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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1835**

March 8, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to energy; establishing wind energy conversion system loan guarantee
1.3 program; appropriating money; proposing coding for new law in Minnesota
1.4 Statutes, chapter 216C.

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

1.6 Section 1. **[216C.42] WIND ENERGY LOAN GUARANTEE PROGRAM.**

1.7 Subdivision 1. **Created.** (a) The wind energy loan guarantee program is created
1.8 to be administered by the commissioner of commerce. The purpose of the program is
1.9 to encourage the financing, construction, and operation in Minnesota of wind energy
1.10 conversion systems. The program must:

1.11 (1) guarantee financial institutions that provide financing for a wind energy
1.12 conversion system that the state will guarantee, in case of a borrower's default, up to 15
1.13 percent of the value of the amount financed, not to exceed \$300,000 for each system;

1.14 (2) allow the interest rate to be negotiable between the financial institution and
1.15 borrower, except that one percent on the outstanding balance must be charged annually
1.16 as a loan guarantee fee and paid to the state and deposited in the account established in
1.17 subdivision 2;

1.18 (3) require that the financial institution making a loan guaranteed pursuant to this
1.19 section must be located in Minnesota; and

1.20 (4) require that the wind energy conversion system for which financing is requested
1.21 be located in Minnesota.

1.22 (b) The program may not provide insurance for more than 20 systems.

1.23 Subd. 2. **Wind energy loan guarantee account.** The wind energy loan guarantee
1.24 account is established as a separate account in the special revenue fund in the state

2.1 treasury. The account consists of the proceeds of the loan guarantee fees collected
 2.2 annually, any federal money that may be made available for this program, money
 2.3 appropriated or donated to the account, and any interest earned on investments of money
 2.4 in the account. Money in the account is appropriated to the commissioner for the purposes
 2.5 of this section. State guarantee payments must be disbursed as the first source for payment
 2.6 on default of a loan.

2.7 Subd. 3. **Rules.** The commissioner may adopt rules to operate the program.

2.8 **Sec. 2. APPROPRIATION.**

2.9 \$..... is appropriated from the general fund to the commissioner of commerce for
 2.10 deposit in the wind energy loan guarantee account in the special revenue fund for the
 2.11 purposes of that account. The appropriation does not lapse.