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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 2586

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Authored by Sailer

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 capital investment; appropriating money for a solar power installation
1.3 grant program; authorizing the sale and issuance of state bonds; requiring a
1.4 report; proposing coding for new law in Minnesota Statutes, chapter 216C.

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

1.6 Section 1. **[216C.50] SOLAR ENERGY SYSTEM INSTALLATION GRANTS.**

1.7 Subdivision 1. **Definitions.** The following terms have the meanings given them:

1.8 (a) "Solar wall" means a wall is a sun-facing wall built from material that can act as
1.9 a thermal mass, combined with an air space, insulated glazing, and vents to form a large
1.10 solar thermal collector. It is also called a Trombe wall and means a passive solar heating
1.11 and ventilation system consisting of an air channel between a window and a sun-facing
1.12 thermal mass. During the ventilation cycle, sunlight stores heat in the thermal mass and
1.13 warms the air channel causing circulation through vents at the top and bottom of the wall.
1.14 During the heating cycle the wall radiates stored heat.

1.15 (b) "Solar thermal system" means a passive solar energy system that absorbs solar
1.16 energy to directly heat water or, if concentrated, to produce electricity.

1.17 (c) "Photovoltaic" means an array of cells containing a material that converts solar
1.18 radiation into direct current electricity.

1.19 (d) "Solar energy system" means a solar wall, solar thermal system, or photovoltaic
1.20 energy system.

1.21 Subd. 2. **Creation of account; uses.** A solar energy installation account is created
1.22 in the bond proceeds fund. Money in the account may only be used for capital costs of
1.23 solar energy installations in publicly owned buildings. "Capital costs" means a capital
1.24 cost within the meaning of generally accepted accounting principles as applied to public

2.1 expenditures. The commissioner of administration will consult with the commissioner
 2.2 of management and budget to the extent necessary to ensure that proposed expenditures
 2.3 are capital costs and will furnish the commissioner of management and budget any
 2.4 information the commissioner of management and budget requests about the projects
 2.5 proposed to be financed from the account. The legislature assumes that the solar energy
 2.6 systems constitute betterments and capital improvements within the meaning of the
 2.7 Constitution and capital expenditures under generally accepted accounting principles,
 2.8 and will be financed more efficiently and economically under this section than by direct
 2.9 appropriations for specific projects.

2.10 Subd. 3. **Grants procedures.** A political subdivision may apply in the manner
 2.11 determined by the commissioner of administration for a grant to acquire and install an
 2.12 eligible solar energy system on one or more state bond financed buildings owned by the
 2.13 political subdivision. The commissioner of administration shall make grants in each
 2.14 region defined in section 462.385, subdivision 1. The money in the account each year
 2.15 must be allocated among the 11 regions equally. The commissioner of administration shall
 2.16 make the grants on a first-come, first-served basis within each region. The commissioner
 2.17 of administration shall develop guidelines for application and awards of grants.

2.18 Subd. 4. **Cancellation of grant.** If a grant awarded to a political subdivision is not
 2.19 encumbered within four years after the award date, the grant must be canceled.

2.20 If after five years, the commissioner of administration determines that a project has
 2.21 not proceeded in a timely manner and is unlikely to be completed, the commissioner of
 2.22 administration must cancel the grant and require the grantee to return all grant money
 2.23 awarded for that project. For industrial park development projects, if after five years
 2.24 the industrial park is not developed and available for business use, the commissioner of
 2.25 administration must cancel the grant and require the grantee to return all grant money for
 2.26 that project. If the industrial park is developed and available for use within five years,
 2.27 but no businesses have located in the park, the grantee is not required to return any
 2.28 grant money.

2.29 Subd. 5. **Appropriation.** Grant money returned to the commissioner of
 2.30 administration is appropriated to the commissioner of administration to make additional
 2.31 grants under this section.

2.32 Subd. 6. **Report.** By January 15 of each year, the commissioner of administration
 2.33 must submit to the commissioner of management and budget and to the chairs of the house
 2.34 of representatives and senate committees with jurisdiction over environment and natural
 2.35 resources finance and capital investment a list of the projects that have been funded with
 2.36 money from the account.

3.1 **Sec. 2. SOLAR POWER GRANT PROGRAM APPROPRIATION.**

3.2 Subdivision 1. **Appropriation.** \$..... is appropriated from the bond proceeds fund
3.3 to the commissioner of commerce for grants under section 1.

3.4 Subd. 2. **Bond sale.** To provide the money appropriated in subdivision 1 from the
3.5 bond proceeds fund, the commissioner of management and budget shall sell and issue
3.6 bonds of the state in an amount up to \$..... in the manner, upon the terms, and with
3.7 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
3.8 Minnesota Constitution, article XI, sections 4 to 7.

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