

This form serves to provide the City Council and IGR with key information on new legislative proposals.

Name of Legislation:	Removal of Penalty in the Sub-allocator Bonding Authority Statute
Short Description. Please include a description of the current issue/problem, as well as any relevant historical background.	Currently sub-allocators, such as the City of Minneapolis, have a two year period to place their allocation of bonds into projects. If all bonds are not placed, the next years allocation is shorted by the amount of unused bonds. This rule was suspended for the recession but came back in 2011. Last year Minnesota Housing promoted legislation which would eliminate the bond penalty language for sub-allocators, but it was attached to the vetoed Tax Bill so it did not pass. As a result, the City of Minneapolis lost \$14 million in bonding authority. This loss was put into a pool and redistributed to the sub-allocators. Other jurisdictions lost more than the City of Minneapolis. The result was that while we lost \$14 million, \$18 million was redistributed to the City of Minneapolis. The legislature should amend the bond allocation law Chapter 474A to delete the deduction in entitlement amounts for the non-issuance of bonds from 2008 through 2012.
Sponsoring Department:	CPED
Submitted By:	Wesley Butler
Key Staff:	Wesley Butler, Dollie Crowther
Statute Citation:	MS. 474A
Priority (city is lead advocate) or Support (city supports other groups) item?	Support
State Fiscal Impact:	None
Supportive Partners:	MN Housing, City of Saint Paul, Dakota County CDA and possibly all other sub-allocators
For Internal IGR Use	
IGR Lead Staff	Gene
Covered in existing item?	No
Priority or Support?	Support
Notes	