462A.22 BOND FUND.

Subdivision 1. **Agency debt capacity.** The aggregate principal amount of general obligation bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of $9,000,000,000.

Subd. 1a. MS 1982 [Repealed, 1983 c 185 s 15]

Subd. 2. **Limit is not a contract.** Subdivision 1 is not a contract with the holders of any bonds or notes excluding the issuance of bonds or notes in excess of said maximum amount, if such maximum shall be increased by law.

Subd. 3. **Debt service reserve funds.** The agency may create and establish a special fund or funds for the security of one or more or all series of its bonds or notes, which funds shall be known as debt service reserve funds. The agency may pay into each debt service reserve fund (a) any moneys appropriated by the state only for the purposes of such fund, (b) any proceeds of sale of bonds or notes to the extent provided in the resolution or indenture authorizing the issuance thereof, (c) any funds directed to be transferred by the agency to such debt service reserve fund, and (d) any other moneys made available to the agency only for the purpose of such fund from any other source or sources.

Subd. 4. **Solely for bonds, notes; exception.** The moneys held in or credited to each debt service reserve fund, except as provided in this section, shall be used solely for the payment of the principal of bonds or notes of the agency as the same mature, the purchase of such bonds or notes, the payment of interest thereon, or the payment of any premium required when such bonds or notes are redeemed before maturity; provided, that moneys in any such fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of the fund to less than the amount which the agency shall determine to be reasonably necessary for the purposes of the fund, except for the purpose of paying principal or interest due on bonds or notes secured by the fund, for the payment of which other moneys of the agency are not available.

Subd. 5. **Investments.** Moneys in any debt service reserve fund not required for immediate use or disbursement may be invested in accordance with the provisions of section 462A.18, subdivision 2.

Subd. 6. **No similar bonds unless minimum in funds.** If the agency shall create and establish a debt service reserve fund for the security of any series of bonds or notes, it shall not issue any additional bonds or notes which are similarly secured if the amount of any of the debt service reserve funds at the time of such issuance does not equal or exceed the minimum amount, if any, required by the resolution creating such fund, unless the agency shall deposit in each such fund at the time of such issuance, from the proceeds of the bonds or notes or otherwise, an amount which, together with the amount then in the fund, will be not less than the minimum amount so required.

Subd. 7. **Transfer of excess.** To the extent consistent with the resolutions and indentures securing outstanding bonds and notes, the agency may periodically transfer to any other fund or account from any debt service reserve fund, any excess in that fund over the amount deemed by the agency to be reasonably necessary for the purpose of the fund.

Subd. 8. **Annual certificate of minimum needed for budget.** In order to assure the payment of the principal of and interest on bonds and notes of the agency and the continued maintenance of all debt service reserve funds created and established therefor, the agency shall annually determine and certify to the governor, on or before December 1, (a) the amount, if any, then needed to restore each debt service reserve fund to the minimum amount required by the resolution or indenture establishing the fund, not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all bonds

or notes which are then outstanding and secured by such fund; and (b) the amount, if any, determined by the agency to be needed in the then immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds and notes secured by a debt service reserve fund the amount of which is then less than the minimum amount agreed. The governor shall include and submit to the legislature, in the budget for the following fiscal year, or in a supplemental budget if the regular budget for that year has previously been approved, the amounts certified by the agency in accordance with this subdivision.

Subd. 9. **Biennial report.** The agency shall also submit a biennial report of its activities and receipts, and a plan for the next biennium, to the governor and the legislature on or before February 15 in each odd-numbered year. The report shall include: (1) the distribution of money under each agency program by county, except for counties containing a city of the first class, where the distribution shall be reported by municipality; and (2) the cost per unit of housing and the cost per square foot of housing financed under each agency program.

In addition, the report shall include the cost to the agency of the issuance of its bonds for each issue in the biennium, along with comparable information for other state housing finance agencies.

Subd. 10. **Audits.** All of the books and records of the agency shall be subject to audit by the legislative auditor in the manner prescribed for other agencies of state government. The agency is authorized also to employ and to contract in its resolutions and indentures for the employment of public accountants for the audit of books and records pertaining to any fund or funds.

History: *1971 c 702 s 22; 1973 c 492 s 14; 1973 c 515 s 39; 1974 c 441 s 26; 1976 c 254 s 13; 1977 c 347 s 60; 1977 c 401 s 20-22; 1979 c 327 s 10-12; 1980 c 509 s 169; 1981 c 306 s 13; 1983 c 185 s 11,12; 1983 c 317 s 3; 1985 c 6 s 1; 1Sp1985 c 14 art 8 s 20; 1986 c 444; 1991 c 292 art 9 s 32; 1992 c 511 art 9 s 15; 1992 c 522 s 36; 2003 c 61 s 5,6; 2008 c 300 s 42; 2008 c 363 art 10 s 23; 1Sp2019 c 1 art 6 s 23; 2023 c 37 art 3 s 1; 2023 c 62 art 2 s 113; 2024 c 127 art 15 s 16*