

HOUSE RESEARCH

Bill Summary

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Authors: Rukavina and others

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Analyst: Kathy Novak

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Overview

This bill establishes a new loan program for manufacturers, administered by the department of employment and economic development (DEED), funded by the sale of revenue bonds by the commissioner of management and budget (MMB). The loan program allows for up to two years of deferred loan payments. The bill has criteria for the loan program and requirements for the sale and redemption of bonds.

Section

- 1** **Manufacturing equipment loan program.** Establishes a program in the department of employment and economic development (DEED) to make low-interest loans to manufacturers for half of the cost of buying and installing eligible equipment. Defines terms relevant to the loan program. Establishes a process for soliciting loan proposals and criteria for selecting a proposal. Provides terms for the loan, including low interest rates, and at least 15 years and up to two years of deferred payments. Establishes an account for the bond proceeds and any other money associated with the program. Appropriates money to DEED to make eligible loans and to management and budget (MMB) for debt service payments.
- 2** **Manufacturing equipment loan revenue bonds.** Authorizes MMB to sell revenue bonds for loans and debt service, at the request of the commissioner of DEED. Authorizes refunding of bonds and sets an unspecified limit on the outstanding principal of these bonds. Specifies that debt service on the bonds is to be paid from revenue sources of the program. Provides that these bonds are not the obligation of the state. Authorizes the appointment of a trustee for the bondholders. Provides for pledges of money or property as security, and other duties of the MMB for the purchase and redemption of bonds.