for an optimum combination of energy sources consistent with environmental protection and the protection of citizens.

The legislature intends to monitor, through energy policy planning and implementation, the transition from historic growth in energy demand to a period when demand for traditional fuels becomes stable and the supply of renewable energy resources is readily available and adequately utilized.

**History:** 1974 c 307 s 1; 1980 c 579 s 4; 1981 c 356 s 248

**116J.06 DEFINITIONS.**

Subdivision 1. For the purposes of sections 116J.05 to 116J.30, the following terms shall have the meanings here given them.

Subd. 2. "Earth sheltered" means constructed so that 50 percent or more of the exterior surface is covered or in contact with earth. Exterior surface includes all walls and roof, but excludes garages and other accessory buildings. Earth covering on walls is measured from the floor of the structure's lowest level. Earth covering on the roof must be at least 12 inches deep to be included in calculations of earth covering. Partially completed buildings shall not be considered earth sheltered.

Subd. 3. [Renumbered 216B.2421 subd 2]

Subd. 4. "Petroleum supplier" means any petroleum refinery in the state and any entity engaged in transmission or wholesale distribution of more than 100,000 gallons of crude petroleum or petroleum fuels or oil or derivatives thereof annually in this state.

Subd. 5. "Coal supplier" means any entity engaged in this state in the wholesale distribution of coal or transportation into this state of any coal intended for use or distribution in the state or transshipment from the state.

Subd. 6. "Utility" means any entity engaged in this state in the generation, transmission or distribution of electric energy and any entity engaged in this state in the transmission or distribution of natural or synthetic natural gas, including, but not limited to a private investor owned utility or a public or municipally owned utility.

Subd. 7. "Construction" means significant physical alteration of a site to install or enlarge a large energy facility, but not including activities incident to preliminary engineering or environmental studies.

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Subd. 8. "Decorative gas lamp" means a device installed for the purpose of producing illumination by burning natural, mixed, or LP gas and utilizing either a mantle or an open flame, but does not include portable camp lanterns or gas lamps.

Subd. 9. "Solar energy system" means a set of devices whose primary purpose is to collect solar energy and convert and store it for useful purposes including heating and cooling buildings or other energy-using processes, or to produce generated power by means of any combination of collecting, transferring, or converting solar-generated energy.

Subd. 10. "Building energy report" means a questionnaire designed to collect information on a building concerning its energy use and other basic factors that relate to energy use.

Subd. 11. "Mini-audit" means a brief, on site, inspection designed to observe and record building energy use systems and related factors. The primary objective is to identify energy saving measures that can be implemented quickly and at low cost.

Subd. 12. "Maxi-audit" means a detailed engineering analysis of energy saving building improvements, including modifications to building structure; heating, ventilating and air conditioning systems; operation practices; lighting; and other factors that relate to energy use. The primary objective is to quantify the economic and engineering feasibility of energy saving improvements which require capital expenditures or major operational modifications.

Subd. 13. Wind energy conversion system (WECS) means any device, such as a wind charger, windmill, or wind turbine, which converts wind energy to a form of usable energy.

**History:** 1974 c 307 s 2; 1975 c 170 s 1; 1976 c 333 s 1,2; 1977 c 381 s 8; Ex1979 c 2 s 10-12; 1981 c 356 s 248; 1982 c 561 s 1; 1982 c 563 s 2; 1983 c 231 s 2

## 116J.07 CONFLICT OF INTEREST.

No person shall be eligible to continue in office as commissioner unless that person has within six months after being appointed completed divestiture of any interest except fully vested pension rights in any utility, coal or petroleum supplier, or manufacturer of any major component of a large energy facility doing business within or outside this state.

No person who is an employee of the department shall participate in any manner in any decision or action of the commissioner where that person has a direct or indirect financial interest.

**History:** 1974 c 307 s 5; 1981 c 356 s 125,248; 1986 c 444

## 116J.08 JURISDICTION.

The commissioner has sole authority and responsibility for the administration of sections 116J.05 to 116J.30. Other laws notwithstanding, the authority granted the commissioner shall supersede the authority given any other agency whenever overlapping, duplication or additional administrative or legal procedures might occur in the administration of sections 116J.05 to 116J.30. The commissioner shall consult with other state departments or agencies in matters related to energy and shall contract with them to provide appropriate services to effectuate the purposes of sections 116J.05 to 116J.30. Any other department, agency or official of this state or political subdivision thereof which would in any way affect the administration or enforcement of sections 116J.05 to 116J.30 shall cooperate and coordinate all activities with the commissioner to assure orderly and efficient administration and enforcement of sections 116J.05 to 116J.30.

The commissioner shall designate a liaison officer whose duty shall be to insure the maximum possible consistency in procedures and to eliminate duplication between the commissioner and the other agencies that may be involved in energy.

**History:** 1974 c 307 s 6; 1980 c 509 s 29; 1981 c 356 s 126,248

**116J.09 DUTIES.**

The commissioner shall:

(a) manage the department as the central repository within the state government for the collection of data on energy;

(b) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(c) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(d) carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 116J.05 to 116J.30;

(e) collect and analyze data relating to present and future demands and resources for all sources of energy;

(f) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 116J.05 to 116J.30, and make recommendations for changes in energy pricing policies and rate schedules;

(g) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(h) design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(i) inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(j) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(k) charge other governmental departments and agencies involved in energy related activities with specific information gathering goals and require that those goals be met;

(l) design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity.

Further, the commissioner may participate fully in hearings before the public utilities commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 116J.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

**History:** 1974 c 307 s 7; 1977 c 381 s 9; 1981 c 356 s 127,248; 1982 c 563 s 3; 1983 c 179 s 1; 1983 c 289 s 44; 1984 c 654 art 2 s 99

**116J.10 POWERS.**

The commissioner may:

(a) Adopt rules pursuant to chapter 14 as necessary to carry out the purposes of sections 116J.05 to 116J.30 and, when necessary for the purposes of section 116J.15, adopt emergency rules pursuant to sections 14.29 to 14.36;

(b) make all contracts pursuant to sections 116J.05 to 116J.30 and do all things necessary to cooperate with the United States government, and to qualify for, accept and disburse any grant intended for the administration of sections 116J.05 to 116J.30. Notwithstanding any other law the commissioner is designated the state agent to apply for, receive and accept federal or other funds made available to the state for the purposes of sections 116J.05 to 116J.30;

(c) provide on-site technical assistance to units of local government in order to enhance local capabilities for dealing with energy problems;

(d) administer for the state, energy programs pursuant to federal law, regulations or guidelines, except for the crisis fuel assistance and low income weatherization programs administered by the department of jobs and training, and coordinate the programs and activities with other state agencies, units of local government and educational institutions;

(e) design and administer a statewide program for the energy and economic development authority and actively involve major organizations and community leaders in its work and shall solicit funds from all sources;

(f) develop a state energy investment plan with yearly energy conservation and alternative energy development goals, investment targets, and marketing strategies;

(g) perform market analysis studies relating to conservation, alternative and renewable energy resources, and energy recovery;

(h) assist with the preparation of proposals for innovative conservation, renewable, alternative, or energy recovery projects;

(i) manage and disburse funds made available for the purpose of research studies or demonstration projects related to energy conservation or other activities deemed appropriate by the commissioner; and

(j) intervene in certificate of need proceedings before the public utilities commission.

**History:** 1974 c 307 s 8; 1978 c 786 s 1; Ex1979 c 2 s 13; 1981 c 85 s 2; 1981 c 356 s 128,248; 1982 c 424 s 130; 1983 c 289 s 45; 1984 c 604 s 1; 1984 c 640 s 32; 1Sp1985 c 14 art 9 s 75

## 116J.11 ENERGY CONSERVATION INFORMATION CENTER.

The commissioner shall establish an energy information center in the department's offices in St. Paul. The information center shall maintain a toll-free telephone information service and disseminate printed materials on energy conservation topics, including but not limited to, availability of loans and other public and private financing methods for energy conservation physical improvements, the techniques and materials used to conserve energy in buildings, including retrofitting or upgrading insulation and installing weatherstripping, the projected prices and availability of different sources of energy, and alternative sources of energy.

The energy information center shall serve as the official Minnesota alcohol fuels information center and shall disseminate information, printed, by the toll-free telephone information service, or otherwise on the applicability and technology of alcohol fuels.

The information center shall include information on the potential hazards of energy conservation techniques and improvements in the printed materials disseminated. The commissioner shall not be liable for damages arising from the installation or operation of equipment or materials recommended by the information center.

**History:** 1976 c 333 s 4; Ex1979 c 2 s 14; 1980 c 579 s 5; 1981 c 356 s 129,248

## 116J.12 ENERGY CONSERVATION PUBLICITY.

The commissioner in consultation with other affected agencies or departments shall develop informational materials, pamphlets and radio and television messages on energy conservation and housing programs available in Minnesota, renewable energy

resources, and energy supply and demand. The printed materials shall include information on available tax credits for residential energy conservation measures, residential retrofitting loan and grant programs, and data on the economics of energy conservation and renewable resource measures. Copies of printed materials shall be distributed to members of the appropriate standing committees of the legislature.

**History:** 1977 c 381 s 22; 1980 c 579 s 6; 1981 c 356 s 130,248

### 116J.13 POST-SECONDARY ENERGY EDUCATION.

The commissioner, in consultation with the state board of education, the higher education coordinating board, the state board for community colleges, the state university board, and the board of regents of the University of Minnesota, shall assist in the development and implementation of adult and post-secondary energy education programs.

**History:** Ex1979 c 2 s 15; 1981 c 356 s 131,248; 1982 c 563 s 4

### 116J.14 COMMUNITY ENERGY PLANNING; GRANTS.

**Subdivision 1. Purpose.** In order to improve the energy planning capabilities of local governments, the commissioner shall make grants to counties and cities, however organized. The commissioner when making grants shall give priority to those units of government that submit proposals that could result in significant savings of traditional energy sources, development of renewable energy systems, and broad community involvement. The commissioner shall give priority to local units of government that provide staff or other support for a program and who request grants for programs which can be duplicated by other local governments. The grants may be used to purchase materials, employ staff or contract with other units of government or qualified consultants.

The commissioner shall not make grants of more than 45 percent of the amount appropriated for those purposes to cities and counties located within the seven county metropolitan area. A single grant to a city or county shall not exceed \$50,000.

**Subd. 2. Qualifying expenditures.** Community energy planning grants may be used for the following purposes:

(a) To gather, monitor, and analyze local energy supply, demand, and cost information;

(b) To prepare comprehensive community energy plans;

(c) To implement comprehensive energy plans that the unit of government is authorized to undertake for the management of problems resulting from: (1) rising energy cost; (2) lack of efficient public and private transportation; (3) lack of community conservation efforts; (4) lack of widespread renewable energy sources; and (5) lack of energy components in comprehensive plans and local ordinances;

(d) To assist neighborhood organizations in counties and cities to do energy planning by making grants to the local unit of government; and

(e) Any other purposes deemed appropriate by the commissioner.

**Subd. 3. Administration.** The commissioner shall determine priorities pursuant to subdivisions 1 and 2, and shall promulgate rules for the submission and review of applications in accordance with the provisions of chapter 14. For this purpose the commissioner may adopt emergency rules pursuant to the provisions of sections 14.29 to 14.36.

**History:** 1980 c 579 s 7; 1981 c 356 s 132,248; 1982 c 424 s 130; 1984 c 640 s 32

### 116J.15 ENERGY SUPPLY EMERGENCY CONSERVATION AND ALLOCATION PLAN.

**Subdivision 1.** The commissioner shall maintain an emergency conservation and allocation plan. The plan shall provide a variety of strategies and staged conservation measures to reduce energy use and in the event of an energy supply emergency, shall

establish guidelines and criteria for allocation of fuels to priority users. The plan shall contain alternative conservation actions and allocation plans to reasonably meet various foreseeable shortage circumstances and allow a choice of appropriate responses. The plan shall be consistent with requirements of federal emergency energy conservation and allocation laws and regulations, shall be based on reasonable energy savings or transfers from scarce energy resources and shall:

(a) Give priority to individuals, institutions, agriculture and businesses which demonstrate they have engaged in energy-saving measures and shall include provisions to insure that:

(1) Immediate allocations to individuals, institutions, agriculture and businesses be based on needs at energy conservation levels;

(2) Successive allocations to individuals, institutions, agriculture and businesses be based on needs after implementation of required action to increase energy conservation;

(3) Needs of individuals and institutions are adjusted to insure the health and welfare of the young, old and infirm;

(b) Insure maintenance of reasonable job safety conditions and avoid environmental sacrifices;

(c) Establish programs, controls, standards, priorities or quotas for the allocation, conservation and consumption of energy resources; and for the suspension and modification of existing standards and the establishment of new standards affecting or affected by the use of energy resources, including those related to the type and composition of energy sources, and to the hours and days during which public buildings, commercial and industrial establishments, and other energy consuming facilities may or are required to remain open;

(d) Establish programs to control the use, sale or distribution of commodities, materials, goods or services;

(e) Establish regional programs and agreements for the purpose of coordinating the energy resources, programs and actions of the state with those of the federal government, of local governments, and of other states and localities; and

(f) Determine at what level of an energy supply emergency situation the pollution control agency shall be requested to ask the governor to petition the president for a temporary emergency suspension of air quality standards as required by the Clean Air Act, United States Code, title 42, section 7410f;

(g) Establish procedures for fair and equitable review of complaints and requests for special exemptions regarding emergency conservation measures or allocations.

Subd. 2. At least once every five years and whenever construction of a new large energy facility is completed which affects the supply of energy in Minnesota, the commissioner shall review and if necessary revise the emergency conservation and allocation plan. Revisions of the emergency conservation and allocation plan shall be adopted pursuant to the rulemaking procedures in chapter 14 and reviewed by the appropriate standing committees of the legislature. The commissioner may also make revisions to the plan pursuant to sections 14.29 to 14.36, and the emergency rules powers of section 116J.10, clause (a), when a declared or impending energy supply emergency requires.

