CHAPTER 15D

HEALTH AND EDUCATION FACILITIES AUTHORITY

15D.01 CREATION.
15D.02 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.
15D.03 POLICY.
15D.04 DEFINITIONS.
15D.05 POWERS; DUTIES.
15D.06 SOURCE OF PAYMENT OF EXPENSES.
15D.07 NOTES OF THE AUTHORITY.
15D.08 BONDS OF THE AUTHORITY.
15D.09 TRUST AGREEMENT.
15D.10 REVENUE REFUNDING BONDS.
15D.11 BONDS ARE NOT STATE OBLIGATION.
15D.12 REVENUES.
15D.13 REMEDIES OF BONDHOLDERS AND TRUSTEES.
15D.14 BONDS ELIGIBLE FOR INVESTMENT.
15D.15 EXEMPTION FROM TAXES AND OTHER RESTRICTIONS.
15D.16 ADMINISTRATION.
15D.17 CONFLICT OF INTEREST.
15D.18 ANNUAL REPORT.

15D.01 CREATION.

A state agency known as the Minnesota Health and Education Facilities Authority is hereby created.

History: *1971 c 868 s 1; 1Sp2025 c 3 art 7 s 3,30*

15D.02 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.

Subdivision 1. **Membership.** The Minnesota Health and Education Facilities Authority shall consist of nine members appointed by the governor with the advice and consent of the senate, and a representative of the Office of Higher Education.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; at least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education; and at least one of the members shall be a trustee, director, officer, or employee of a health care organization.

Subd. 1a. **Private College Council member.** The president of the Minnesota Private College Council, or the president's designee, shall serve without compensation as an advisory, nonvoting member of the authority.

Subd. 1b. **Nonprofit health care association member.** The chief executive officer of a Minnesota nonprofit health care association whose members are primarily nonprofit health care organizations, or the chief executive officer's designee, shall serve without compensation as an advisory, nonvoting member of the authority. The identity of the Minnesota nonprofit health care association shall be determined and may be changed from time to time by the members of the authority in accordance with and as provided in the bylaws of the authority.

Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the representative of the office, the president of

the Private College Council, and the nonprofit health care association member shall be as provided in section 15.0575.

History: *1971 c 868 s 2; 1973 c 758 s 1; 1975 c 271 s 6; 1976 c 134 s 40; 1983 c 258 s 52; 1984 c 654 art 4 s 22; 1989 c 293 s 56; 1995 c 212 art 3 s 36,37; 2005 c 107 art 2 s 60; 2014 c 149 s 74; 1Sp2025 c 3 art 7 s 4,30*

15D.03 POLICY.

It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that health care organizations in Minnesota be provided with appropriate additional means to establish, acquire, construct, improve, and expand health care facilities in furtherance of their purposes; that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; that institutions of higher education within the state be provided with appropriate additional means to assist youth in achieving the required levels of learning and development of their intellectual and mental capacities; and that health care organizations and institutions of higher education be enabled to refinance outstanding indebtedness incurred to provide existing facilities used for those purposes in order to preserve and enhance the utilization of facilities for purposes of health care and higher education, to extend or adjust maturities in relation to the resources available for their payment, and to save interest costs and thereby reduce health care costs or higher education tuition, fees, and charges. It is hereby further declared that it is the purpose of sections 15D.01 to 15D.18 to provide a measure of assistance and an alternative method to enable health care organizations and institutions of higher education in the state to provide the facilities and structures which are sorely needed to accomplish the purposes of sections 15D.01 to 15D.18, all to the public benefit and good, to the extent and manner provided herein.

History: *1971 c 868 s 3; 1973 c 758 s 2; 1Sp2025 c 3 art 7 s 5,30*

15D.04 DEFINITIONS.

Subdivision 1. **Scope.** In sections 15D.01 to 15D.18, the following words and terms shall, unless the context otherwise requires, have the meanings ascribed to them.

Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is controlled by, or is under common control with another entity. For purposes of this subdivision, "control" means either the power to elect a majority of the members of the governing body of an entity or the power, whether by contract or otherwise, to direct the management and policies of the entity. Affiliate also means an entity whose business or substantially all of whose property is operated under a lease, management agreement, or operating agreement by another entity, or an entity who operates the business or substantially all of the property of another entity under a lease, management agreement, or operating agreement.

Subd. 2. **Authority.** "Authority" means the Health and Education Facilities Authority created by sections 15D.01 to 15D.18.

Subd. 3. **Project.** "Project" means a health care facility or an education facility whether proposed, under construction, or completed, and includes land or interests in land, appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures, furniture, machinery, equipment, and parking. Project also includes other structures, facilities, improvements, machinery, equipment, and means of transport of a capital nature that are necessary or convenient for the operation of the facility. Project does not include: (1) any facility used or to be used for sectarian instruction or as a place of religious worship; (2) any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for

any religious denomination; or (3) any books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are customarily deemed to result in a current operating charge.

