

HOUSE RESEARCH

Bill Summary

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Overview

This bill provides relief to Yellow Medicine and Chippewa counties which suffered damage from tornadoes on July 25, 2000. The bill appropriates money for disaster assistance, housing construction and rehabilitation, infrastructure replacement and repair, tourism promotion, ethanol producer subsidy payments, declining pupil unit aid, and tax abatements. The bill also allows the waiver of state agency service fees and solid waste management taxes, as well as market value exclusions on certain property tax assessments, and gives local governments a 90 day extension for filing financial reports.

Section

- 1 Appropriations; eligibility.** Provides that areas damaged by tornado in Yellow Medicine and Chippewa counties on July 25, 2000, and included in a Presidential Declaration of Major Disaster, DR1333, are eligible to receive disaster relief funds appropriated in the bill. Itemizes the appropriations by agency.
- 2 Public Safety.** Appropriates \$206,104 to the commissioner of public safety to provide matching funds for local applicants for disaster assistance funds.
- 3 Housing Finance.** Appropriates \$1,300,000 to the Minnesota Housing Finance Agency, \$300,000 for the affordable rental investment fund and \$1,000,000 for the community rehabilitation fund program, a program targeted at single-family homes, with transfers allowed between the two programs.
- 4 Trade and Economic Development.** Appropriates \$10,856,000 to the commissioner of trade and economic development: \$5,000,000 for the Minnesota investment fund; \$3,929,000 for grants to local governments for local infrastructure replacement or repair; \$675,000 for acquisition and cleanup costs that are not eligible for reimbursement by the Federal Emergency Management Agency (FEMA); and \$1,252,000 for a grant to the Upper Minnesota Valley Regional Development Commission for a tourism initiative.
- 5 Agriculture.** Appropriates \$500,000 to the rural finance authority for an additional ethanol

development loan beyond those funded under section 11 of the bill.

- 6 **Revenue.** Appropriates \$200,000 to the commissioner of revenue to provide reimbursements for tax abatements granted under section 14 of the bill.
- 7 **Children, Families, and Learning.** Appropriates \$181,720 for payment of declining pupil unit aid to independent school district No. 2190, Yellow Medicine East.
- 8 **Value-added agricultural product processing and marketing grant program.** Removes prohibition against using the program for ethanol production.
- 9 **Payments.** Extends the deadline from June 30, 2000, to December 31, 2002, for an ethanol or anhydrous alcohol plant to begin production in order to be eligible for cash payments of 20 cents per gallon. Provides that such a plant is not eligible to receive payment for excess production capacity above the capacity certified on December 31, 2002. Increases the annual amount that may be paid out to all producers from \$37,000,000 to \$40,000,000. Allows the commissioner of agriculture to approve ethanol producer payments for one additional plant under certain conditions, including that the new plant is located in a declared disaster county mentioned in Presidential Declaration of Major Disaster, DR1333.
- 10 **Expiration.** Extends the expiration date of the ethanol producer payments from 2010 to 2012.
- 11 **Commissioner may provide loan for ethanol plant.** Authorizes the commissioner of agriculture to provide a loan under the ethanol production facility loan program for a facility that qualifies for ethanol producer payments.
- 12 **Temporary waiver of fees.** Allows state agencies to waive fees for agency services within Yellow Medicine and Chippewa counties for the period of time necessary to deal with the emergency situation. Requires the agency to report on suspended fees to the legislative committees that oversee the agency's policy and budget affairs.
- 13 **Solid waste management tax waiver.** Allows the commissioner of revenue to waive for one year solid waste management taxes that would otherwise be paid to dispose of construction debris from the July 25, 2000 tornado.
- 14 **Property tax abatement; property damaged by tornado.** Permits city councils to request tax abatements from county boards in Yellow Medicine and Chippewa counties for properties containing a structure or structures that have lost over 50 percent of their estimated market value due to wind damage.
- 15 **Valuation exclusion for improvements to certain business property.** Allows class 3a property eligible for the preferred class rate on the market value up to \$150,000 to qualify for a value exclusion of up to \$50,000 on improvements for five years for assessment purposes if the building was damaged in the July 25, 2000 tornadoes. After five years, 20 percent of the value of the improvements would be added back in each of the subsequent assessment years.
- 16 **Delay of financial report filing; disaster areas.** Gives a 90 day extension for filing financial reports to cities and towns located in whole or in part within Yellow Medicine or Chippewa counties.
- 17 **Fiscal years 2001 to 2003 declining pupil unit aid; Yellow Medicine East.**
Subd. 1. Fiscal year 2001. Allows declining pupil aid to independent school district no. 2190 equal to the product of the general education formula allowance for FY 2001 times 100 percent of the difference between adjusted marginal cost pupil units for the 1999-2000 and 2000-2001 school years.
Subd. 2. Fiscal year 2002. Allows declining pupil aid to independent school district no. 2190 equal to the product of the general education formula allowance for FY 2002 times 75 percent of the difference between adjusted marginal cost pupil units for the 1999-2000 and 2001-2002

school years.

Subd. 3. Fiscal year 2003. Allows declining pupil aid to independent school district no. 2190 equal to the product of the general education formula allowance for FY 2003 times 50 percent of the difference between adjusted marginal cost pupil units for the 1999-2000 and 2002-2003 school years.

Subd. 4. Pupil weights. Requires marginal cost pupil units for FY 2000 to be calculated using pupil weights in effect for the current year.

18 **Effective date.** Effective the day following final enactment, except as otherwise provided.