Subd. 3. The executive council or the legislature may declare an energy supply emergency when an acute shortage of energy exists by issuing a declaration which indicates the nature of the emergency, the area or areas threatened if less than the whole state is threatened, and the conditions causing the emergency. The declaration shall be disseminated promptly by means calculated to bring its contents to the attention of the general public and shall be promptly filed with the commissioner, the division of emergency services and the secretary of state. Upon a declaration of an energy supply emergency by the executive council or the legislature, the governor and the division of emergency services, in consultation with the commissioner, shall implement and enforce the emergency conservation and allocation plan or any part thereof. Revisions

of the plan shall be made by the commissioner in accordance with subdivision 2. The executive council or the legislature may terminate an energy supply emergency at any time by issuing a declaration which terminates the energy supply emergency and indicates the conditions which make possible termination of the emergency, but no energy supply emergency may continue for longer than 30 days unless renewed by the legislature. Each renewed energy supply emergency may not continue for longer than 30 days, unless otherwise provided by law. Each person shall carry out the responsibilities specified in the emergency conservation allocation plan, and violation of any provision of such emergency conservation or allocation requirements shall be deemed a violation of sections 116J.05 to 116J.30 and the rules promulgated thereunder for purposes of enforcement pursuant to section 116J.30.

**History:** 1974 c 307 s 9; 1974 c 428 s 5; Ex1979 c 2 s 16-18; 1981 c 356 s 133-135, 248; 1982 c 424 s 130; 1984 c 640 s 32

### 116J.16 STATE SET-ASIDE PROGRAM.

Subdivision 1. **Purpose.** The purpose of this section is to grant to the commissioner authority to exercise specific power to deal with shortages of refined petroleum products. Authority granted shall be exercised for the purpose of minimizing the adverse impacts of shortages and dislocations upon the citizens and the economy of the state and nation.

Subd. 2. **Establishment.** The commissioner shall establish and is responsible for a state set-aside system for motor gasoline and middle distillates to provide emergency petroleum requirements and thereby relieve the hardship caused by shortage, supply dislocations, or other emergencies. The commissioner, for purposes of administration, may exercise all of the powers granted by this chapter.

Subd. 3. **Definitions.** As used in this section:

(a) "Middle distillates" means distillates obtained between kerosene and lubricating oil fractions in the refining process, including but not limited to, kerosene, number one and number two heating oil and diesel fuel;

(b) "Motor gasoline" means a liquid mixture of hydrocarbons produced by the distillation of petroleum and used chiefly as a fuel in internal combustion engines;

(c) "Prime supplier" means the producer or supplier now or hereafter making the first sale of middle distillates or motor gasoline subject to the state set-aside for consumption within the state;

(d) "State set-aside" means the amount of middle distillates or motor gasoline required to be made available by a prime supplier for utilization by the commissioner to resolve or mitigate emergencies or hardships due to shortages of supply.

Subd. 4. **Set-aside required.** Every prime supplier shall allocate for sale or exchange monthly upon order of the commissioner a volume of motor gasoline and middle distillate not exceeding the monthly set-aside amount. The amount of gasoline subject to monthly set-aside shall be an amount equal to three percent of the prime supplier's monthly supply estimate. The amount of middle distillate subject to monthly set-aside shall be an amount equal to four percent of the prime supplier's monthly supply estimate.

Subd. 5. **Report of estimated volume.** Every prime supplier shall file with the commissioner a monthly report of its estimated volume of gasoline and middle distillate deliveries. The report shall be in a form prescribed by the commissioner and shall be submitted by the 25th day of the month preceding the month covered by the report. Each prime supplier shall allocate monthly for sale or exchange upon order of the commissioner three percent of estimated motor gasoline supplies and four percent of estimated middle distillate supplies as shown by the report.

Subd. 6. **Prime supplier obligations.** Each prime supplier shall designate a representative to act for and on behalf of the prime supplier in respect to department of energy and economic development state set-aside orders to be issued to the prime supplier. A prime supplier shall provide the amount of allocated product stated in the energy state set-aside order.

Subd. 7. **Rules.** The commissioner shall adopt rules, including emergency rules pursuant to sections 14.29 to 14.36, to govern the administration of the set-aside system. Rules shall cover matters such as the form and procedure for applications for set-aside allocations by dealers of bulk purchasers, reports on available gasoline and middle distillate supplies, orders and procedure for set-aside allocation and distribution and other rules deemed necessary or desirable in the implementation and administration of the set-aside system, including monthly reports of anticipated deliveries and actual sales of gasoline, middle distillates, propane, aviation fuels, and residual oils.

Subd. 8. **Criteria.** The commissioner may allocate gasoline and middle distillates from the set-aside system in accordance with the criteria in section 116J.15 and rules adopted pursuant thereto. The commissioner may prescribe additional priorities by rule.

**History:** 1981 c 356 s 136,248; 1982 c 424 s 130; 1982 c 563 s 5,6; 1983 c 289 s 115 subd 1; 1984 c 640 s 32

### 116J.17 FORECASTS, STATISTICS AND INFORMATION.

Subdivision 1. In order to further the purposes of sections 116J.05 to 116J.30, the commissioner shall develop and maintain an effective program of collection, compilation, and analysis of energy statistics. The statistical program shall be developed to insure a central state repository of energy data and so that the state may coordinate and cooperate with other governmental data collection and record keeping programs.

Subd. 2. In addition to supplying the current statistical and short range forecasting information the commissioner requires, each utility, coal supplier, petroleum supplier and large energy facility in the state shall prepare and transmit to the commissioner by July 1 of each year, a report specifying in five, ten, and 15 year forecasts the projected demand for energy within their respective service areas and the facilities necessary to meet the demand.

The report shall be in a form specified by the commissioner and contain all information deemed relevant by the commissioner.

Subd. 3. The commissioner shall, to the maximum extent feasible, provide that forecasts required under this section be consistent with material required by other state and federal agencies in order to prevent unnecessary duplication.

Subd. 4. Reports issued pursuant to this section, other than individual corporate reports classified as nonpublic data in section 13.68, shall be available for public inspection in the office of the department during normal business hours.

Subd. 5. The commissioner shall review and evaluate forecasts of energy demands and resources as they relate to the most current population growth and development estimates, statewide and regional land use, transportation, and economic development programs and forecasts.

**History:** 1974 c 307 s 10; 1975 c 170 s 2; 1981 c 311 s 39; 1981 c 356 s 137,248; 1982 c 545 s 24; 1982 c 563 s 7

### 116J.18 STATE ENERGY POLICY AND CONSERVATION REPORT.

Subdivision 1. **Report.** By July 1 of 1988 and every four years thereafter, the commissioner shall issue a comprehensive report designed to identify major emerging trends and issues in energy supply, consumption, conservation, and costs. The report shall include the following:

(1) projections of the level and composition of statewide energy consumption under current government policies and an evaluation of the ability of existing and anticipated facilities to supply the necessary energy for that consumption;

(2) projections of how the level and the composition of energy consumption would be affected by new programs or new policies;

(3) projections of energy costs to consumers, businesses, and government;

(4) identification and discussion of key social, economic, and environmental issues in energy;

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- (5) explanations of the department's current energy programs and studies; and
- (6) recommendations.

Subd. 1a. **Rate plan.** The energy policy and conservation report shall include a section prepared by the public utilities commission. The commission's section shall be prepared in consultation with the commissioner of the department of energy and economic development and shall include, but not be limited to, all of the following:

(a) A description and analysis of the commission's rate design policy as it pertains to the goals stated in sections 116J.05, 216B.164, and 216B.241, including a description of all energy conservation improvements ordered by the commission; and

(b) Recommendations to the governor and the legislature for administrative and legislative actions to accomplish the purposes of sections 116J.05, 216B.164, and 216B.241.

Subd. 2. Prior to the preparation of a final report, the commissioner shall issue a draft report to the environmental quality board and any person, upon request, and shall hold a public meeting. Notice of the public meeting shall be provided to each regional development commission.

Subd. 3. The commissioner shall distribute the final report to any person upon request.

**History:** 1974 c 307 s 11; 1975 c 271 s 6; Ex1979 c 2 s 19; 1981 c 356 s 138,248; 1982 c 561 s 3; 1982 c 563 s 8; 1983 c 179 s 2; 1983 c 231 s 3; 1983 c 289 s 115 subd 1; 1984 c 654 art 2 s 100

## 116J.19 ENERGY CONSERVATION.

Subdivision 1. After consultation with the commissioner and the commissioner of public safety, the commissioner of transportation shall, pursuant to chapter 14, promulgate rules establishing maximum energy use standards for street, highway and parking lot lighting. The standards shall be consistent with overall protection of the public health, safety and welfare. No new highway, street or parking lot lighting shall be installed in violation of these rules and existing lighting levels shall be reduced consistent with the rules as soon as feasible and practical, consistent with overall energy conservation.

Subd. 2. Beginning July 1, 1980, the use of outdoor display lighting shall be limited as provided in subdivision 3. For purposes of this section, "outdoor display lighting" shall include building facade lighting, other decorative lighting, and all billboards and advertising signs except those which identify a commercial establishment which is open for business at that hour.

Subd. 3. The commissioner shall adopt rules, pursuant to chapter 14, setting standards covering permissible hours of operation, quantity and efficiency of outdoor display lighting and defining "outdoor display lighting."

Subd. 4. The commissioner may investigate promotional practices by energy suppliers and, pursuant to chapter 14, may promulgate rules to limit such practices in order to reduce the rate of growth of energy demand.

Subd. 5. After July 1, 1974, no new natural gas outdoor lighting shall be installed in the state.

Subd. 6. Beginning April 20, 1977, no person shall use a decorative gas lamp in Minnesota except as provided in subdivision 7.

Subd. 7. Gas lamps installed prior to April 20, 1977, by or at the request of a municipality, on a public street or right of way, may be used as street lighting.

Subd. 8. In recognition of the compelling need for energy conservation in order to safeguard the public health, safety and welfare, it is necessary to provide building design and construction standards consistent with the most efficient use of energy. Therefore, the commissioner shall, pursuant to chapter 14, adopt rules governing building design and construction standards regarding heat loss control, illumination and climate control. To the maximum extent practicable, the rules providing for the

energy portions of the building code shall be based on and conform to model codes generally accepted throughout the United States. The rules shall apply to all new buildings and remodeling affecting heat loss control, illumination and climate control. The rules shall be economically feasible in that the resultant savings in energy procurement shall exceed the cost of the energy conserving requirements amortized over the life of the building. The rules adopted pursuant to this subdivision, shall be part of the state building code. Notwithstanding the provisions of this subdivision, all applications for approval of building specifications and plans may be submitted to the state building inspector as provided in section 16B.66.

Subd. 9. The commissioner shall conduct studies and make recommendations concerning the purchase and use by the state and its political subdivisions of supplies, motor vehicles and equipment having a significant impact on energy use in order to determine the potential for energy conservation. The commissioner may adopt rules pursuant to chapter 14 to insure that energy use and conservation will be considered in state purchasing and, where appropriate, to require certain minimum energy efficiency standards in purchased products and equipment. No state purchasing of equipment or material use shall occur that is not in conformity with these rules.

Subd. 10. In consultation with the commissioner, the commissioner of transportation shall begin an efficiency study of the present traffic flow system within the state. The study shall consider the feasibility of a computer-coordinated traffic system and other measures for increasing the efficiency of present traffic loads.

Subd. 11. The commissioner of administration shall begin a study of expanding the state telecommunication system to reduce travel between all state departments and agencies.

Subd. 12. In conjunction with the motor vehicle services division, the commissioner shall study the feasibility of modifying motor vehicle license fees to reflect energy consumption.

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.

Subd. 14. No new residential

- (a) forced air type central furnace,
- (b) cooking appliance manufactured with an electrical supply cord, or
- (c) clothes drying equipment

designed to burn natural gas equipped with a continuously burning pilot shall be sold or installed in Minnesota. This subdivision does not apply to forced air type furnaces designed for installation in manufactured homes.

**History:** 1974 c 307 s 12; 1975 c 65 s 1; 1976 c 166 s 7; 1976 c 333 s 5-7; 1977 c 381 s 11-14; Ex1979 c 2 s 20-24; 1980 c 579 s 8; 1981 c 85 s 3,4; 1981 c 356 s 139-145,248; 1981 c 365 s 9; 1982 c 424 s 130; 1982 c 563 s 9; 1984 c 544 s 89; 1984 c 654 art 2 s 101; 1985 c 50 s 1; 1985 c 248 s 70

**116J.20 ENERGY CONSERVATION STANDARDS IN CERTAIN PUBLIC BUILDINGS.**

Subdivision 1. The rules concerning heat loss, illumination, and climate control standards adopted pursuant to section 116J.19, subdivision 8, shall include standards for all existing buildings heated by oil, coal, gas, or electric units which are owned by the state, the university of Minnesota, any city, any county, or any school district. Compliance with standards adopted pursuant to this section shall not be mandatory for buildings owned by any city, county or school district, except as otherwise provided by this section.

Subd. 2. The illumination standards promulgated pursuant to subdivision 1, are mandatory for all public buildings where economically feasible. For the purposes of this subdivision, "public building" means any building which is open to the public during normal business hours and which exceeds 5,000 square feet in gross floor area. The commissioner shall specify the formula for determining economic feasibility.

Subd. 3. No enclosed structure or portion of an enclosed structure constructed after January 1, 1978 and used primarily as a commercial parking facility for three or more motor vehicles shall be heated. Incidental heating resulting from building exhaust air passing through a parking facility shall not be prohibited, provided that substantially all useful heat has previously been removed from the air.

**History:** 1976 c 333 s 8; 1977 c 381 s 15; 1981 c 356 s 146,147,248

**116J.21 ENERGY CONSERVATION IN STATE OWNED BUILDINGS.**

By June 30, 1982, the commissioner of administration, in cooperation with the commissioner, shall complete a mini-audit or maxi-audit of all buildings which are heated and owned by the state of Minnesota, including buildings and associated facilities of the state university system, the state fairgrounds as defined in section 37.01, the Minnesota historical society building, and all buildings under the administration or supervision of the commissioners of natural resources, corrections, human services, and transportation. The commissioner of administration shall determine the estimated remaining useful life of each building, together with the present degree and estimated cost of compliance with the energy conservation standards promulgated pursuant to section 116J.20. The commissioner of administration shall estimate the annual potential savings in units of fuel and fuel procurement costs which would be realized for each state owned building if its operating procedures were modified and it were improved to comply with each of the energy conservation standards promulgated pursuant to section 116J.20. If appropriations are inadequate to complete a mini-audit or maxi-audit of all state owned buildings, the commissioner of administration shall give priority to buildings of 25,000 or more square feet. If the commissioner of administration determines that a modification is economically feasible, in that savings in fuel procurement costs will exceed the cost of the modification amortized over the remaining useful life of the building, the commissioner shall recommend implementation of the modification to the legislature. The commissioner of administration shall submit to the legislature an annual progress report on January 1 of each year and a final progress report by December 31, 1982, indicating the number and percentage of state owned buildings surveyed, the estimated costs of implementing the economically feasible modifications, the energy savings and costs resulting from implementing such modifications, and findings, recommendations, and priorities for implementing economically feasible modifications.

