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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4123

03/04/2020 Authored by Christensen, Moller and Acomb
The bill was read for the first time and referred to the Energy and Climate Finance and Policy Division

1.1 A bill for an act
1.2 relating to energy; establishing a revolving loan fund for energy conservation in
1.3 schools; appropriating money; proposing coding for new law in Minnesota Statutes,
1.4 chapter 216C.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. 216C.372 SCHOOL ENERGY CONSERVATION REVOLVING LOAN
1.7 FUND.

1.8 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
1.9 the meanings given them.

1.10 (b) "Energy conservation" means a net reduction in energy use.

1.11 (c) "Energy conservation improvement" means a measure or program (1) that targets
1.12 consumer behavior, equipment, processes, or devices, and (2) whose implementation is
1.13 designed to result in a net reduction in energy use.

1.14 (d) "Project" means the energy conservation improvements financed by a loan made
1.15 under this section.

1.16 (e) "School district" means an independent or special school district.

1.17 Subd. 2. Establishment. A school energy conservation revolving loan fund is established
1.18 in the Department of Commerce to make loans to school districts to implement energy
1.19 conservation improvements in school district buildings. The fund must be credited with (1)
1.20 investment income, and (2) principal and interest repayments. Money in the fund is annually
1.21 appropriated to the commissioner and does not lapse.

2.1 Subd. 3. **Fund management.** The commissioner must manage and administer the school
 2.2 energy conservation revolving loan fund.

2.3 Subd. 4. **Applications.** Applicants for loans must submit an application to the
 2.4 commissioner on a form prescribed by the commissioner. An applicant must supply the
 2.5 following information:

2.6 (1) the total estimated project cost and the loan amount sought;

2.7 (2) a description of existing equipment, structural elements, operating characteristics,
 2.8 and other conditions affecting energy use that the energy conservation improvements financed
 2.9 by the loan modify or replace;

2.10 (3) a description of the proposed project;

2.11 (4) a detailed project budget;

2.12 (5) calculations sufficient to demonstrate the expected energy and monetary savings that
 2.13 result from implementation of the project;

2.14 (6) information demonstrating the school district's ability to repay the loan; and

2.15 (7) any additional information requested by the commissioner.

2.16 Subd. 5. **Loan conditions.** (a) Loans must be made at zero interest rates for terms not
 2.17 to exceed 15 years.

2.18 (b) Payments of loan principal must begin no later than one year after the project is
 2.19 completed.

2.20 Subd. 6. **Exception.** Section 126C.10, subdivision 14, clause (11), does not apply to
 2.21 loans made under this section.

2.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.23 Sec. 2. **APPROPRIATION.**

2.24 \$20,500,000 in fiscal year 2021 is appropriated from the general fund to the commissioner
 2.25 of commerce to establish a revolving loan fund to provide loans to school districts for energy
 2.26 conservation projects under Minnesota Statutes, section 216C.372. This is a onetime
 2.27 appropriation.

2.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.