

SENATE  
STATE OF MINNESOTA  
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1057

(SENATE AUTHORS: SENJEM)

DATE	D-PG	OFFICIAL STATUS
03/29/2011	1033	Introduction and first reading Referred to Finance
05/10/2011	1921	Withdrawn and re-referred to Capital Investment

A bill for an act  
relating to debt service; amending the use of bond sale premiums; amending  
Minnesota Statutes 2010, sections 16A.641, subdivision 7; 16A.642, subdivision  
2.

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

Section 1. Minnesota Statutes 2010, section 16A.641, subdivision 7, is amended to  
read:

Subd. 7. **Credit of proceeds.** (a) Proceeds of bonds issued under each law must be  
credited by the commissioner to a special fund, as provided in this subdivision.

(b) Accrued interest ~~and any premium~~ received on sale of the bonds must be credited  
to the state bond fund created by the Constitution, article XI, section 7. Any premium  
received on the sale of the bonds on or prior to December 1, 2012, must be credited to  
the state bond fund. Any premium received on the sale of the bonds after December 1,  
2012, must be credited to either the bond proceeds fund where it is used to reduce the par  
amount of the bonds issued or the state bond fund.

(c) Except as otherwise provided by law, proceeds of state bonds issued under the  
Constitution, article XI, section 5, clause (a), must be credited to the bond proceeds fund  
established by section 16A.631.

(d) Proceeds of state highway bonds must be credited to the trunk highway fund  
under the Constitution, article XIV, section 6.

(e) Proceeds of bonds issued for programs of grants or loans to political subdivisions  
must be credited to special accounts in the bond proceeds fund or to special funds  
established by laws stating the purposes of the grants or loans, and the standards and  
criteria under which an executive agency is authorized to make them.

(f) Proceeds of refunding bonds must be credited to the state bond fund as provided in section 16A.66, subdivision 1.

(g) Proceeds of other bonds must be credited as provided in the law authorizing their issuance.

Sec. 2. Minnesota Statutes 2010, section 16A.642, subdivision 2, is amended to read:

Subd. 2. **Cancellation.** (a) If the commissioner determines that the purposes for which general obligation bonds of the state have been issued or for which general fund monies were appropriated are accomplished or abandoned, after consultation with the affected agencies, and there is a remaining authorization or appropriation for a specific project of \$500 or less, the commissioner may cancel the remaining authorization or appropriation for that project.

(b) If a premium received on the sale of bonds is credited to the bond proceeds fund, pursuant to section 16A.641, subdivision 7, paragraph (b), the corresponding bond authorization to which the premium is attributable must be reduced accordingly by the commissioner.

(c) The commissioner must notify the chairs of the senate Finance Committee and the house of representatives Capital Investment Committee of any bond authorizations or general fund appropriations canceled under this subdivision.