**History:** 1976 c 333 s 9; Ex1979 c 2 s 25; 1981 c 356 s 148,248; 1984 c 654 art 5 s 58; 1986 c 444

**116J.22 ENERGY CONSERVATION IN UNIVERSITY BUILDINGS.**

By June 30, 1982, the University of Minnesota, after consultation with the commissioner, shall complete a mini-audit or a maxi-audit of all buildings and associated facilities of the University of Minnesota which are heated. The university shall

determine the estimated remaining useful life of each building, together with the present degree and estimated cost of compliance with the energy conservation standards promulgated pursuant to section 116J.20. The university shall estimate the annual potential savings in units of fuel and fuel procurement costs for existing heating and cooling systems, which savings would be realized for each university owned building if its operating procedures were modified and it were improved to comply with each of the energy conservation standards promulgated pursuant to section 116J.20. If appropriations are inadequate to complete a mini-audit or maxi-audit of all university owned buildings, the university shall give priority to buildings of 25,000 or more square feet. If the university determines that a modification is economically feasible, in that estimated savings in fuel procurement costs will exceed the cost of the modification amortized over the remaining useful life of the building, it shall implement the modification in a manner designed to maximize the reduction in costs resulting from the modification. The university shall submit to the legislature an annual progress report on January 1 of each year and a final report by December 31, 1982, indicating the number and percentage of university owned buildings surveyed, the estimated costs of implementing the economically feasible modifications, the energy savings and costs resulting from implementing such modifications, and its preliminary findings, recommendations, and priorities for implementing economically feasible modifications.

**History:** 1976 c 333 s 10; Ex1979 c 2 s 26; 1981 c 356 s 149,248

#### **116J.23 LOCAL GOVERNMENTAL SURVEYS AND FUEL COST ESTIMATES.**

**Subdivision 1. Mini-audits and maxi-audits.** On or before June 30, 1980, based upon analysis of the building energy reports, the commissioner shall indicate to the governing body of each city and county those buildings upon which a mini-audit, a maxi-audit, or both, shall be performed. The audit results shall be recorded on a form furnished by the commissioner, and filed with the commissioner by December 31, 1982.

**Subd. 2. Appeal from decision of commissioner.** The governing body of any city or county may appeal the decision of the commissioner pursuant to subdivision 1 by submitting in writing to the commissioner the reasons for the appeal. No appeal may be considered by the commissioner if received later than three months after notification to the city or county that a mini-audit or maxi-audit shall be performed. The commissioner shall review all appeals and respond to the governing body within one month of receipt of the appeal indicating whether the appeal is granted in full, granted in part, or denied.

**Subd. 3. Certification of auditors.** The commissioner may certify persons to perform mini-audits and maxi-audits, and to complete the building energy reports.

**Subd. 4. Acceptance of equivalent energy survey.** The commissioner may accept the results of an equivalent energy survey in place of the building energy report or audits required under this section.

**History:** 1976 c 333 s 11; 1977 c 381 s 16; Ex1979 c 2 s 27; 1981 c 356 s 150,248

#### **116J.24 PUBLIC SCHOOL BUILDING ENERGY REPORTS AND AUDITS.**

**Subdivision 1. Mini-audits and maxi-audits.** On or before July 1, 1980, based upon the analysis of the building energy reports which school districts were required by law to submit by December 31, 1979, the commissioner shall indicate to each school district those buildings upon which a mini-audit, maxi-audit, or both, shall be performed. The audit results shall be recorded on a form furnished by the commissioner and filed with the commissioner by December 31, 1982.

**Subd. 2. Appeal from decision of commissioner.** Any school district may appeal the decision of the commissioner pursuant to subdivision 1 by submitting in writing to the commissioner the reasons for the appeal. No appeal may be considered by the commissioner if received later than three months after notification to the school district that a mini-audit or maxi-audit shall be performed. The commissioner shall review all

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appeals and respond to the school district within one month of receipt of the appeal indicating whether the appeal is granted in full, granted in part, or denied.

Subd. 3. **Certification of auditors.** The commissioner may certify persons to perform mini-audits and maxi-audits.

Subd. 4. **Acceptance of equivalent energy surveys.** The commissioner may accept the results of an equivalent energy survey in place of the audits required under this section.

Subd. 5. **School districts intending to close public school buildings.** A school district intending to permanently close or otherwise discontinue use of any existing public school building by January 1, 1985, shall not be required to comply with this section as to those buildings, if a certification of intent to close the building is filed with the commissioner.

Subd. 6. **Outreach for energy audit interpretation.** The commissioner shall establish a program to assist school officials in the understanding of energy audits performed on their schools. The program will also provide suggestions and assistance in the application for any state or federal grants or loans relating to energy conservation for which the school may be eligible.

**History:** 1976 c 333 s 13; 1977 c 381 s 17; Ex1979 c 2 s 28; 1981 c 356 s 151,248; 1981 c 358 art 7 s 1-3; 1983 c 301 s 124

## 116J.25 SOLAR ENERGY SYSTEM STANDARDS OF PERFORMANCE.

The commissioner of administration in consultation with the commissioner shall adopt rules concerning quality and performance standards which are in reasonable conformance with the Interim Performance Criteria for Solar Heating and Combined Heating/Cooling Systems and Dwellings, National Bureau of Standards, January 1, 1975; and the Interim Performance Criteria for Commercial Solar Heating and Combined Heating/Cooling Systems and Facilities, National Aeronautics and Space Administration, February 28, 1975, to insure that within the existing state of development, solar energy systems as defined in section 116J.06, subdivision 9, which are sold or installed within this state, are effective and represent a high standard of quality of material, workmanship, design, and performance. The commissioner of administration in consultation with the energy commissioner shall amend the rules as new technology and materials become available, or as standards are revised by the federal government.

Manufacturers or retailers of solar energy systems shall disclose to each bona fide potential purchaser of a system the extent to which the system meets or exceeds each quality standard.

**History:** 1976 c 333 s 14; 1981 c 356 s 152,248

## 116J.26 REVIEW OF ENERGY RESEARCH AND DEMONSTRATION PROJECTS.

The commissioner shall continuously identify, monitor, and evaluate in terms of potential direct benefit to, and possible implementation in Minnesota, research studies and demonstration projects of alternative energy and energy conservation systems and methodologies currently performed in Minnesota and other states and countries including:

- (a) Solar energy systems for heating and cooling;
- (b) Energy systems using wind, agricultural wastes, forestry products, peat, and other nonconventional energy resources;
- (c) Devices and technologies increasing the energy efficiency of energy consuming appliances, equipment, and systems;
- (d) Hydroelectric power; and
- (e) Other projects the commissioner deems appropriate and of direct benefit to Minnesota and other states of the upper midwest.

**History:** 1976 c 333 s 15; 1981 c 356 s 153,248; 1982 c 563 s 10

**116J.261 ALTERNATIVE ENERGY ENGINEERING ACTIVITY.**

Subdivision 1. **Creation, goals.** To further the development of indigenous energy resources and energy conservation, the commissioner shall establish an alternative energy engineering activity. The activity shall facilitate the development of specific projects in the public and private sectors and provide a broad range of information, education, and engineering assistance services necessary to accelerate energy conservation and alternative energy development in the state.

Subd. 2. **Duties.** The alternative energy engineering activity shall:

- (1) provide on-site technical assistance for alternative energy and conservation projects;
- (2) develop information materials and educational programs to meet the needs of engineers, technicians, developers, and others in the alternative energy field;
- (3) conduct feasibility studies when the results of the studies would be of benefit to others working in the same area;
- (4) facilitate development of energy projects through assistance in finding financing, meeting regulatory requirements, gaining public and private support, limited technical consultation, and similar forms of assistance; and
- (5) work with and use the services of Minnesota design professionals.

**History:** 1984 c 654 art 2 s 102

**116J.262 OPTIMAL LOW-INCOME WEATHERIZATION.**

The commissioner shall contract with the Building Energy Research Center at the University of Minnesota for the purpose of determining optimal weatherization for low-income weatherization programs. The alternative energy engineering activity shall provide technical assistance.

**History:** 1984 c 654 art 2 s 103

**116J.27 ENERGY CONSERVATION STANDARDS FOR EXISTING RESIDENCES.**

Subdivision 1. The commissioner shall adopt rules containing minimum energy efficiency standards for existing residences. The standards shall be appropriate for evaluation of the energy efficiency of each major type of residential housing including, but not limited to, one to four family dwellings, apartment buildings, manufactured homes, condominium buildings, and type of ownership. The standards shall be economically feasible in that the resultant savings in energy procurement costs, based on current and projected average residential energy costs in Minnesota as certified by the commissioner in the State Register, will exceed the cost of the energy conserving requirements amortized over the ten-year period subsequent to the incurring of the cost. The costs computed under this section shall include reasonable inflation and interest factors. Subject to the provisions of subdivision 4, with respect to low-rent housing which is owned by a public housing authority or a housing and redevelopment authority as described in chapter 462, compliance with the standards established by the commissioner shall be determined based upon audits conducted by or on behalf of the housing and redevelopment authority or the public housing authority in conformance with the requirements of Code of Federal Regulations, title 24, sections 965.301 to 965.310. Audits which are conducted by individuals other than employees of the housing and redevelopment authority or the public housing authority shall be conducted by evaluators who are certified pursuant to subdivision 6 or section 116J.31. The determination of the economic feasibility of implementation of the standards in low-rent housing shall be made in accordance with the procedures established by the United States Department of Housing and Urban Development to implement Code of Federal Regulations, title 24, sections 965.301 to 965.310.

Subd. 2. For the purposes of subdivisions 3 to 7, the following terms shall have the meanings given them.

(a) "Residence" means any dwelling for habitation either seasonally, meaning all or a portion of the months of November through April, or permanently by one or more persons. A residence may be part of a multidwelling or multipurpose building, but shall not include buildings such as hotels, hospitals, motels, dormitories, sanitariums, nursing homes, schools and other buildings used for educational purposes, or correctional institutions. A manufactured home as defined in section 168.011, subdivision 8, shall be a residence for purposes of this section.

(b) "Applicable energy efficiency standards" means those standards established under subdivision 1 which are not shown to be economically infeasible for the building in question.

**Subd. 3. Energy conservation for rental property.** Effective January 1, 1980, all residences constructed prior to January 1, 1976, which are renter-occupied during all or a portion of the months of November through April shall be in compliance with standards pursuant to subdivision 1 pertaining to caulking and weatherstripping of exterior joints and sealing of other openings in the building envelope. Effective July 1, 1983, all residences which are renter-occupied during all or a portion of the months of November through April shall be in compliance with all applicable energy efficiency standards.

**Subd. 4. Inspections.** The commissioner shall conduct inspections on a random basis for compliance with the provisions of subdivision 3. The commissioner may authorize a municipality, with its consent, to conduct the inspections within the municipality's jurisdiction, or to otherwise enforce the provisions of subdivision 3. Any municipality which conducts an inspections or other enforcement program shall have authority under all subdivisions of section 116J.30 to enforce the provisions of subdivision 3; provided that 100 percent of the penalties for violation of subdivision 3 shall be paid to the municipality. With respect to low-rent housing owned by a public housing authority or a housing and redevelopment authority described in chapter 462, the commissioner or the municipality which conducts the inspection shall submit the results of the inspection to the housing and redevelopment authority or the public housing authority for review. If the housing and redevelopment authority or the public housing authority does not concur in the findings of the commissioner or the municipality, then the housing and redevelopment authority or the public housing authority and the commissioner or the municipality shall select a mutually acceptable independent third party or panel of experts knowledgeable in the area of energy conservation. The results of the inspection, the conclusions of the commissioner or the municipality as to compliance with the standards established pursuant to subdivision 1, and the basis for such conclusions, and the position of the housing and redevelopment authority or the public housing authority and the basis for such position shall be submitted to the independent third party or panel for a determination of the specific energy conservation measures which must be completed for compliance with the standards established pursuant to subdivision 1. The costs of the independent third party or panel shall be paid equally by the housing and redevelopment authority or the public housing authority and the commissioner or the municipality.

**Subd. 4a. Enforcement after inspection.** If the commissioner determines, after an inspection conducted by or on behalf of the department, that a renter-occupied residence is not in compliance with the standards prescribed pursuant to subdivision 1, the commissioner may issue to the owner of the renter-occupied residence or the owner's agent a determination of noncompliance and may commence a contested case proceeding under sections 14.57 to 14.62. The determination shall (1) specify the reasons for the determination, (2) include a copy of the inspection report, (3) state the actions that must be taken to bring the residence into compliance with the standards, (4) state that if the residence is not brought into compliance with the standards within 90 days following the date of the determination, a contested case proceeding will be commenced, and (5) specify a fine that will be assessed upon the conclusion of the contested case proceeding in the absence of a showing of good cause in that proceeding. The contested case proceeding hearing shall be held in the county in which the renter-

occupied residence is located. Notwithstanding the provisions of sections 14.50 and 14.61, the administrative law judge in the contested case proceeding shall make findings of fact and conclusions of law and issue a decision, and if the administrative law judge decides that the residence is not in compliance with the standards, the administrative law judge shall enter an order directing the owner to take such affirmative action as in the judgment of the administrative law judge will effectuate the purposes of this section.

**Subd. 4b. Fines for noncompliance; exception.** If the administrative law judge issues a decision, following a contested case proceeding commenced pursuant to subdivision 4a, that a renter-occupied residence is not in compliance with the standards prescribed pursuant to subdivision 1 and that the owner of the renter-occupied residence has not proven a good cause, as defined by rule or emergency rule adopted by the commissioner, for failure to comply with the standards prescribed pursuant to subdivision 1, the administrative law judge shall assess a fine against the owner in accordance with a schedule of fines adopted by the commissioner by rule or emergency rule. This subdivision shall not apply in the case of low-rent housing owned by a public housing authority or a housing and redevelopment authority as defined in section 462.421, subdivision 2.

