

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 2773

(SENATE AUTHORS: FATEH)

DATE
03/09/2023

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Introduction and first reading
Referred to Capital Investment

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to capital investment; eliminating the one-third user financing requirement
1.3 for future capital improvement projects at public postsecondary institutions;
1.4 amending Minnesota Statutes 2022, section 16A.662, subdivision 5.

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

1.6 Section 1. Minnesota Statutes 2022, section 16A.662, subdivision 5, is amended to read:

1.7 Subd. 5. **Assessment to higher education systems.** (a) In order to reduce the amount
1.8 otherwise required to be transferred to the state bond fund with respect to bonds heretofore
1.9 or hereafter issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2, the
1.10 commissioner of management and budget shall assess each higher education system for
1.11 one-third the amount that would otherwise need to be transferred with respect to those bonds
1.12 sold to finance capital improvement projects at institutions under the control of the system;
1.13 provided that, to the extent that the amount to be transferred is for payment of principal and
1.14 interest on bonds sold to finance life safety improvements, the commissioner must not assess
1.15 the higher education systems for the transfer.

1.16 (b) After each sale of the bonds, the commissioner of management and budget shall
1.17 notify the Board of Trustees of the Minnesota State Colleges and Universities and the regents
1.18 of the University of Minnesota of the amounts for which each system is responsible for
1.19 each year for the life of the bonds. The amounts payable each year are reduced by one-third
1.20 of the net income from investment of those bond proceeds that must be allocated among
1.21 the systems in proportion to the amount of principal and interest otherwise required to be
1.22 paid by each. Each higher education system shall pay its annual share of debt service
1.23 payments to the commissioner of management and budget by December 1 each year. If a

2.1 higher education system fails to make a payment when due, the commissioner of management
2.2 and budget shall reduce allotments for appropriations from the general fund otherwise
2.3 payable to the system to cover the amount of the missed debt service payment. The
2.4 commissioner of management and budget shall credit the payments received from the higher
2.5 education systems to the infrastructure development bond debt service account in the state
2.6 bond fund each December 1 before the transfer is made under subdivision 4.

2.7 (c) This subdivision only applies to bonds authorized before January 1, 2023. This
2.8 subdivision does not apply to bonds authorized on or after that date.