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Subject: Compensation of business owners affected by closure of a biomass plant

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Overview

Creates a program to compensate business owners negatively affected by the termination of the contract of the biomass plant identified under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (f).

Section

1 Biomass business compensation.

Subd. 1. Office of Administrative Hearings; claims process. Establishes an administrative law judge from the Office of Administrative Hearings as the administrator of the claims award process.

Subd. 2. Eligibility. Requires that, as of May 1, 2017, businesses must have had an ongoing business relationship with the biomass plant.

Subd. 3. Calculating award. Allows claims for compensation based on both decreased net revenue and the loss of value of investments in real or personal property due to the closure of the biomass plant. Specifies documentation required for these claims and compensates only the portion of the loss that was unavoidable through taking mitigating action. Also counts compensation for the loss from other sources against awards. Requires cooperation with the administrative law judge's requests for documentation. Caps the maximum amount a business could receive at twice the business's average annual net revenue generated from doing business with the biomass plant over the past five years.

Subd. 4. Paying claims; priority. Prioritizes claims from businesses that have made significant efforts to mitigate losses, suffered large losses as a percentage of total

Section

business, and can clearly show losses were caused by reliance on the plant not closing. Establishes that priority claims will be paid first, adjusted proportionally if there is not sufficient funding to pay all priority claims in full. Allows payment of all nonpriority claims out of any money remaining after payment of priority claims, again adjusted proportionally if there is insufficient funding to pay all nonpriority claims in full.

Subd. 5. Deadlines. Sets deadlines for the claims process: the administrative law judge will make the claims process available by August 1, 2018; businesses must file all claims by October 1, 2018; all offers of settlement of claims must be made by October 1, 2019; businesses must accept offers within 40 days of receipt.

Subd. 6. Appeals. Subjects denied claims to the contested case review procedures under Minnesota Statutes, chapter 14.

Subd. 7. Expiration. This section expires June 30, 2021.

2 Biomass business compensation account.

Subd. 1. Account established. Creates a special account for this program in the special revenue fund and states that funds in the account may be used to pay compensation and administrative expenses under this program.

Subd. 2. Transfer to special account. Schedules two \$20,000,000 transfers from the renewable development account to this biomass business compensation account, on July 1, 2018, and July 1, 2019.

Subd. 3. Paying expenses. Establishes a process for paying administrative expenses for the compensation program.

Subd. 4. Expiration. This section expires June 30, 2021.

3 Effective date. Both sections 1 and 2 are effective the day following final enactment.