**Subd. 5.** [Repealed, 1983 c 301 s 235]

**Subd. 6. Building evaluators.** The commissioner shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy efficiency standards. The commissioner shall, by rule pursuant to chapter 14, adopt standards for the certification and performance of evaluators and set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner shall encourage the certification of existing groups of trained municipal personnel and qualified individuals from community-based organizations and public service organizations. Each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy efficiency standards established pursuant to subdivision 1. The inspections shall be made within 30 days of the request. The commissioner shall enter into an agreement with the department of education for the provision of evaluator training through the area vocational technical institutes. The commissioner may contract with the area vocational technical institutes to reduce the training costs to the students. The commissioner may eliminate the examination fee for persons seeking upgraded certificates. The commissioner may also establish requirements for continuing education, periodic recertification, and revocation of certification for evaluators.

**Subd. 7.** [Repealed, 1983 c 301 s 235]

**Subd. 8.** The standards concerning heat loss, illumination, and climate control adopted pursuant to section 116J.19, subdivision 8, shall require that electrical service to individual dwelling units in buildings containing two or more units be separately metered, with individual metering readily accessible to the individual occupants. The standards authorized by this subdivision shall only apply to buildings constructed after the effective date of the amended standards. Buildings intended for occupancy primarily by persons who are 62 years of age or older or handicapped, or which contain a majority of units not equipped with complete kitchen facilities, shall be exempt from the provisions of this subdivision.

**History:** 1977 c 381 s 18; 1978 c 786 s 2,3; Ex 1979 c 2 s 29-31; 1980 c 579 s 9; 1981 c 85 s 5; 1981 c 255 s 2,5; 1981 c 356 s 154-158,248; 1981 c 365 s 9; 1982 c 424 s 23-25,130; 1983 c 301 s 125,126; 1984 c 595 s 1-5; 1984 c 640 s 32; 1986 c 444

**116J.28** [Renumbered 216B.243]

## **116J.29 SUBPOENA POWER.**

The commissioner shall have the power, for the purposes of sections 116J.05 to 116J.30, to issue subpoenas for production of books, records, correspondence and other

information and to require attendance of witnesses. The subpoenas may be served anywhere in the state by any person authorized to serve processes of courts of record. If a person does not comply with a subpoena, the commissioner may apply to the district court of Ramsey county and the court shall compel obedience to the subpoena by a proper order. A person failing to obey the order is punishable by the court as for contempt.

**History:** 1974 c 307 s 14; 1981 c 356 s 160,248

### **116J.30 ENFORCEMENT, PENALTIES.**

Subdivision 1. Any person who violates any provision of this chapter or section 325F.20 or 325F.21, or any rule promulgated thereunder, or knowingly submits false information in any report required by this chapter or section 325F.20 or 325F.21 shall be guilty of a misdemeanor. Each day of violation shall constitute a separate offense.

Subd. 2. The provisions of this chapter and sections 325F.20 and 325F.21, or any rules promulgated hereunder may be enforced by injunction, action to compel performance or other appropriate action in the district court of the county wherein the violation takes place. The attorney general shall bring any action under this subdivision upon the request of the commissioner, and the existence of an adequate remedy at law shall not be a defense to an action brought under this subdivision.

Subd. 3. When the court finds that any person has violated any provision of this chapter or section 325F.20 or 325F.21, or any rule thereunder, has knowingly submitted false information in any report required by this chapter or section 325F.20 or 325F.21, or has violated any court order issued under this chapter or section 325F.20 or 325F.21, the court may impose a civil penalty of not more than \$10,000 for each violation. These penalties shall be paid to the general fund in the state treasury.

Subd. 4. With respect to low-rent housing, the provisions of subdivisions 1 and 3 shall not apply to a violation by a housing and redevelopment authority described in chapter 462 or a public housing authority, or an employee of either, of section 116J.27 or any rule promulgated thereunder.

Subd. 5. For purposes of sections 504.18 and 566.18 to 566.33, the weatherstripping, caulking, storm window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 116J.27, subdivisions 1 and 3, are health and safety standards and the penalties and remedies provided in this section are in addition to and do not limit remedies otherwise available to tenants of renter-occupied residences.

**History:** 1974 c 307 s 15; Ex 1979 c 2 s 33; 1981 c 356 s 161,248; 1982 c 563 s 11-13; 1984 c 595 s 6,7; 1985 c 248 s 70

### **116J.31 ENERGY AUDITS.**

The commissioner shall develop and administer state programs of energy audits of residential and commercial buildings including those required by United States Code, title 42, sections 8211 to 8222 and sections 8281 to 8284. The commissioner shall continue to administer the residential energy audit program as originally established under the provisions of United States Code, title 42, sections 8211 to 8222; through July 1, 1986 irrespective of any prior expiration date provided in United States Code, title 42, section 8216. The commissioner may approve temporary programs if they are likely to result in the installation of as many conservation measures as would have been installed had the utility met the requirements of United States Code, title 42, sections 8211 to 8222. The consumer services division and the attorney general may release information on consumer comments about the operation of the program to the commissioner.

**History:** 1980 c 579 s 12; 1981 c 356 s 162,248; 1983 c 289 s 47; 1983 c 301 s 127; 1984 c 654 art 2 s 104

**116J.315 ALTERNATIVE ENERGY ECONOMIC ANALYSIS.**

The commissioner shall carry out the following energy economic analysis duties:

- (a) provide continued analysis of alternative energy issues for the biennial report, certificates of need, and legislative requests;
- (b) provide alternative energy information to consumers and business;
- (c) assist in the maintenance and improvement of alternative energy input-output multipliers and market penetration models;
- (d) provide analysis of alternative energy data.

**History:** 1983 c 301 s 128

**116J.32 ENERGY EFFICIENT BUILDING EDUCATION.**

The commissioner shall develop a program to provide information and training to persons in the state who influence the energy efficiency of new buildings, including contractors, engineers and architects on techniques and standards for the design and construction of buildings which maximize energy efficiency. The program may include the production of printed materials and the development of training courses.

**History:** 1980 c 579 s 28; 1981 c 356 s 163,248; 1982 c 563 s 14

**116J.33 MINNESOTA BIOMASS CENTER.**

Subdivision 1. The commissioner, in consultation with the commissioner of agriculture, may organize a Minnesota biomass center.

The center shall be the focus of biomass energy activities for the state. To the maximum extent possible, the center shall coordinate its activities and the use of its staff and facilities with those of other entities involved in biomass energy projects.

Subd. 2. The center shall:

(1) Coordinate existing education and training programs for biomass energy production and use within the state and develop new programs where necessary. Educational programs shall cover all types of biomass energy production use, including but not limited to production from grain, biowaste, and cellulosic materials;

(2) Serve as a central information resource in conjunction with existing agencies and academic institutions in order to provide information to the public on the production and use of biomass energy. The center shall obtain and analyze available information on biomass energy topics and prepare it for distribution to ensure that the public receives the most accurate and up-to-date information available;

(3) Participate in necessary research projects to assist in technological advancement in areas of biomass energy production, distribution, and use. The center shall also study the environmental and safety aspects of biomass energy use;

(4) Support and coordinate financing activities for biomass energy production, including providing technical assistance and manuals to individuals and groups seeking private, local, state or federal funding. The center shall be responsible for evaluating projects for any state assistance that may become available;

(5) Develop consumer information and protection programs for all aspects of biomass energy production and use;

(6) Investigate marketing and distribution needs within the state;

(7) Review state and federal laws and regulations affecting biomass energy production and use, and evaluate regulatory incentives in order to provide the legislature with legislative proposals for the encouragement of biomass energy production and use within the state.

**History:** 1980 c 579 s 29; 1981 c 85 s 6; 1981 c 356 s 164,248

**116J.34 MONEY FOR SCHOOLS AND GOVERNING BODIES.**

Money to pay part or all of the actual costs of mini-audits, maxi-audits and energy conservation measures performed by or for schools and governing bodies shall be

available from legislative appropriations made for that purpose in accordance with the priorities established in section 116J.35. Money appropriated pursuant to this section is available to school districts and local governmental units that submitted acceptable mini-audits or maxi-audits after April 9, 1976 and before July 1, 1979.

**History:** *Ex1979 c 2 s 34; 1980 c 579 s 13; 1981 c 356 s 248*

#### **116J.35 PRIORITIES FOR FUNDING.**

All applications for funding shall be made to the commissioner. Applications shall be accompanied by a report on the energy using characteristics of the building and any other information the commissioner may reasonably require. A school or local government may apply to the commissioner to receive reimbursement for up to the reasonable costs of mini-audits or maxi-audits performed pursuant to section 116J.23 or 116J.24. In the event that the applicant receives federal money pursuant to the National Energy Conservation Policy Act, Public Law Number 95-619 that is intended to be used to pay part or all of the costs of a mini-audit or maxi-audit, the applicant shall receive state money, which, when combined with federal money received, equals the reasonable costs of the mini-audit or maxi-audit.

**History:** *Ex1979 c 2 s 35; 1981 c 356 s 165,248*

#### **116J.36 DISTRICT HEATING AND QUALIFIED ENERGY IMPROVEMENT LOANS.**

**Subdivision 1. Policies.** Developing and improving efficient and economical district heating systems and certain public works capital improvements that conserve energy or substitute a lower cost, more plentiful, or indigenous fuel is a public purpose for state and local financing and a proper function of state and local government. Climate and geography make a reliable, economic supply of energy essential for industry, commerce, and residential heating. Imported supplies of certain fuels 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 feasibility of district heating systems by establishing economically viable municipal district heating systems as demonstration projects. Qualified energy improvements may offer municipalities opportunities for reducing energy costs or generating revenues from wastes. Municipal district heating systems and other qualified improvements may be financed by loans from the state and from other sources available to municipalities.

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

(a) "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.

(b) "District heating" means the use of a central energy conversion facility to produce hot water or steam for a district heating system. District heating facilities may also produce electricity in addition to hot water or steam.

(c) "Municipality" means any county, city, town, school district or a municipal power agency formed pursuant to sections 453.53 to 453.62. Municipality also means a public utility, as defined in section 452.01, subdivision 3, owned and operated by a city, however organized. For purposes of a district heating system only, municipality also means a 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.

(d) "District heating system" means any existing or proposed facility for (1) the production, through cogeneration or otherwise, of hot water or steam to be used for district heating, or (2) the transmission and distribution of hot water or steam for district heating either directly to heating consumers or to another facility or facilities for transmission and distribution, or (3) any part or combination of the foregoing facilities.

(e) "Qualified energy improvement" means a cost-effective capital improvement to public land, buildings, or energy using systems, other than a district heating system, including the purchase or installation of equipment to reduce the usage of conventional energy sources or to use alternative energy resources. Qualified energy improvements also include waste-to-energy facilities that meet the criteria specified in subdivision 8a and any rule adopted under that subdivision. Qualified energy improvements shall meet all environmental and permitting standards established by state and federal law.

**Subd. 3. Eligibility, district heating.** The commissioner of finance, upon recommendation of the authority, 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 to the authority 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. 3a. Eligibility, qualified energy improvements.** The commissioner of finance, upon recommendation of the authority, may make loans to a municipality for the acquisition, construction, or expansion of a qualified energy improvement. A loan shall be made only to a municipality that has demonstrated that:

- (a) The municipality has the financial capability to sponsor the qualified energy improvement;
- (b) The improvement is technologically feasible;
- (c) The improvement conforms to criteria specified in subdivision 8a and any rule adopted under it; and
- (d) The municipality has made adequate provision to assure proper and efficient operation and maintenance of the improvement after construction is completed.

**Subd. 3b. Grant eligibility, district heating.** The commissioner of energy and economic development may provide planning grants to municipalities for planning related to the development of district heating systems. The municipality must demonstrate that a community heatload survey and map have been successfully completed, that potential district heating load is sufficiently large to justify further consideration, and that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include project definition, development of preliminary financing and distribution system plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of the grant to a municipality is limited to 90 percent of eligible planning costs and shall not exceed \$70,000 as established by rule or emergency rule.

**Subd. 3c. Grant eligibility, qualified energy improvements.** The commissioner of energy and economic development may provide planning grants to municipalities for planning related to the development of qualified energy improvements. The municipality must demonstrate that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include definition of the improvement, development of preliminary financing plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of a grant

to a municipality is limited to 90 percent of eligible planning costs and must not exceed \$100,000 as established by rule or emergency rule.

Subd. 4. **Priorities, district heating.** The authority shall give higher priority to a project that does more to achieve the following goals:

- (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 authority finds desirable for district heating systems.

Subd. 4a. **Priorities, energy improvements.** The authority shall give higher priority to qualified energy improvements that best meet the following goals:

- (a) to increase the proportion of a municipality's energy needs that are met by renewable or indigenous energy resources;
- (b) to provide a cost reduction or revenue source for the municipality;
- (c) to provide multiple benefits to residents within the municipality; and
- (d) to demonstrate technologies for solid waste treatment.

Subd. 5. **Application.** Application for a loan to be made pursuant to subdivision 6 or 7 shall be made by a municipality to the authority on a form prescribed by the authority. The authority shall determine:

- (a) Whether or not the project or proposed energy improvement is eligible for a loan;
- (b) The priority of the project or qualified energy improvement when ranked with other eligible projects or improvements for which a loan application has been submitted;
- (c) The total estimated cost of the project or improvement;
- (d) The amount of the loan for which the project or improvement 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 or improvement, 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 or improvements 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 improvement; 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).

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.

**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 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 May 30, 1981. "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 commissioner of energy and economic development shall prepare and submit to the energy and economic development authority separate lists of loan requests for district heating systems and qualified energy improvements. The list for district heating loans shall contain the supporting information required by subdivisions 3, 4, 5, 6, and 7. The list for qualified energy improvements shall contain the supporting information required by subdivisions 3a, 3c, 4a, 5, and 6. The recommendation of the authority shall be transmitted to the commissioner of finance. The commissioner of finance shall sell bonds and make loans for district heating projects and qualified energy improvements only upon the recommendation of the authority.

Subd. 8a. **Criteria for qualified energy improvements.** Qualified energy improvements eligible for loans must meet criteria established in rule by the commissioner of energy and economic development. Rules shall include criteria for analyzing the cost-effectiveness of improvements. Rules relating to qualified energy improvements involving a waste-to-energy facility must be adopted in consultation with the waste management board and the pollution control agency. An improvement involving a waste-to-energy facility must be part of a solid waste management plan approved by the pollution control agency or a plan approved under section 473.803.

