462A.20 HOUSING DEVELOPMENT FUND; CREATION, SOURCES.

Subdivision 1. **Creation; revolving.** There is created and established under the jurisdiction and control of the agency a revolving fund to be known as the "housing development fund."

Subd. 2. **Which money in fund.** (a) There shall be paid into the housing development fund:

(1) any moneys appropriated and made available by the state for the purposes of the fund;

(2) any moneys transferred into and made available by the state for the purposes of the fund;

(3) any moneys which the agency receives in repayment of advances made from the fund;

(4) any other moneys which may be made available to the agency for the purpose of the fund from any other source or sources;

(5) all fees and charges collected by the agency;

(6) all interest or other income not required by the provisions of a resolution or indenture securing notes or bonds to be paid into another special fund.

(b) Money in the housing development fund may be used only for the purposes of the housing development fund and may not be transferred from the fund for other purposes.

Subd. 3. **Separate accounts; transfers; limits.** Whenever any money is appropriated by the state to the agency solely for a specified purpose or purposes, the agency shall establish a separate bookkeeping account or accounts in the housing development fund to record the receipt and disbursement of such money and of the income, gain, and loss from the investment and reinvestment thereof. Earnings from investment of any amounts appropriated by the state to the agency for a specified purpose or purposes may be aggregated. The costs and expenses necessary and incidental to the development and operation of all programs funded by state appropriations may be paid from the aggregated earnings from investments. The agency must distribute earnings as provided in subdivision 5. The agency may transfer unencumbered balances from one appropriated account to another, provided that no money appropriated for the purpose of agency loan programs may be transferred to an account to be used for making grants, except that money appropriated for the purpose of section 462A.05, subdivision 14a, may be transferred for the purpose of section 462A.05, subdivision 15a. The commissioner must inform the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy in writing prior to making a transfer pursuant to this subdivision. The written notice must include how much money will be transferred, why the transfer will be made, and when the transfer will occur. The written notice must also be filed with the Legislative Reference Library in compliance with section 3.195.

Subd. 4. **Report.** (a) On or before February 15 of each year, the agency must submit a report to the chairs and ranking minority members of the legislative committees having jurisdiction over housing finance and policy, ways and means, and finance on the costs of operating the agency in the previous fiscal year. The report must differentiate between costs to administer programs funded by state appropriations and other agency activities. For both types of costs, the report must include the following: (1) the expenditures for salaries and benefits, rent, professional and technical services, and general agency administration; (2) the number of full-time equivalent staff positions; and (3) the agency's audited financial statements which include information on expenditures and receipts relating to debt issuance and administration and loan origination and administration. The report must also include a budget plan for operating costs that differentiates between the costs to administer programs funded by state appropriations and other agency activities. For both types of costs, the report must include projected costs for salaries and benefits, rent, professional and technical

services, and general administration for the current fiscal year, including estimates of changes in costs from the previous fiscal year. If it appears that the costs in the current fiscal year will exceed the budget plan contained in the report submitted under this subdivision, the agency must notify the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy that the costs in the current fiscal year will exceed the submitted budget plan and the reasons for the changes in costs and must submit a revised budget plan to the commissioner of management and budget and obtain the commissioner's concurrence with the revised plan. The agency must also notify the chairs and ranking minority members of the legislative committees with jurisdiction over housing finance and policy when the agency is considering an expansion of agency activities that was not contemplated in the submitted budget plan.

(b) The report under this subdivision must additionally provide:

(1) the amount of aggregated earnings from investments of state appropriations as of January 1 of the year the report is to be submitted;

(2) the amounts used pursuant to subdivision 5 in the prior calendar year and the programs for which each amount was originally appropriated and through which each amount was used;

(3) the amounts of any administrative retentions from state appropriations in the prior calendar year;

(4) the amount, as of January 1 of the year the report is to be submitted, of the unencumbered balance that was appropriated prior to the current fiscal year, including citations to the laws making the original appropriations and explanations why the amounts remain unencumbered; and

(5) the amount that the agency projected pursuant to subdivision 5, paragraph (a), clause (2), in its most recent calculation pursuant to that subdivision, along with information on the assumptions used in creating those projections.

Subd. 5. **Use of earnings from investments of state appropriations required.** (a) By September 1 each odd-numbered year, the agency must determine the difference between: (1) the amount as of June 30 of that year of aggregated earnings from investments of state appropriations in the housing development fund; and (2) the amount that the agency projects that it will incur in costs and expenses necessary and incidental to the development and operation of programs funded by state appropriations in the fiscal year beginning that July 1 and in the following fiscal year.

(b) Each biennium the commissioner must use 25 percent of the difference determined in paragraph (a), in the manner provided in this subdivision. Before December 31 of the even-numbered year in each biennium, the agency must encumber the amount to be used under this subdivision, or the agency must provide public notice of the solicitations through which the amount will be awarded. Earnings must be used for purposes that are comparable to the purposes of the respective original appropriations and consistent with legislative intent.

(c) Use of aggregated earnings from investment of state appropriations is not required under this subdivision if, when completing the calculation under paragraph (a), the amount in paragraph (a), clause (2), exceeds the amount in paragraph (a), clause (1).

(d) The agency must consult with the commissioner of management and budget when projecting its costs pursuant to paragraph (a), clause (2).

History: *1971 c 702 s 20; 1973 c 515 s 35; 1974 c 441 s 18; 1977 c 401 s 14; 1981 c 306 s 10; 1Sp1985 c 13 s 342; 1987 c 384 art 1 s 39; 1999 c 223 art 2 s 49,50; 1Sp2001 c 4 art 4 s 19; 2009 c 101 art 2 s 109; 2026 c 100 art 3 s 6-9*