

473.39 BORROWING MONEY.

Subdivision 1. **General authority.** The council may issue general obligation bonds subject to the volume limitations in this section to provide funds to implement the council's transit capital improvement program and may issue general obligation bonds not subject to the limitations for the refunding of outstanding bonds or certificates of indebtedness of the council, the former regional transit board or the former metropolitan transit commission, and judgments against the former regional transit board or the former metropolitan transit commission or the council. The council may not issue obligations pursuant to this subdivision, other than refunding bonds, in excess of the amount specifically authorized by law. Except as otherwise provided in sections 473.371 to 473.449, the council shall provide for the issuance, sale, and security of the bonds in the manner provided in chapter 475, and has the same powers and duties as a municipality issuing bonds under that law, except that no election is required and the net debt limitations in chapter 475 do not apply to the bonds. The obligations are not a debt of the state or any municipality or political subdivision within the meaning of any debt limitation or requirement pertaining to those entities. Neither the state, nor any municipality or political subdivision except the council, nor any member or officer or employee of the council, is liable on the obligations. The obligations may be secured by taxes levied without limitation of rate or amount upon all taxable property in the transit taxing district and transit area as provided in section 473.446, subdivision 1, clause (c). As part of its levy made under section 473.446, subdivision 1, clause (c), the council shall levy the amounts necessary to provide full and timely payment of the obligations and transfer the proceeds to the appropriate council account for payment of the obligations. The taxes must be levied, certified, and collected in accordance with the terms and conditions of the indebtedness.

Subd. 1a. **Obligations; transit financial assistance.** (a) After August 1, 1989, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$30,700,000 for transit financial assistance, as prescribed in the council's capital improvement program.

(b) As a condition of the use of transit financial assistance under this section, the council must make the transit facilities it constructs, acquires, or improves for I-394 with funds provided under this section available to all transit providers on a nondiscriminatory basis, as the council defines these terms.

(c) The limitation contained in this subdivision does not apply to refunding bonds issued by the council.

Subd. 1b. **Obligations; transit capital expenditures.** The council may also issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$62,000,000, of which \$44,000,000 may be used for council transit and paratransit fleet replacement, transit and paratransit facilities, and transit and paratransit capital equipment, and \$18,000,000 may be used for transit hubs, park-and-ride lots, community-based transit vehicles and replacement service program vehicles, intelligent vehicle highway systems projects, and other capital expenditures as prescribed in the council's transit capital improvement program, and related costs including the cost of issuance and sale of the obligations. For the purposes of this subdivision, uniforms are not capital expenditures.

Subd. 1c. **Obligations; 1996-1998.** In addition to the authority in subdivisions 1a and 1b, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$20,500,000 which may be used for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1d. **Obligations; 1998-2000.** In addition to the authority in subdivisions 1a, 1b, and 1c, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount

not exceeding \$30,000,000, which may be used for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1e. **Obligations; additional authority.** In addition to the authority in subdivisions 1a, 1b, 1c, and 1d, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$32,500,000, which may be used for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1f. [Repealed, 2005 c 152 art 1 s 43]

Subd. 1g. **Obligations; 2000-2002.** In addition to the authority in subdivisions 1a, 1b, 1c, 1d, and 1e, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$55,400,000, which may be used for capital expenditures, other than for construction, maintenance, or operation of light rail transit, as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. The funds must be proportionally spent on capital improvement projects as recommended by the regional transit capital evaluation committee.

Subd. 1h. **Obligations; additional authority after July 1, 2001.** After July 1, 2001, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, and 1g, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$45,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations, but not for computer software, or for construction, maintenance, or operation of light rail transit or commuter rail.

Subd. 1i. **Obligations; additional authority after July 1, 2002.** After July 1, 2002, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, 1g, and 1h, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$54,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations, but not for computer software, or for construction, maintenance, or operation of light rail transit or commuter rail.