Subd. 9. **Payment; obligation.** The commissioner of finance shall not pay money to a municipality pursuant to an approved loan until the commissioner has determined that:

(a) Financing of the project or improvement 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 or improvement, and to pay any additional amount by which the cost of the project or improvement exceeds the estimate by the appropriation to the construction account of additional money of the municipality 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 municipality by resolution of its governing body may fix the rates and charges for district heating system or qualified energy improvement service and products, may enter into contracts for the payment by others of costs of construction, maintenance, and use of the project or improvement in accordance with section 444.075 and may pledge the revenues derived therefrom. The commissioner of finance 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 of finance 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 of finance for the purposes of that account.

Subd. 11. **Rules.** The commissioner of energy and economic development shall

adopt rules necessary to carry out the programs of this section. The commissioner of energy and economic development may adopt emergency rules pursuant to sections 14.29 to 14.36, 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.

**History:** 1981 c 334 s 1; 1981 c 356 s 248; 1982 c 424 s 130; 1982 c 561 s 10,11; 1983 c 301 s 129; 1984 c 640 s 32; 1984 c 654 art 2 s 105; 1985 c 289 s 8; 1Sp1985 c 13 s 246; 1986 c 444

### 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.

Subd. 2. **Eligibility.** The commissioner shall approve loans to school districts for energy conservation investments. A loan may be made to a school district that has demonstrated that it has complied with all the appropriate provisions of this section and has made adequate provisions to assure proper and efficient operation of the school facilities after improvements and modifications are completed.

Subd. 3. **Application.** Application for a loan to be made pursuant to this section shall be made by a school district to the commissioner on a form the commissioner prescribes by rule. The commissioner shall review each application to determine:

- (a) whether or not the district's proposal is complete;
- (b) whether the project is eligible for a loan;
- (c) the amount of the loan for which the project is eligible; and
- (d) the means by which the district proposes to finance the project including:
  - (1) a loan authorized by this section;
  - (2) a grant of money appropriated by state law;
  - (3) a grant to the district by an agency of the federal government within the amount of money then appropriated to that agency; or
  - (4) the appropriation of other money of the district to an account for the construction of the project.

Subd. 4. **Loans.** The commissioner shall approve loans to school districts on the following conditions:

(a) A district must demonstrate that all audit activities for a given building or project have been completed, that the project is economically feasible, and that it has made adequate provisions to assure proper and efficient operation of the facility once the project is completed.

(b) A loan made pursuant to this section is repayable over a period of not more than ten years from the date the loan is made. Interest shall accrue from the date the loan is made, but the first payment of interest or principal shall not be due until one year after the loan was made. The principal shall be amortized in equal periodic payments over the remainder of the term of the loan. The accrued interest on the

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balance of the loan principal shall be due with each payment. Interest attributable to the first year of deferred payment shall be paid in the same manner as principal.

**Subd. 5. Payment; obligation.** The commissioner shall not approve payment to a school district pursuant to an approved loan until the commissioner has determined that financing of the project is assured by an irrevocable undertaking, by resolution of the school board, to annually levy or otherwise collect an amount of money sufficient to pay the principal and interest due on the loan as well as any of the commissioner of finance's administrative expenses according to the terms of the loan.

**Subd. 6. Receipts; appropriation.** The commissioner of finance shall deposit in the state treasury all principal and interest payments received in repayment of the loans authorized by this section. These payments shall be credited to the state building fund and are appropriated to the commissioner of finance for the purposes of that account.

**Subd. 7. Rules.** The commissioner shall adopt rules necessary to implement this section. The commissioner shall adopt emergency rules pursuant to sections 14.29 to 14.36, meeting the requirements of this section. The rules shall contain as a minimum:

- (a) procedures for application by districts;
- (b) criteria for reviewing loan applications; and
- (c) procedures and guidelines for program monitoring, closeout, and evaluation.

**History:** 1983 c 289 s 115 subd 1; 1983 c 323 s 1; 1984 c 640 s 32; 1Sp1985 c 12 art 7 s 1; 1986 c 444

## 116J.373 SUPERINSULATED HOME DEMONSTRATION PROJECT.

The superinsulated home demonstration project funded under Laws 1981, chapter 356, section 30, shall be continued under the direction of the commissioner and the center to monitor and document new projects and projects in progress. The project shall:

- (a) work with the financial community to bring energy cost and savings into mortgage underwriting standards;
- (b) develop a definition of superinsulation for use by financial institutions.

**History:** 1983 c 301 s 132

## 116J.38 BUILDING ENERGY RESEARCH CENTER.

**Subdivision 1. Energy partnership.** To improve the energy efficiency of buildings, the commissioner shall administer a building energy research center that shall be a cooperative effort among the commissioner, the University of Minnesota, area vocational technical institutes, and certain associations and businesses from the private sector. The center's goal is to become a nationally recognized center for building research.

**Subd. 2. Purpose.** The purpose of the building energy research center is to:

- (a) conduct studies of Minnesota building experience;
- (b) disseminate information acquired relating to building energy efficiency;
- (c) conduct continuing education courses;
- (d) provide limited energy and design consultation services for innovative projects;
- (e) coordinate and stimulate research efforts; and
- (f) seek private sector pledges to match appropriations for this program.

**History:** 1983 c 301 s 133

## 116J.381 COMMUNITY ENERGY PROGRAM.

**Subdivision 1. Findings.** The legislature finds that community based energy programs are an effective means of implementing improved energy practices including conservation, greater efficiency in energy use, and the use of alternative resources. Further, community based energy programs are found to be a public purpose for which public money may be spent.

Subd. 2. **Community energy councils; creation.** Cities or counties, individually or through the exercise of joint powers agreements, may create community energy councils. Membership on a council shall include representatives of labor, small business, voluntary organizations, senior citizens, and low and moderate income residents, and may include city and county officials, and other interested parties.

Subd. 3. **Powers and duties.** In order to develop and implement community based energy programs, a community energy council may:

- (1) analyze social and economic impacts caused by energy expenditures;
- (2) plan, coordinate, advertise, and provide energy programs to minimize negative social and economic impacts;
- (3) seek, accept, and disburse grants and other aids from public or private sources for purposes authorized in this subdivision; and
- (4) exercise other powers and duties imposed on it by statute, charter, or by ordinance.

Subd. 4. **Department assistance.** The commissioner may provide professional and financial assistance to communities to establish community energy councils, and develop and implement community energy programs, within available resources.

**History:** 1984 c 654 art 2 s 106

**116J.40** [Renumbered 116K.01]

## **116J.401 POWERS AND DUTIES.**

The commissioner of energy and economic development shall:

- (1) provide regional development commissions, the metropolitan council, and units of local government with information, technical assistance, training, and advice on using federal and state programs;
- (2) receive and administer the small cities community development block grant program authorized by Congress under the Housing and Community Development Act of 1974, as amended;
- (3) receive and administer the section 107 technical assistance program grants authorized by Congress under the Housing and Community Development Act of 1974, as amended;
- (4) receive and administer grants for the Minnesota jail resource center authorized by Congress under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended;
- (5) receive and administer the land and water conservation grant program authorized by Congress under the Land and Water Conservation Fund Act of 1965, as amended;
- (6) receive and administer other state and federal grants and grant programs for planning, community affairs, community development purposes, and other state and federal programs assigned to the department by law or by the governor in accordance with section 4.07; and
- (7) receive applications for state and federal grants and grant programs for planning, community affairs, and community development purposes, and other state and federal programs assigned to the department by law or by the governor in accordance with section 4.07.

**History:** 1984 c 558 art 4 s 4

## **116J.402 COOPERATIVE CONTRACTS.**

The commissioner of energy and economic development may apply for, receive, and spend money for community development from municipal, county, regional, and other planning agencies. The commissioner may also apply for, accept, and disburse grants and other aids for community development and related planning from the federal government and other sources. The commissioner may enter into contracts

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with agencies of the federal government, local governmental units, regional development commissions, and the metropolitan council, other state agencies, the University of Minnesota, and other educational institutions, and private persons as necessary to perform the commissioner's duties. Contracts made according to this section, except those with private persons, are not subject to the provisions of chapter 16 concerning competitive bidding.

The commissioner may apply for, receive, and spend money made available from federal sources or other sources for the purposes of carrying out the duties and responsibilities of the commissioner relating to community development.

Money received by the commissioner under this section must be deposited in the state treasury and is appropriated to the commissioner for the purposes for which the money has been received. The money does not cancel and is available until spent.

**History:** 1984 c 558 art 4 s 5; 1986 c 444

## 116J.403 RULES.

No money made available to the commissioner for the small cities community development block grant program shall be spent for community development and related planning programs until the commissioner adopts rules prescribing standards and procedures to govern the expenditure. The rules must be adopted under the administrative procedure act in chapter 14 and must conform with all terms and conditions imposed on the commissioner when the money is made available. The commissioner may adopt emergency rules under sections 14.29 to 14.36 so that the commissioner can carry out promptly the responsibilities for administering federally funded community development grant programs.

**History:** 1984 c 558 art 4 s 6; 1984 c 640 s 32; 1986 c 444

## 116J.404 JUVENILE JUSTICE.

The governor shall designate the department of energy and economic development as the sole agency responsible for supervising the preparation and administration of the state plan for juvenile justice required by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

The governor shall designate the juvenile justice advisory committee as the supervisory board for the department of energy and economic development with respect to preparation and administration of the state plan and award of grants.

The governor shall appoint members to the juvenile justice advisory committee in accordance with the membership requirements of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended. Membership terms, compensation, removal, and filling of vacancies are governed by section 15.0575, except that the appointments are not subject to the advice and consent of the senate.

**History:** 1965 c 685 s 3; 1967 c 898 s 2-4; 1973 c 412 s 8; 1974 c 327 s 3; 1974 c 406 s 54; 1975 c 271 s 6; 1976 c 132 s 1; 1977 c 347 s 2; 1979 c 333 s 57; 1980 c 487 s 1; 1981 c 356 s 73,248; 1982 c 615 s 1; 1983 c 289 s 48-53,115 subs 1,2; 1983 c 301 s 134; 1983 c 342 art 5 s 1; 1984 c 558 art 4 s 7,8,10; 1986 c 319 s 1

## 116J.405 GRANTS-IN-AID TO YOUTH INTERVENTION PROGRAMS.

Subdivision 1. The commissioner may make grants to nonprofit agencies administering youth intervention programs in communities where the programs are or may be established.

"Youth intervention program" means a nonresidential community based program providing advocacy, education, counseling, and referral services to youth and their families experiencing personal, familial, school, legal, or chemical problems with the goal of resolving the present problems and preventing the occurrence of the problems in the future.

Subd. 2. Applications for a grant-in-aid shall be made by the administering agency

to the commissioner. The grant-in-aid is contingent upon the agency having obtained from the community in which the youth intervention program is established local matching money two times the amount of the grant that is sought.

The commissioner shall provide by rule the application form, procedures for making application form, criteria for review of the application, and kinds of contributions in addition to cash that qualify as local matching money. No grant to any agency shall exceed \$25,000.

**History:** 1978 c 793 s 97; 1981 c 356 s 195; 1983 c 289 s 107, 115 subd 2; 1984 c 558 art 4 s 9, 10

#### **116J.406 GRANTS-IN-AID FOR RECREATIONAL BETTERMENT.**

**Subdivision 1. Definitions.** For purposes of this section, the following terms have the meanings set forth, except as otherwise expressly provided or indicated by the context.

(a) "Athletic courts" means special surface areas and supporting equipment or structures such as nets, hoops, and walls which can be used for active games that have definite boundaries and are played on a marked surface, limited to basketball, volleyball, handball and tennis.

(b) "Metropolitan council" and "metropolitan area" have the meanings given them in section 473.121.

(c) "Units of government" means any county, city and home rule charter city, town, school district, public post-secondary educational institution, special park district, or any elected park and recreation board having control over parks, parkways, playgrounds, and trees in a city of the first class.

**Subd. 2. Grants for parks and trails.** The commissioner shall administer a program to provide grants to units of government located within standard metropolitan statistical areas, as designated by the United States office of management and budget, but outside of the metropolitan area defined in section 473.121. The grants shall be for acquisition and betterment by units of government of public land and improvements needed for parks, trails, conservatories, zoos and other special use facilities having recreational significance for the entire population of the particular standard metropolitan statistical area. Appropriations made for this purpose shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures. The local contribution required shall be not less than ten percent. The program shall be administered so as to ensure the maximum possible use of available federal money.

**Subd. 3. Grants for trails in local parks.** The commissioner shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for recreational trails in parks owned and operated by units of government. A grant shall not exceed 40 percent of the costs of the betterment of the trail. To be eligible for a grant, a unit of government must provide at least ten percent of the costs of the betterment of the trail.

**Subd. 4. Grants for local outdoor athletic courts.** The commissioner shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for local athletic courts. A grant shall not exceed 50 percent of the costs of the betterment of the athletic court. To be eligible for a grant, a unit of government must provide at least 50 percent of the costs of the betterment of the athletic court. In making grants the commissioner shall consider, among other factors, evidence of cooperation between units of government, local need and available financial resources, and court locations that encourage maximum use, patronage, and availability.

**Subd. 5. Powers; rules.** The commissioner shall have all powers necessary and convenient in order to establish programs for recreational betterment grants-in-aid for parks, trails, and athletic courts pursuant to this section including, but not limited to,

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the authority to adopt rules for the programs, pursuant to chapter 14, and emergency rules to commence immediately the programs, pursuant to sections 14.05 to 14.36.

**History:** 1977 c 421 s 2; 1981 c 304 s 6; 1981 c 356 s 83-86,248; 1982 c 424 s 130; 1983 c 289 s 115 subd 2; 1984 c 558 art 4 s 10

**116J.41** [Repealed, 1983 c 289 s 119]

**116J.42** Subdivision 1. [Renumbered 116K.04, subdivision 1]

Subd. 2. [Renumbered 116K.04, subd 2]

Subd. 3. [Repealed, 1983 c 289 s 119]

Subd. 4. [Renumbered 116K.04, subd 3]

Subd. 5. [Repealed, 1983 c 289 s 119]

Subd. 6. [Repealed, 1983 c 289 s 119]

Subd. 7. [Renumbered 116K.04, subd 4]

Subd. 8. [Renumbered 116K.04, subd 5]

Subd. 9. [Renumbered 116J.404]

**116J.43** [Renumbered 116K.05]

**116J.44** [Renumbered 116K.06]

**116J.45** [Renumbered 116K.07]

**116J.46** [Repealed, 1983 c 289 s 119]

**116J.47** [Repealed, 1983 c 289 s 119]

**116J.48** [Renumbered 116K.08]

**116J.49** [Renumbered 116K.09]

**116J.50** [Renumbered 116K.10]

**116J.51** [Renumbered 116K.11]

**116J.52** [Renumbered 116K.12]

**116J.53** [Renumbered 116K.13]

**116J.54** [Renumbered 116J.406]

## DEVELOPMENT

### 116J.58 POWERS AND DUTIES.

Subdivision 1. **Enumeration.** The commissioner shall:

(1) investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;

(2) locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) study trends and developments in the industries of the state and analyze the reasons underlying the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

(9) cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(10) cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;

(11) assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on the public works; gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by the governor, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;

(12) study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(13) confer and cooperate with the executive, legislative, or planning authorities of the United States and neighboring states and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the development of such neighboring states, counties, and municipalities and the development of this state;

(14) generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in a manner that seems wise.

