

HOUSE RESEARCH

Bill Summary

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Authors: Magnus

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Analyst: Bob Eleff

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Section

1 [216C.145] Local renewable energy initiative; account; microenergy loan program.

Subd. 1. Program. Requires the Office of Energy Security (OES) to implement a program to offer low-interest long-term loans to units of local government in order to finance small-scale renewable energy projects. Eligible projects include solar thermal water heating, solar electric, wind systems below 250 kW, geothermal heat pumps, anaerobic digesters and microhydro systems under 100kW.

Subd. 2. Account; appropriation. Establishes a special local renewable energy account in the state treasury into which revenue bond proceeds will be deposited to make the loans. An annual appropriation from the account is made to the director of OES.

Subd. 3. Microenergy loans. Directs the OES director to solicit proposals from local governments at least once annually. Specifies criteria upon which the director is to make project selections.

2 [216C.146] Local renewable energy initiative revenue bonds.

Subd. 1. Bonding authority. Directs the commissioner of finance to sell and issue revenue bonds for the program. Specifies that the amount of bonds will be set by law from time to time.

Subd. 2. Procedure. Specifies procedures for selling the bonds, crediting the

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proceeds, and making transfers from the account.

Subd. 3. Revenue sources. Specifies that debt service is payable only from the account or other revenues pledged to pay debt service.

Subd. 4. Refunding bonds. Authorizes the commissioner to refund outstanding bonds and specifies for what purposes the proceeds may be used.

Subd. 5. Not a general or moral obligation. Specifies that these bonds are not public debt, nor backed by the taxing power of the state.

Subd. 6. Trustee. Authorizes the commissioner of commerce to appoint a trustee for bond holders.

Subd. 7. Pledges. Specifies that any pledge made by the commissioner of commerce is binding and valid.

Subd. 8. Bonds; purchases and cancellation. Authorizes the commissioner of commerce to purchase bonds and specifies at what prices.

Subd. 9. State pledge against impairment of contracts. Specifies that the state pledges not to limit or alter the rights of the commissioner to fulfill the terms of agreements made with bondholders, or impair their rights and remedies.

3 [216C.147] Standing, appropriation, costs covered. Makes a standing appropriation from the account to the commissioner of finance to pay debt service costs and reserves.

4 Appropriation. Appropriates up to \$20 million from the account to the director of OES for the purposes of the act.

5 Bond sale. Requires the commissioner of finance to sell and issue up to \$20 million in revenue bonds.

6 Effective date. Specifies that sections 1 to 5 are effective the day following final enactment.