

SENATE

STATE OF MINNESOTA

NINETIETH SESSION

S.F. No. 2551

(SENATE AUTHORS: LANG and Frentz)

DATE	D-PG	OFFICIAL STATUS
02/22/2018	6156	Introduction and first reading Referred to Capital Investment
02/26/2018	6210	Withdrawn and re-referred to Agriculture, Rural Development, and Housing Finance
03/12/2018	6376	Comm report: To pass and re-referred to Capital Investment
03/19/2018	6793	Author added Frentz See HF4425, Art. 1, Sec. 10

- 1.1

A bill for an act
- 1.2

relating to capital investment; appropriating money for the Rural Finance Authority;
- 1.3

authorizing the sale and issuance of state bonds.
- 1.4

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

Section 1. RURAL FINANCE AUTHORITY.
- 1.6

Subdivision 1. **Appropriation.** \$20,000,000 is appropriated from the bond proceeds
- 1.7

fund to the Rural Finance Authority for the purposes set forth in the Minnesota Constitution,
- 1.8

article XI, section 5, paragraph (h), to purchase participation interests in or to make direct
- 1.9

agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is
- 1.10

from the bond proceeds account in the rural finance administration fund and is for the
- 1.11

beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring
- 1.12

program under Minnesota Statutes, section 41B.04; the seller-sponsored program under
- 1.13

Minnesota Statutes, section 41B.042; the agricultural improvement loan program under
- 1.14

Minnesota Statutes, section 41B.043; and the livestock expansion loan program under
- 1.15

Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance
- 1.16

this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes,
- 1.17

section 16A.643. Loan participations must be priced to provide full interest and principal
- 1.18

coverage and a reserve for potential losses. Priority for loans must be given first to basic
- 1.19

beginning farmer loans, second to seller-sponsored loans, and third to agricultural
- 1.20

improvement loans.
- 1.21

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond
- 1.22

proceeds account, the commissioner of management and budget shall sell and issue bonds
- 1.23

of the state in an amount up to \$20,000,000 in the manner, upon the terms, and with the

- 2.1 effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
- 2.2 Constitution, article XI, sections 4 to 7.
- 2.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.