**Subd. 2. Promotional contracts.** In order to best carry out duties and responsibilities and to serve the people of the state in the promotion of tourism and economic development the commissioner may engage in programs and projects jointly with a private person, firm, corporation or association and may enter into contracts under terms to be mutually agreed upon to carry out such programs and projects not including acquisition of land or buildings. Such contracts may be negotiated and shall not be subject to the provisions of chapter 16, insofar as such provisions relate to competitive bidding.

**Subd. 3. Commissioner may enter into project agreements.** The commissioner may enter into project agreements with organizations or corporations for the purpose of developing the tourism potential of the state. If in the judgment of the commissioner a project will make a meaningful contribution to the tourism development of the state, the commissioner may enter into local or regional agreements.

**Subd. 4.** [Repealed, 1986 c 465 art 1 s 31]

**History:** 1947 c 587 s 6; 1967 c 299 s 5; 1979 c 333 s 98; 1981 c 284 s 1; 1981 c 356 s 207,248; 1983 c 289 s 54; 1984 c 582 s 1,23; 1984 c 640 s 32; 1985 c 248 s 30; 1Sp1985 c 14 art 8 s 63; 1986 c 444

**116J.59 IMPREST FUNDS, USE.**

The commissioner of energy and economic development may use the money in the imprest fund of the department in order to facilitate and expedite its business particularly in the making of advances of moneys to officers and employees of the department and members of the advisory committee for the purpose of defraying the expenses of travel, subsistence, and other similar expenses, and in meeting emergencies, and in accordance with such requirements therefor as may be prescribed by the commissioner of finance. The imprest fund shall be reimbursed for all moneys advanced in the manner prescribed by the rules of the commissioner of administration.

**History:** 1967 c 299 s 8; 1973 c 492 s 14; 1975 c 271 s 6; 1981 c 356 s 248; 1983 c 289 s 115 subd 1; 1986 c 444

**116J.60 PROMOTIONAL EXPENSES.**

In the promotion of tourism and economic development of the state, the commissioner of energy and economic development may expend money appropriated by the legislature for these purposes in the same manner as private persons, firms, corporations, and associations make expenditures for these purposes. An expenditure for food, lodging, or travel is not governed by the travel rules of the commissioner of employee relations. No money shall be expended for the appearance in radio or television broadcasts by an elected public official.

**History:** Ex1967 c 48 s 84; 1973 c 492 s 14; 1977 c 455 s 84; 1981 c 356 s 248; 1983 c 289 s 55

**116J.61 ADDITIONAL POWERS AND DUTIES.**

The commissioner shall:

(1) have control of the work of carrying on a continuous program of education for business people;

(2) publish, disseminate, and distribute information and statistics;

(3) promote and encourage the expansion and development of markets for Minnesota products;

(4) promote and encourage the location and development of new business in the state as well as the maintenance and expansion of existing business and for that purpose cooperate with state and local agencies and individuals, both within and outside the state;

(5) advertise and disseminate information as to natural resources, desirable locations, and other advantages for the purpose of attracting business to locate in this state;

(6) aid the various communities in this state in getting business to locate therein;

(7) advise and cooperate with municipal, county, regional, and other planning agencies and planning groups within the state for the purpose of promoting coordination between the state and localities as to plans and development in order to maintain a high level of gainful employment in private profitable production and achieve commensurate advancement in social and cultural welfare; coordinate the activities of statewide and local planning agencies, correlate information secured from them and from state departments and disseminate information and suggestions to the planning agencies; and encourage and assist in the organization and functioning of local planning agencies where none exist; and may provide at the request of any governmental subdivision hereinafter mentioned planning assistance, which includes but is not limited to surveys, land use studies, urban renewal plans, technical services and other planning work to any city or other municipality in the state or perform similar planning work in any county, metropolitan or regional area in the state. The commissioner shall not perform the planning work with respect to a metropolitan or regional area which is under the jurisdiction for planning purposes of a county, metropolitan, regional or joint planning body, except at the request or with the consent of the respective county, metropolitan, regional or joint planning body. The commissioner is authorized to receive and expend money from municipal, county, regional and other planning

agencies; and may accept and disburse grants and other aids for planning purposes from the federal government and from other public or private sources, and may utilize moneys so received for the employment of consultants and other temporary personnel to assist in the supervision or performance of planning work supported by money other than state appropriated money, and may enter into contracts with agencies of the federal government, units of local government or combinations thereof, and with private persons that are necessary in the performance of the planning assistance function of the commissioner. The commissioner may assist any local government unit in filling out application forms for the federal grants-in-aid. In furtherance of their planning functions, any city or town, however organized, may expend money and contract with agencies of the federal government, appropriate departments of state government, other local units of government and with private persons; and

(8) adopt measures calculated to promote public interest in and understanding of the problems of planning and, to that end, may publish and distribute copies of any plan or any report and may employ other means of publicity and education that will give full effect to the provisions of sections 116J.58 to 116J.63.

**History:** 1947 c 587 s 7; 1957 c 842 s 1; 1959 c 598 s 1; 1969 c 1129 art 3 s 2; 1971 c 24 s 41; 1973 c 123 art 5 s 7; 1981 c 356 s 208,248; 1983 c 289 s 56; 1984 c 604 s 3; 1986 c 444

#### 116J.615 OFFICE OF TOURISM.

Subdivision 1. **Duties of director.** The director of tourism shall:

(1) publish, disseminate, and distribute informational and promotional literature;  
 (2) promote and encourage the expansion and development of international tourism marketing;

(3) advertise and disseminate information about travel opportunities in the state of Minnesota;

(4) aid various local communities to improve their tourism marketing programs;

(5) coordinate and implement a comprehensive state tourism marketing program that takes into consideration all public and private businesses and attractions;

(6) conduct market research and analysis to improve marketing techniques in the area of tourism;

(7) investigate and study conditions affecting Minnesota's tourism industry, collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the director in promoting and developing Minnesota's tourism industry, both within and outside the state;

(8) apply for, accept, receive, and expend any funds for the promotion of tourism in Minnesota. All money received by the director under this subdivision shall be deposited in the state treasury and is appropriated to the director for the purposes for which the money has been received. The money does not cancel and is available until expended; and

(9) plan and conduct information and publicity programs to attract tourists, visitors, and other interested persons from outside the state to this state; encourage and coordinate efforts of other public and private organizations or groups of citizens to publicize facilities and attractions in this state; and work with representatives of the hospitality and tourism industry to carry out its programs.

**Subd. 2. Art and historical exhibitions.** In order to promote tourism, trade, and cultural enrichment, the director of tourism may arrange for the exhibition of art collections and historical displays from other nations in the state capitol and in other public buildings throughout the state of Minnesota. The director of tourism shall cooperate with the state historical society in implementing this cultural exchange program and may enter into any contracts or joint ventures that are necessary to achieve the objectives of this section.

**History:** 1983 c 289 s 57

**116J.62** [Repealed, 1983 c 289 s 119]**116J.63 SALE OF PAMPHLETS AND PUBLICATIONS; FEES; ADVERTISING.**

Subdivision 1. The commissioner may sell reports, publications, or related publicity or promotional material of the department that the commissioner determines should not be supplied gratis to those who wish to employ them in the conduct of their business.

Subd. 2. The commissioner shall recommend a schedule of fees pursuant to section 16A.128 to be charged for these materials and for services rendered by the department in furnishing them. The fees prescribed by the commissioner shall be commensurate with the distribution objective of the department for the material produced or with the cost of furnishing the services. All fees for materials and services shall be deposited in the general fund.

Subd. 3. Department publications may contain advertising and may receive advertising revenue from profit and nonprofit organizations, associations, individuals and corporations, and other state, federal or local government agencies. Advertising revenues shall be deposited in the general fund. The commissioner shall set advertising rates and fees commensurate with services rendered and distribution objectives.

**History:** 1947 c 587 s 14; 1979 c 333 s 99; 1981 c 356 s 248; 1986 c 444

**116J.64 LOANS TO INDIANS.**

Subdivision 1. For purposes of this section the following terms shall have the meanings ascribed to them herein.

Subd. 2. "Indian" means a person of one-quarter or more Indian blood and who is an enrolled member of a federally recognized Minnesota based band or tribe.

Subd. 3. "Person" means an individual Indian, or a partnership comprising Indians only, or a corporation whose stock is owned wholly by Indians.

Subd. 4. "Tribal council" means the reservation business committee or equivalent duly constituted tribal authority.

Subd. 5. "Agency" means the Indian affairs council.

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.

Subd. 7. An Indian desiring a loan for the purpose of starting a business enterprise, expanding an existing business, or for technical and management assistance, shall

make application to the Indian affairs council. The Indian affairs council shall prescribe the necessary forms and advise the prospective borrower as to the conditions under which the application may be expected to receive favorable consideration. The application shall be forwarded to the appropriate tribal council for approval or disapproval, and shall be in conformity with the plans submitted by said tribal councils. If the application is approved, the Indian affairs council shall forward the application, together with all relevant documents pertinent thereto, to the commissioner of finance, who shall draw a warrant in favor of the applicable tribal council with appropriate notations identifying the borrower. The tribal council shall thereafter reimburse suppliers and vendors for purchases of equipment, real estate and inventory made by the borrower pursuant to the conditions or guidelines established by the Indian affairs council. The tribal council shall maintain records of transactions for each borrower in a manner consistent with good accounting practice. Simple interest at two percent of the amount of the debt owed shall be charged. When any portion of a debt is repaid, the tribal council shall remit the amount so received plus interest paid thereon to the state treasurer through the Indian affairs council. The amount so received shall be credited to the Indian business loan account. The tribal council shall secure a fidelity bond from a surety company, in favor of the state treasurer, in an amount equal to the maximum amount to the credit of its loan account during the fiscal year. On the placing of a loan, additional money equal to ten percent of the total amount made available to any tribal council for loans during the fiscal year shall be paid to the council prior to December 31 for the purpose of financing administrative costs.

Subd. 8. Loans made under subdivision 7 shall be limited to a period of 20 years, if made for the purpose of financing nonreal estate purchases. Loans made for the purpose of financing real estate purchases, where such real property is to be used for nonresidential purposes only, shall be limited to a period of 40 years, and shall be a lien on the real property so acquired. Under no circumstances shall the state take a position junior to third lien. In instances where it is impossible or undesirable to secure a lien against real property, the state may secure a lien against personal property for an amount equal to the face value of the loan.

Subd. 9. Any person misrepresenting facts regarding the Indian ancestry of a prospective borrower for the purpose of securing a loan under subdivision 7, whether such borrower be an individual, partnership or corporation, shall be guilty of a gross misdemeanor.

Subd. 10. The county auditor shall remit the tax revenue received yearly to the state treasurer as required by subdivision 6 no later than December 15.

Subd. 11. There is appropriated annually an amount equal to the tax revenue allotted under subdivision 7.

**History:** 1973 c 254 s 3; 1973 c 492 s 14; 1973 c 650 art 20 s 4; 1977 c 430 s 25 subd 1; 1979 c 333 s 100-102; 1980 c 391 s 1-3; 1981 c 308 s 1-7; 1981 c 356 s 210,211,248; 1982 c 424 s 128; 1984 c 558 art 4 s 1,2; 1Sp1985 c 14 art 4 s 16; 1986 c 444

#### **116J.65 [Renumbered 116M.04]**

#### **116J.66 BUSINESS ASSISTANCE.**

The commissioner shall establish within the department a business assistance center. The center shall consist of (1) a bureau of small business which shall have as its sole function the provision of assistance to small businesses in the state and (2) a bureau of licenses to assist all businesses in obtaining state licenses and permits. This center shall be accorded at least equal status with the other major operating units within the department.

**History:** 1978 c 709 s 2; 1979 c 246 s 2; 1981 c 356 s 214,248

#### **116J.67 [Renumbered 116M.05]**

## 116J.68 BUREAU OF SMALL BUSINESS.

Subdivision 1. The bureau of small business within the business assistance center shall serve as a clearinghouse and referral service for information needed by small businesses including those operated by a socially or economically disadvantaged person.

Subd. 2. The bureau shall:

(a) provide information and assistance with respect to all aspects of business planning and business management related to the start-up, operation, or expansion of a small business in Minnesota;

(b) refer persons interested in the start-up, operation, or expansion of a small business in Minnesota to assistance programs sponsored by federal agencies, state agencies, educational institutions, chambers of commerce, civic organizations, community development groups, private industry associations, and other organizations;

(c) plan, develop, and implement a master file of information on small business assistance programs of federal, state, and local governments, and other public and private organizations so as to provide comprehensive, timely information to the bureau's clients;

(d) employ staff with adequate and appropriate skills and education and training for the delivery of information and assistance;

(e) seek out and utilize, to the extent practicable, contributed expertise and services of federal, state, and local governments, educational institutions, and other public and private organizations;

(f) maintain a close and continued relationship with the director of the procurement program within the department of administration so as to facilitate the department's duties and responsibilities under sections 16.083 to 16.086 relating to the small business set aside program of the state;

(g) develop an information system which will enable the commissioner and other state agencies to efficiently store, retrieve, analyze, and exchange data regarding small business development and growth in the state. All executive branch agencies of state government and the secretary of state shall to the extent practicable, assist the bureau in the development and implementation of the information system;

(h) establish and maintain a toll free telephone number so that all small business persons anywhere in the state can call the bureau office for assistance. An outreach program shall be established to make the existence of the bureau well known to its potential clientele throughout the state;

(i) conduct research and provide data as required by state legislature;

(j) develop and publish material on all aspects of the start-up, operation, or expansion of a small business in Minnesota;

(k) collect and disseminate information on state procurement opportunities, including information on the procurement process;

(l) develop a public awareness program through the use of newsletters, personal contacts, and electronic and print news media advertising about state assistance programs for small businesses, including those programs specifically for socially disadvantaged small business persons;

(m) publicize to small businesses the provisions of Laws 1983, chapter 188, requiring consideration of small business issues in state agency rulemaking.

