

Subject State Building Energy Conservation Revolving Loan Fund

Authors Acomb

Analyst Chelsea Griffin

Date March 5, 2021

Overview

This bill allows the commissioner of administration (“commissioner”) to make loans to state agencies for certain energy improvement projects using a newly established state building energy conservation revolving loan fund. Minnesota Management & Budget is authorized to sell and issue \$16 million of general obligation bonds to fund the loans.

All sections are effective the day following final enactment.

Summary

Section	Description
---------	-------------

- | | |
|---|---|
| 1 | <p>State building energy conservation revolving loan fund.</p> <p>Creates a new section 16B.324, which establishes a state building energy conservation revolving loan fund to make loans to state agencies for certain energy conservation improvements in state buildings.</p> <p>Subd. 1. Definitions. Defines terms for the purposes of the section.</p> <p>Subd. 2. Establishment. Establishes a state building energy conservation revolving loan fund (“fund”) to make loans to state agencies for certain energy conservation improvements in state buildings. The fund must be credited with investment income and with repayments of principal and interest. The money in the fund is appropriated to the commissioner annually and does not lapse.</p> <p>Subd. 3. Fund management. Requires the commissioner of administration to manage and administer the fund through the Office of Enterprise Sustainability.</p> <p>Subd. 4. Applications. Requires a state agency applying for an energy conservation improvement loan to provide certain information about the project and the agency’s finances to the commissioner.</p> |
|---|---|

Section **Description**

Subd. 5. Loan conditions. Creates an unstated maximum loan amount. The loan amount is calculated on a percentage of the total project costs. The interest rate on a loan must be one-half the rate the state pays in interest for various purpose bonds sold immediately preceding the issuance of the loan to the state agency. A loan term is limited to 15 years or less. Payments on the loan must begin no later than one year after the project is completed.

2 Appropriation; bond sale authorization.

Authorizes the sale and issuance of \$16 million of general obligation bonds to fund the loans under section 1.



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155