Subd. 1j. **Obligations; additional authority after July 1, 2003.** After July 1, 2003, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, 1g, 1h, and 1i, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$45,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1k. **Obligations; additional authority after July 1, 2005.** After July 1, 2005, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, 1g, 1h, 1i, and 1j, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$64,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1l. **Obligations; additional authority after July 1, 2006.** After July 1, 2006, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, 1g, 1h, 1i, 1j, and 1k, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$32,800,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital im-

provement program, as adopted through May 1, 2006, and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1m. **Obligations; additional authority after March 1, 2008.** After March 1, 2008, in addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$33,600,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1n. **Obligations; additional authority after July 1, 2008.** After July 1, 2008, in addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$33,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1o. **Obligations; additional authority after July 1, 2009.** After July 1, 2009, in addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$34,200,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1p. **Obligations; additional authority after July 1, 2010.** After July 1, 2010, in addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$34,600,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1q. **Obligations.** After July 1, 2011, in addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$35,000,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1r. **Obligations.** After July 1, 2012, in addition to other authority under this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$39,600,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. Of this authorization, up to \$4,200,000 may be made available to fund capital projects in amounts that would have otherwise been funded using replacement transit service provider reserves that were reduced in 2012 as a result of Laws 2011, First Special Session chapter 3, article 1, section 4.

Subd. 1s. **Obligations.** After July 1, 2013, in addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$35,800,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

Subd. 1t. **Obligations.** In addition to other authority in this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$75,300,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. Of this authorization, after July 1, 2014, the council may issue certificates of indebtedness, bonds, or other obligations in an amount not exceeding

\$37,000,000 and after July 1, 2015, the council may issue certificates of indebtedness, bonds, or other obligations in an additional amount not exceeding \$38,300,000.

Subd. 2. **Legal investments.** Certificates of indebtedness, bonds, or other obligations issued by the council to which tax levies have been pledged pursuant to section 473.446, are proper for investment of any funds by a bank, savings bank, savings association, credit union, trust company, insurance company, or public or municipal corporation, and may be pledged by any bank, savings bank, savings association, credit union, or trust company as security for the deposit of public money.

Subd. 2a. **Uses of investment income.** Interest or other investment earnings on the proceeds of bonds issued under this section and on a debt service account for bonds issued under this section must be used only to:

(1) pay capital expenditures and related expenses for which the obligations were authorized by this section;

(2) to pay debt service on the obligations or to reduce the council's property tax levy imposed to pay debt service on obligations issued under this section;

(3) pay rebate or yield reduction payments for the bonds to the United States;

(4) redeem or purchase the bonds; or

(5) make other payments with respect to the bonds that are necessary or desirable to comply with federal tax rules applicable to the bonds or to comply with covenants made with respect to the bonds.

Subd. 3. [Repealed, 1Sp1985 c 10 s 123 subd 1]

Subd. 4. **Transit capital improvement program.** The council may not issue obligations pursuant to this section until the council adopts a three-year transit capital improvement program. The program must include a capital investment component that sets forth a capital investment strategy and estimates the fiscal and other effects of the strategy. The component must specify, to the extent practicable, the capital improvements to be undertaken. For each improvement specified, the program must describe: (1) need, function, objective, and relative priority; (2) alternatives, including alternatives not involving capital expenditures; (3) ownership and operating entity; (4) location and schedule of development; (5) environmental, social, and economic effects; (6) cost; (7) manner of finance and revenue sources, including federal and state funds, private funds, taxes, and user charges; and (8) fiscal effects, including an estimate of annual operating costs and sources of revenue to pay the costs.

Subd. 5. **Anticipation of grants.** In addition to other authority granted in this section, the council may exercise the authority granted to an issuing political subdivision by section 475.522.

History: 1984 c 654 art 3 s 124; 1Sp1985 c 10 s 102-104; 1986 c 460 s 39,40; 1987 c 278 s 17,18; 1987 c 358 s 120; 1989 c 283 s 1; 1992 c 579 s 1; 1994 c 605 art 2 s 1; 1994 c 628 art 3 s 91-94; 1995 c 202 art 1 s 25; 1995 c 236 s 14; 1996 c 471 art 13 s 20,21; 1997 c 231 art 16 s 21; 1998 c 389 art 3 s 22; 1998 c 404 s 54; 1999 c 248 s 10; 2000 c 493 s 14; 2001 c 214 s 12; 2002 c 390 s 16; 2003 c 127 art 12 s 20; 1Sp2003 c 21 art 10 s 11; 2005 c 152 art 1 s 19,20; 2006 c 259 art 13 s 14; 2008 c 154 art 10 s 19,20; 2008 c 366 art 5 s 18; 2009 c 88 art 6 s 20; 2010 c 389 art 7 s 8; 1Sp2011 c 3 art 2 s 3; 2012 c 287 art 3 s 55; 2013 c 117 art 3 s 34; 2013 c 143 art 12 s 10; 2014 c 150 art 5 s 2; 2014 c 271 art 3 s 12