Subd. 3. [Repealed, 1984 c 604 s 5]

Subd. 4. [Repealed, 1984 c 604 s 5]

**History:** 1979 c 246 s 3; 1981 c 356 s 248; 1984 c 604 s 5

## 116J.69 UNIFORM BUSINESS LICENSING POLICY.

Subdivision 1. **Finding.** The legislature finds that a uniform policy on business licenses is necessary to maintain an adequate level of protection of the public welfare

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while preventing business licensing from becoming overly burdensome for the citizens and businesses of Minnesota.

Subd. 2. **Policy.** It is the policy of the state of Minnesota that to the extent practicable, when required, a business license:

(a) Should be necessary to protect the safety, health or welfare of the citizens of the state or to ensure fair competition, competency in business, responsible financial practices, or other ethical business conduct;

(b) Should not duplicate or significantly overlap any other business license;

(c) Should be issued and renewed for the longest period possible consistent with the need to review eligibility and compliance with the terms and conditions of the license;

(d) Should contain a termination or renewal date determined by the agency to be as convenient as possible for the license holder consistent with clause (c). When an agency issues more than one license to the same business these licenses should have the same calendar renewal date; and

(e) Should involve payment of a fee in an amount no greater than specified by statute. If a fee is authorized by statute and set by rule, the fee shall be no greater than necessary to recover the administrative cost of issuing or renewing the license or enforcing its terms and conditions. The fees and conditions may be different for different classes of businesses and for initial issuance and subsequent renewals.

**History:** 1981 c 342 art 2 s 2; 1981 c 356 s 248

## 116J.70 DEFINITIONS.

Subdivision 1. **Application.** For the purposes of sections 116J.69 to 116J.71, the terms defined in this section have the meanings given them.

Subd. 2. **Business license.** "Business license" or "license" means any permit, registration, certification, or other form of approval authorized by statute or rule to be issued by any agency or instrumentality of the state of Minnesota as a condition of doing business in Minnesota. The term also includes, when applicable, the substantive and procedural criteria governing the qualifications for, and issuance and maintenance of, a business license.

Subd. 2a. **License; exceptions.** "Business license" or "license" does not include the following:

(1) Any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

(2) Any license issued by a county, home rule charter city, statutory city, township or other political subdivision;

(3) Any license required to practice the following occupation regulated by the following sections:

(a) Abstracters regulated pursuant to chapter 386;

(b) Accountants regulated pursuant to chapter 326;

(c) Adjusters regulated pursuant to chapter 72B;

(d) Architects regulated pursuant to chapter 326;

(e) Assessors regulated pursuant to chapter 270;

(f) Attorneys regulated pursuant to chapter 481;

(g) Auctioneers regulated pursuant to chapter 330;

(h) Barbers regulated pursuant to chapter 154;

(i) Beauticians regulated pursuant to chapter 155A;

(j) Boiler operators regulated pursuant to chapter 183;

(k) Chiropractors regulated pursuant to chapter 148;

(l) Collection agencies regulated pursuant to chapter 332;

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- (m) Cosmetologists regulated pursuant to chapter 155A;
- (n) Dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;
- (o) Detectives regulated pursuant to chapter 326;
- (p) Electricians regulated pursuant to chapter 326;
- (q) Embalmers regulated pursuant to chapter 149;
- (r) Engineers regulated pursuant to chapter 326;
- (s) Insurance brokers and salespersons regulated pursuant to chapter 60A;
- (t) Midwives regulated pursuant to chapter 148;
- (u) Morticians regulated pursuant to chapter 149;
- (v) Nursing home administrators regulated pursuant to chapter 144A;
- (w) Optometrists regulated pursuant to chapter 148;
- (x) Osteopathic physicians regulated pursuant to chapter 147;
- (y) Pharmacists regulated pursuant to chapter 151;
- (z) Physical therapists regulated pursuant to chapter 148;
- (aa) Physicians and surgeons regulated pursuant to chapter 147;
- (bb) Plumbers regulated pursuant to chapter 326;
- (cc) Podiatrists regulated pursuant to chapter 153;
- (dd) Practical nurses regulated pursuant to chapter 148;
- (ee) Professional fundraisers regulated pursuant to chapter 309;
- (ff) Psychologists regulated pursuant to chapter 148;
- (gg) Real estate brokers, salespersons and others regulated pursuant to chapters 82 and 83;
- (hh) Registered nurses regulated pursuant to chapter 148;
- (ii) Securities brokers, dealers, agents and investment advisers regulated pursuant to chapter 80A;
- (jj) Steamfitters regulated pursuant to chapter 326;
- (kk) Teachers and supervisory and support personnel regulated pursuant to chapter 125;
- (ll) Veterinarians regulated pursuant to chapter 156;
- (mm) Watchmakers regulated pursuant to chapter 326;
- (nn) Water conditioning contractors and installers regulated pursuant to chapter 326;
- (oo) Water well contractors regulated pursuant to chapter 156A;
- (pp) Water and waste treatment operators regulated pursuant to chapter 115;
- (qq) Motor carriers regulated pursuant to chapter 221;
- (rr) Professional corporations regulated pursuant to chapter 319A;
- (4) Any driver's license required pursuant to chapter 171;
- (5) Any aircraft license required pursuant to chapter 360;
- (6) Any watercraft license required pursuant to chapter 361;
- (7) Any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air or water, which is required to be obtained from a state agency or instrumentality; and
- (8) Any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services.

**History:** 1981 c 342 art 2 s 3; 1981 c 356 s 248; 1Sp1981 c 4 art 4 s 14; 1982 c 413 s 1; 1983 c 70 s 1; 1983 c 216 art 1 s 23; 1984 c 654 art 5 s 7,58; 1Sp1986 c 3 art 1 s 12

**116J.71 NEW LICENSES.**

Any new business license authorized by the legislature or established by rule after June 2, 1981 shall conform to the policy in section 116J.69.

**History:** 1981 c 342 art 2 s 5; 1981 c 356 s 248

**116J.72 EXISTING LICENSES.**

Nothing in sections 3.965, subdivision 6 and 116J.69 to 116J.71 shall affect the validity of duration of an existing issued license.

**History:** 1981 c 342 art 2 s 6; 1981 c 356 s 248

**116J.73 BUREAU OF BUSINESS LICENSES; DECLARATION OF PURPOSE.**

It is the intent of the legislature that a program of business license assistance be established to provide a centralized state government office to which business license applicants may obtain comprehensive license information and assistance. The program of business assistance will be directed to commercial business undertakings, projects, and activities rather than to the issuance of licenses for individual privileges, including the occupational licenses for practicing a trade or profession, licenses for operating a motor vehicle, and amateur sporting licenses, including, but not limited to, hunting and fishing.

**History:** 1981 c 342 art 3 s 1; 1981 c 356 s 248

**116J.74 DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of sections 116J.73 to 116J.86, the following terms have the meanings given them.

Subd. 2. **Agency.** "Agency" has the meaning given it in section 14.02, subdivision 2.

Subd. 3. **Applicant.** "Applicant" means a person acting personally or authorized to act on behalf of any other person for the purpose of securing a license.

Subd. 4. **Bureau.** "Bureau" means the bureau of business licenses.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of the department of energy and economic development.

Subd. 6. **Director.** "Director" means the director of the bureau of business licenses.

Subd. 7. **Business license.** "Business license" or "license" has the meaning given it in section 116J.70, subdivision 2.

Subd. 7a. **Exception.** "Business license" or "license" does not include any license excepted in section 116J.70, subdivision 2a.

Subd. 8. **Person.** "Person" means any individual, proprietorship, partnership, association, cooperative, corporation, nonprofit organization, state or local government agency, and any other organization required to obtain one or more licenses.

**History:** 1981 c 342 art 3 s 2; 1981 c 356 s 248; 1982 c 424 s 130; 1983 c 289 s 115 subd 1; 1986 c 444

**116J.75 BUREAU OF BUSINESS LICENSES.**

Subdivision 1. **Appointment of director.** The head of the bureau shall be the director of business licenses. The director shall be appointed by the commissioner in accordance with section 116J.23, and shall be in the classified service.

Subd. 2. **Director's powers and duties.** The director shall direct the work of the bureau. The director may, with the advice and consent of the commissioner, hire necessary employees, prescribe their duties, fix their compensation, and provide for the reimbursement of their expenses.

Subd. 3. **Director's report.** The director shall report to the commissioner or a designee on the activities of the bureau to ensure the consistency of those activities with the overall economic development policies of the state.

Subd. 4. **Coordination with other agencies.** The commissioner, working with other agency heads, shall assure that the activities of the bureau are fully coordinated with related activities of other agencies.

**History:** 1981 c 342 art 3 s 3; 1981 c 356 s 248; 1986 c 444

#### **116J.76 GENERAL FUNCTIONS; POWERS AND DUTIES.**

The bureau, by and through the director or the director's 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:** 1981 c 342 art 3 s 4; 1981 c 356 s 248; 1Sp1985 c 13 s 247; 1986 c 444

#### **116J.77 ASSISTANCE OF OTHER AGENCIES.**

To effect the purposes of sections 116J.73 to 116J.86, and when requested by the commissioner, an agency shall to the extent practicable provide assistance, services, facilities, and data as will enable the bureau to carry out its functions, powers, and duties.

**History:** 1981 c 342 art 3 s 5; 1981 c 356 s 248

#### **116J.78 COMPREHENSIVE LICENSE INFORMATION.**

Subdivision 1. **Reports by agencies.** Not later than 90 days from June 2, 1981, each agency issuing licenses for business undertakings, projects, and activities shall report to the bureau, in a form prescribed by the bureau, on each and every type of license administered or issued by the agency. Application forms, applicable agency rules, fee schedules, and the estimated time period necessary for license application consideration based on experience and statutory or regulatory requirements shall accompany each report. The reports shall be updated every two years.

Subd. 2. **Report supplementation.** Each agency issuing licenses for business undertakings, projects, and activities shall, subsequent to its report pursuant to subdivision 1, provide the bureau with a report of any new license or modification of any existing license, or licensing procedures, together with applicable forms, rules, and information required under subdivisions 1 and 2 regarding new or modified licenses.

Subd. 3. **Preparation of information file.** The bureau shall prepare an information file on agency license requirements upon receipt of the agency reports and shall develop methods for its maintenance, revision, updating, and ready access.

Subd. 4. **License information provided by bureau.** The bureau shall provide comprehensive license information on the basis of information submitted in subdivisions 1 to 3. The bureau may prepare and distribute publications, guides, and other materials based upon the agency reports and the information file. These materials are designed to serve the convenience of license applicants and explain license requirements affecting business, including requirements having multiple license or multiple agency aspects.

**History:** 1981 c 342 art 3 s 6; 1981 c 356 s 248

#### 116J.79 PREAPPLICATION CONFERENCES.

Subdivision 1. **Requests for conference.** The bureau, at the request of any person, proceeding in accordance with this section, may conduct a preapplication conference, pending the formal submission of application forms, in which affected agencies shall participate to the extent practicable in order to clarify the nature and scope of their interest, to provide guidance regarding license application and review procedures, and to coordinate agency actions and data collection or submission regarding license application.

Subd. 2. **Multiple licenses; agencies to provide review and opinion.** If, in the course of a preapplication conference, it becomes clear in the opinion of the director that a proposed business undertaking: (a) may require multiple licenses from the same or different state departments; (b) will take place in phases over an extended period of time; (c) will involve substantial expense for preparation of detailed plans, specifications and license applications; or (d) is of a new or unique nature, then each affected agency shall, at the request of the director to the extent practicable, provide the applicant with a written review and opinion as to all licenses which the agency would require for the proposed undertaking, the standards and conditions which would have to be met in order to obtain the licenses, timetables involved, and any properly related circumstances or findings.

Subd. 3. **Written opinions; time limits; extensions.** Each agency participating in the review and opinion process shall render the written opinion within a period not exceeding 60 days from the date fixed by the director. This period may be extended by the director at the request of an interested agency for the further consideration of information provided in accordance with this section. The director shall advise the person having requested the review and opinion of the extension, the reasons for it, and the revised period fixed by the director for rendering the written opinion. The person shall be entitled to confer with the bureau and with any agency having been granted an extension of time to ascertain what further information, if any, is required to facilitate the rendering of the review and opinion.

Subd. 4. **Effect of review and opinion procedure.** A preapplication review and opinion shall not relieve the person from the responsibility of obtaining any required licenses and shall be contingent upon the submission of all detailed plans, specifications, and information required for license applications. An agency's written opinion as to required licenses shall remain in effect indefinitely for the proposed business undertaking, project, or activity as described in the applicant's submission. However, if new license requirements or related standards over which an agency has no control or discretion in establishing subsequently become effective, the new license requirements or standards shall not be considered to have been part of the preapplication review and opinion. The opinion of the agency may be modified or amended by the agency at any time and shall not prohibit the agency from requiring additional licenses as deemed necessary for the applicant.

Subd. 5. **Rules of procedure.** The bureau shall promulgate rules for the procedures to be followed in the conduct of preapplication reviews and opinions.

**History:** 1981 c 342 art 3 s 7; 1981 c 356 s 248

**116J.80 MASTER APPLICATION PROCEDURE.**

Subdivision 1. **Development and implementation.** The bureau shall develop and implement a master application procedure to expedite the identification and processing of licenses for business undertakings, projects, and activities. A master application shall be made on a form prescribed by the bureau. This form shall request concise and specific information necessary to determine those licenses which are or may be required for the undertaking, project, or activity in order to insure speedy issuance of the licenses when all necessary requirements are met.

Subd. 2. **Bureau assistance in preparing.** Use of the master application procedure shall be at the option of any person proposing a business undertaking, project, or activity. Upon request, the bureau shall assist any person in preparing a master application, describe the procedures involved, and provide other information from the comprehensive license information file as may be helpful or necessary.

Subd. 3. **Receipt of application; notification to agencies.** Upon receipt of a master application the bureau shall immediately notify in writing each agency having a possible interest in the proposed business undertaking, project, or activity with respect to licenses which are or may be required.

Subd. 4. **Agency response.** Each agency so notified shall respond to the bureau within 20 days of receipt of the notice and shall advise the bureau whether one or more licenses under its jurisdiction are or may be required for the business undertaking, project, or activity described in the master application. The response shall specify the licenses which in the opinion of the agency are or may be required, if any, and shall indicate the fees to be charged.

Subd. 5. **Consequences of negative or nonresponses.** Any agency so notified which responds that it does not have an interest in the license requirements of the business undertaking, project, or activity described in the master application, or which does not respond within the time period specified in subdivision 4, shall not require a license for the undertaking, project, or activity described in the master application. Except that where unusual circumstances have prevented an agency from notifying the bureau, and the agency establishes that failure to require a license would result in substantial harm to the public health or welfare, the commissioner may order that the license be required.

Subd. 6. **Failure to provide accurate or pertinent information.** The provisions of subdivision 5 shall not apply if the commissioner of energy and economic development determines that the master application contained false, misleading, or deceptive information, or failed to include pertinent information, the lack of which could reasonably lead an agency to misjudge the applicability of licenses under its jurisdiction, or if new license requirements or related standards subsequently became effective for which an agency had no discretion in establishing the effective date.

Subd. 7. **Notification to applicant.** The bureau, following the 20 day notice and response period, shall promptly provide the person having submitted a master application with application forms and related information for all licenses specified by the interested agencies and shall advise the person:

(a) That all forms are to be completed and submitted to the interested agencies; and

(b) At the option of the applicant, that the bureau will receive all forms as a package with the fees to be charged, if any, and that the bureau will immediately separate and submit the forms and any allocable fees to the appropriate agencies.

Subd. 8. **Withdrawal of application.** An applicant may withdraw a master application at any time without forfeiture of any license approval applied for or obtained under the master application procedures contained in this section.

**History:** 1981 c 342 art 3 s 8; 1981 c 356 s 248; 1983 c 289 s 115 subd 1

**116J.81 LICENSE COORDINATION AND ASSISTANCE TO APPLICANTS.**

Subdivision 1. **Authorization.** Any applicant for licenses required for a business

undertaking, project, or activity may confer with the bureau to obtain assistance in the prompt and efficient processing and review of applications.

**Subd. 2. Duties of the bureau.** The bureau shall, so far as possible, render assistance; and the director may designate an officer or employee of the bureau to act as an expeditor for the purpose of:

- (a) Facilitating contacts for the applicant with agencies responsible for processing and reviewing license applications;
- (b) Arranging conferences to clarify the interest and requirements of any agency with respect to license applications;
- (c) Considering with agencies the feasibility of consolidating hearings and data required of the applicant; and
- (d) Assisting the applicant in the resolution of outstanding issues identified by agencies, including delays experienced in license review.

**History:** 1981 c 342 art 3 s 9; 1981 c 356 s 248

## 116J.82 CONSOLIDATED HEARINGS.

**Subdivision 1. Bureau may request.** The bureau may request the office of administrative hearings to consolidate hearings insofar as it is feasible and agreeable to all parties.

**Subd. 2. Rules of procedure.** A consolidated hearing shall be conducted in a manner consistent with sections 14.01 to 14.70, and the applicable rules of the office of administrative hearings.

**Subd. 3. Prehearing conference.** The office of administrative hearings, with the consent of the agencies having license jurisdiction, may provide for a prehearing conference to assist in the disposition of the type, time, place, and parties of the consolidated hearing, the simplification of the issues, the stipulations as to agreed facts and necessary documents, and other relevant matters.

**History:** 1981 c 342 art 3 s 10; 1981 c 356 s 248; 1982 c 424 s 130

## 116J.83 LICENSE AUTHORITY RETAINED.

Each agency having jurisdiction to approve or deny a license shall have the continuing power vested in it to make such determinations. The provisions of sections 116J.73 to 116J.86 shall not lessen or reduce these powers and shall modify the procedures followed in carrying out these powers only to the extent provided in sections 116J.73 to 116J.86.

**History:** 1981 c 342 art 3 s 11; 1981 c 356 s 248

## 116J.84 SERVICES PROVIDED AT NO CHARGE.

Services rendered by the bureau shall be made available without charge. Nothing contained in this section shall relieve an applicant of any part of the fees or charges established for the review and approval of license applications or relieve an applicant of any of the apportioned costs of a consolidated hearing conducted under sections 116J.79 and 116J.80.

**History:** 1981 c 342 art 3 s 12; 1981 c 356 s 248

## 116J.85 FEDERAL AND LOCAL GOVERNMENT PARTICIPATION.

**Subdivision 1. Encouragement.** Federal and local government license agencies shall be encouraged to participate in the business license information, coordination, and assistance services of the bureau and to make information available to applicants through the bureau with respect to any business undertaking, project, or activity which is referred to the bureau under the provisions of sections 116J.73 to 116J.86.

**Subd. 2. Assistance to federal and local agency license applicants.** The bureau shall, so far as is practicable, advise applicants of federal and local agency license

requirements and shall maintain an information file on licenses for which the state has delegated issuance authority to local government agencies.

Subd. 3. **Coordination of license review procedures.** The director shall consult with local government officials with respect to cooperation in coordinating state and local license application and review procedures and shall recommend to the governor and the legislature any actions which would facilitate this coordination.

**History:** 1981 c 342 art 3 s 13; 1981 c 356 s 248

#### 116J.86 COMPILATION AND MAINTENANCE OF STATISTICAL DATA.

The bureau shall obtain and keep on an annual basis appropriate statistical data regarding the number of licenses issued by agencies, the amount of time necessary for the licenses to be issued, the cost of obtaining the licenses, the types of projects for which specific licenses are issued, a geographic distribution of licenses issued, and other pertinent data which the director deems appropriate. The bureau shall analyze the data by type of license and by agency responsible and shall make its findings available to the public.

**History:** 1981 c 342 art 3 s 14; 1981 c 356 s 248

#### 116J.87 REVOLVING FUND.

There is established a business license revolving fund. Any other law notwithstanding, every agency issuing a business license after the effective date of Laws 1981, chapter 342 shall impose a two percent surcharge or \$10, whichever is the lesser amount, for the issuance or renewal of a business license through the period ending June 30, 1982. A surcharge of one percent or \$10, whichever is the lesser amount, shall be imposed beginning July 1, 1982. Proceeds from the license surcharge shall be deposited in the business license revolving fund.

**History:** 1981 c 342 art 3 s 16; 1981 c 356 s 248

#### 116J.873 ECONOMIC RECOVERY GRANTS.

Subdivision 1. **Administration.** Economic recovery grants shall be made available to local communities and recognized Indian tribal governments in accordance with the rules adopted for economic development grants in the small cities community development block grant programs, except that all units of general purpose local government are eligible applicants for economic recovery grants. The commissioner of energy and economic development shall administer the economic recovery grant program as a part of the small cities development program.

Subd. 2. **Economic recovery grant defined.** "Economic recovery grant" means an agreement between the state and an eligible recipient through which the state provides money to carry out specified programs, services, or activities designed to create new employment, maintain existing employment, increase the local tax base, or otherwise increase economic activity in a community.

Subd. 3. **Grant evaluation.** The division of community development in the department shall accept, review, and evaluate applications for grants to local units of government made in accordance with rules adopted for economic development grants in the small cities development program. Applications recommended for funding, including recommended grant awards, shall be submitted by the division to the commissioner for approval.

Subd. 4. **Grant limits.** An economic recovery grant may not be approved for an amount over \$500,000. The division may recommend less funding than requested if, in the opinion of the division, the amount requested is more than is necessary to meet the applicant's needs. If the amount of the grant is reduced, the reasons for the reduction shall be given to the applicant. The portion of an economic recovery grant that exceeds \$100,000 must be repaid to the state when it is repaid to the local community or recognized Indian tribal government by the person or entity to which it was loaned by the local community or Indian tribal government. Money repaid to

the state is appropriated to the commissioner of energy and economic development for the purpose of making additional economic recovery grants.

**History:** 1984 c 654 art 2 s 107

**116J.875** [Renumbered 116M.02]

**116J.88** Subdivision 1. [Renumbered 116M.03 subdivision 1]

Subd. 2. [Renumbered 116M.03 subd 2]

Subd. 3. [Repealed, 1983 c 289 s 119]

Subd. 3a. [Renumbered 116M.03 subd 3]

Subd. 4. [Renumbered 116M.03 subd 4]

Subd. 4a. [Renumbered 116M.03 subd 5]

Subd. 4b. [Renumbered 116M.03 subd 6]

Subd. 4c. [Renumbered 116M.03 subd 7]

Subd. 5. [Renumbered 116M.03 subd 8]

Subd. 6. [Renumbered 116M.03 subd 9]

Subd. 6a. [Renumbered 116M.03 subd 10]

Subd. 7. [Renumbered 116M.03 subd 11]

Subd. 7a. [Renumbered 116M.03 subd 12]

Subd. 7b. [Renumbered 116M.03 subd 13]

Subd. 8. [Renumbered 116M.03 subd 14]

Subd. 8a. [Renumbered 116M.03 subd 15]

Subd. 8b. [Renumbered 116M.03 subd 16]

Subd. 9. [Renumbered 116M.03 subd 17]

Subd. 10. [Renumbered 116M.03 subd 18]

Subd. 11. [Renumbered 116M.03 subd 19]

Subd. 12. [Renumbered 116M.03 subd 20]

Subd. 13. [Renumbered 116M.03 subd 21]

Subd. 14. [Renumbered 116M.03 subd 22]

Subd. 15. [Renumbered 116M.03 subd 23]

Subd. 16. [Renumbered 116M.03 subd 24]

Subd. 17. [Renumbered 116M.03 subd 25]

Subd. 18. [Renumbered 116M.03 subd 26]

**116J.89** Subdivision 1. [Renumbered 116M.06 subdivision 1]

Subd. 1a. [Renumbered 116M.06 subd 2]

Subd. 1b. [Renumbered 116M.06 subd 3]

Subd. 1c. [Renumbered 116M.06 subd 4]

Subd. 1d. [Renumbered 116M.06 subd 5]

Subd. 2. [Renumbered 116M.06 subd 6]

Subd. 3. [Renumbered 116M.06 subd 7]

Subd. 4. [Renumbered 116M.06 subd 8]

Subd. 5. [Renumbered 116M.06 subd 9]

Subd. 6. [Renumbered 116M.06 subd 10]

Subd. 7. [Repealed, 1983 c 213 s 25]

Subd. 8. [Renumbered 116M.06 subd 11]

Subd. 9. [Renumbered 116M.06 subd 12]

Subd. 10. [Renumbered 116M.06 subd 13]

**116J.90** Subdivision 1. [Renumbered 116M.07 subdivision 1]

Subd. 2. [Renumbered 116M.07 subd 2]

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- Subd. 2a. [Renumbered 116M.07 subd 3]
- Subd. 3. [Renumbered 116M.07 subd 4]
- Subd. 3a. [Renumbered 116M.07 subd 5]
- Subd. 3b. [Renumbered 116M.07 subd 6]
- Subd. 3c. [Renumbered 116M.07 subd 7]
- Subd. 4. [Renumbered 116M.07 subd 8]
- Subd. 4a. [Renumbered 116M.07 subd 9]
- Subd. 5. [Renumbered 116M.07 subd 10]
- Subd. 5a. [Renumbered 116M.07 subd 11]
- Subd. 6. [Renumbered 116M.07 subd 12]
- Subd. 7. [Renumbered 116M.07 subd 13]
- 116J.91** Subdivision 1. [Renumbered 116M.08 subdivision 1]
  - Subd. 2. [Renumbered 116M.08 subd 2]
  - Subd. 3. [Renumbered 116M.08 subd 3]
  - Subd. 4. [Renumbered 116M.08 subd 4]
  - Subd. 5. [Renumbered 116M.08 subd 5]
  - Subd. 6. [Renumbered 116M.08 subd 6]
  - Subd. 7. [Renumbered 116M.08 subd 7]
  - Subd. 8. [Renumbered 116M.08 subd 8]
  - Subd. 9. [Renumbered 116M.08 subd 9]
  - Subd. 10. [Renumbered 116M.08 subd 10]
  - Subd. 11. [Renumbered 116M.08 subd 11]
  - Subd. 12. [Renumbered 116M.08 subd 12]
  - Subd. 13. [Renumbered 116M.08 subd 13]
  - Subd. 14. [Renumbered 116M.08 subd 14]
  - Subd. 15. [Renumbered 116M.08 subd 15]
  - Subd. 16. [Renumbered 116M.08 subd 16]
  - Subd. 17. [Renumbered 116M.08 subd 17]
  - Subd. 18. [Renumbered 116M.08 subd 18]
  - Subd. 19. [Renumbered 116M.08 subd 19]
  - Subd. 19a. [Renumbered 116M.08 subd 20]
  - Subd. 20. [Renumbered 116M.08 subd 21]
- 116J.921** [Renumbered 116M.09]
- 116J.922** [Repealed, 1984 c 583 s 37]
- 116J.923** Subdivision 1. [Renumbered 116M.10 subdivision 1]
  - Subd. 2. [Repealed, 1984 c 583 s 37]
  - Subd. 3. [Renumbered 116M.10 subd 2]
  - Subd. 4. [Renumbered 116M.10 subd 3]
  - Subd. 5. [Renumbered 116M.10 subd 4]
  - Subd. 6. [Renumbered 116M.10 subd 5]
  - Subd. 7. [Renumbered 116M.10 subd 6]
  - Subd. 8. [Renumbered 116M.10 subd 7]
  - Subd. 9. [Renumbered 116M.10 subd 8]
  - Subd. 10. [Renumbered 116M.10 subd 9]
  - Subd. 11. [Renumbered 116M.10 subd 10]
  - Subd. 12. [Repealed, 1984 c 583 s 37]
- 116J.924** Subdivision 1. [Repealed, 1984 c 583 s 37 ]
  - Subd. 2. [Renumbered 116M.11 subdivision 1]

- Subd. 3. [Renumbered 116M.11 subd 2]
- Subd. 4. [Renumbered 116M.11 subd 3]
- Subd. 5. [Renumbered 116M.11 subd 4]
- 116J.925 [Renumbered 116M.12]
- 116J.926 [Renumbered 116M.13]

**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 chair, vice-chair, 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; 1986 c 444

#### **116J.965 INTERAGENCY COOPERATION.**

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

**History:** 1985 c 254 s 4