Subd. 4. **Cost.** "Cost," as applied to a project or any portion financed under the provisions of sections 15D.01 to 15D.18, means all or any part of the cost of construction, acquisition, alteration, enlargement, reconstruction and remodeling of a project including all lands, structures, real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for or in connection with a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of construction and acquisition, provisions for reserves for principal and interest and for extensions, enlargements, additions and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project and other expenses as may be necessary or incident to the construction and acquisition of the project, the financing of construction and acquisition and the placing of the project in operation.

Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority issued under the provisions of sections 15D.01 to 15D.18, including revenue refunding bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution or any other lawfully pledged security of a participating institution.

Subd. 6. **Institution of higher education.** "Institution of higher education" means a nonprofit educational institution within the state authorized to provide a program of education beyond the high school level.

Subd. 6a. **Health care organization.** (a) "Health care organization" means a nonprofit organization located within the state and authorized by law to operate a nonprofit health care facility in the state. Health care organization also means a nonprofit affiliate of a health care organization as defined under this paragraph, provided the affiliate is located within the state or within a state that is geographically contiguous to Minnesota.

(b) Health care organization also means a nonprofit organization located in another state that is geographically contiguous to Minnesota and authorized by law to operate a nonprofit health care facility in that state, provided that the nonprofit organization located in the contiguous state is an affiliate of a health care organization located in Minnesota.

Subd. 6b. **Education facility.** "Education facility" means a structure or structures available for use as a dormitory or other student housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, student health care facility, or child care facility, and includes other facilities or structures related to the essential or convenient orderly conduct of an institution of higher education.

Subd. 6c. **Health care facility.** (a) "Health care facility" means a structure or structures available for use in Minnesota as a hospital, clinic, psychiatric residential treatment facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility, medical office building, residence for nurses or interns, nursing home, boarding care home, assisted living facility, residential hospice, intermediate care facility for persons with developmental disabilities, supervised living facility, board and lodging establishment with special services, adult day care center, day services facility, prescribed pediatric extended care facility, community residential setting, adult foster home, or other facility related to medical or health care research, or the delivery or administration of

health care services and includes other structures or facilities related to the essential or convenient orderly conduct of a health care organization.

(b) Health care facility also means a facility in a state that is geographically contiguous to Minnesota operated by a health care organization that corresponds by purpose, function, or use with a facility listed in paragraph (a).

Subd. 7. **Participating institution.** "Participating institution" means a health care organization or an institution of higher education that, under the provisions of sections 15D.01 to 15D.18, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 15D.01 to 15D.18. Community colleges and technical colleges may be considered participating institutions for the purpose of financing and constructing child care facilities and parking facilities.

History: *1971 c 868 s 4; 1978 c 706 s 61; 1990 c 610 art 1 s 47,48; 1Sp1995 c 2 art 1 s 38; 1Sp2025 c 3 art 7 s 6,30*

15D.05 POWERS; DUTIES.

Subdivision 1. **Purpose.** The purpose of the authority shall be to assist health care organizations and institutions of higher education in the construction, financing, and refinancing of projects. The exercise by the authority of the powers conferred by sections 15D.01 to 15D.18, shall be deemed and held to be the performance of an essential public function. For the purpose of sections 15D.01 to 15D.18, the authority shall have the powers and duties set forth in subdivisions 2 to 23.

Subd. 2. **Election of officers.** The authority shall annually elect one of its members as chair, one as vice-chair, and one as secretary, as well as elect additional officers deemed necessary by the authority.

Subd. 3. **Employees; office space.** The authority is authorized and empowered to appoint and employ employees as it may deem necessary to carry out its duties, determine the title of the employees so employed, and fix the salary of its employees. The authority may maintain an office space as it may designate.

Subd. 4. MS 2024 [Repealed, 1Sp2025 c 3 art 7 s 31]

Subd. 5. **Rules.** The authority is authorized and empowered to adopt rules for the conduct of its business.

Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 15D.01 to 15D.18, and to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of these purposes, to enter into contracts for the management and operation of a project, and to designate a participating institution as its agent to determine the location and character of a project undertaken by a participating institution under the provisions of sections 15D.01 to 15D.18 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of these purposes, including contracts for the management and operation of the project.

(b) Notwithstanding paragraph (a), a project involving a health care facility in Minnesota financed under sections 15D.01 to 15D.18 must comply with all applicable requirements in state law related to authorizing construction of or modifications to a health care facility, including the requirements in sections 144.5509, 144.551, 144A.071, and 252.291.

(c) Contracts of the authority or of a participating institution to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other public contract or competitive bid law.

Subd. 7. **Property.** The authority is authorized and empowered to acquire by gift or purchase and hold and mortgage real estate and interests therein and personal property to be used as a project or a part thereof.

Subd. 8. **Projects; other powers.** The authority is authorized and empowered to purchase, construct, reconstruct, enlarge, improve, furnish and equip and lease, sell, exchange, and otherwise dispose of projects or parts thereof.

Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed $5,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 15D.01 to 15D.18, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

(b) Of the $5,000,000,000 limit in paragraph (a), the aggregate principal amount used to fund education facilities may not exceed $2,250,000,000 at any time and the aggregate principal amount used to fund health care facilities may not exceed $2,750,000,000 at any time.

Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized and empowered to issue revenue bonds to acquire projects from or to make loans to participating institutions and thereby refinance outstanding indebtedness incurred by participating institutions to provide funds for the acquisition, construction or improvement of a facility before or after the enactment of sections 15D.01 to 15D.18, but otherwise eligible to be and being a project thereunder, whenever the authority finds that the refinancing will enhance or preserve the participating institutions and the facilities or utilization that is for health care or educational purposes or extend or adjust maturities to correspond to the resources available for their payment, or reduce charges or fees imposed on patients or occupants, or the tuition, charges, or fees imposed on students for the use or occupancy of the facilities of the participating institutions or costs met by federal or state public funds, or enhance or preserve health care or educational programs and research or the acquisition or improvement of other facilities eligible to be a project or part thereof by the participating institution. The amount of revenue bonds to be issued to refinance outstanding indebtedness of a participating institution shall not exceed the lesser of (a) the fair value of the project to be acquired by the authority from the institution or mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness including any premium thereon and any interest accrued or to accrue to the date of redemption and any legal, fiscal and related costs in connection with the refinancing and reasonable reserves, as determined by the authority. The provisions of this subdivision do not prohibit the authority from issuing revenue bonds within and charged against the limitations provided in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of the project refinanced.

Subd. 11. **Contracts.** The authority is authorized and empowered to enter into contracts and execute all instruments necessary or appropriate to carry out the purposes of sections 15D.01 to 15D.18.

Subd. 12. **Rents, fees, and charges.** The authority is authorized and empowered generally, to fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by a project or any portion thereof and to contract with any person, partnership, association or corporation or other body public or private in respect thereof.

Subd. 13. **Pledge.** The authority is authorized and empowered to pledge, assign, hypothecate, or otherwise encumber as security for the bonds, the rentals, revenues, and other income, charges, and moneys realized

from the use, lease, sale, or other disposition of one or more projects or parts thereof as may be designated in the bond proceedings and enter into trust agreements or indentures of mortgage for the benefit of bondholders.

Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to establish rules for the use of a project or any portion thereof and to designate a participating institution as its agent to establish rules for the use of a project undertaken for a participating institution.

Subd. 15. **Consultants.** The authority is authorized and empowered to employ consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation.

Subd. 16. **Acceptance of loans, grants, and aid.** The authority is authorized and empowered to receive and accept from any public agency loans or grants for or in aid of the acquisition, construction, or refinancing of a project or any portion thereof, and to receive and accept loans, grants, aid or contributions from any source of either money, property, labor or other things of value to be held, used and applied only for the purposes for which such loans, grants, aid and contributions are made.

Subd. 17. **Agreements with units of government.** The authority is authorized and empowered to enter into appropriate arrangements with any federal or state department or agency, county, township, municipal corporation, or other political subdivision, taxing district, or public body or agency for the planning and installation of streets, roads, alleys, water supply and distribution facilities, storm and sanitary sewage collection and disposal facilities, and other necessary appurtenances to a project.

Subd. 18. **Insurance.** The authority is authorized and empowered to purchase fire and extended coverage and liability insurance for a project, and any other insurance the authority may agree to provide under the bond proceedings. The authority is not a municipality subject to the provisions of sections 466.01 to 466.15.

Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of sections 15D.01 to 15D.18, any member or officer of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall be covered under a surety or fidelity bond in an amount to be determined by the authority. Each bond shall be conditioned upon the faithful performance of the duties of the office of the member or officer and shall be executed by a surety company authorized to transact business in the state of Minnesota as surety. The cost of each bond shall be paid by the authority.

Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and empowered to sell, lease, release, or otherwise dispose of real and personal property or interests therein, or a combination thereof, acquired by the authority under authority of sections 15D.01 to 15D.18 and no longer needed for the purposes of this chapter or of the authority, and grant easements and other rights in, over, under, or across a project as will not interfere with its use of the property. The sale, lease, release, disposition, or grant may be made without competitive bidding and in the manner and for such consideration as the authority in its judgment deems appropriate.

Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any participating institution for the cost of a project in accordance with an agreement between the authority and the participating institution, provided that no loan shall exceed the total cost of the project as determined by the participating institution and approved by the authority.

Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and empowered to charge to and apportion among participating institutions its administrative costs and expenses incurred in the exercise

of the powers and duties conferred by sections 15D.01 to 15D.18 in the manner as the authority in its judgment deems appropriate.

Subd. 23. **Other powers.** The authority is authorized and empowered to do all things necessary or convenient to carry out the purposes of sections 15D.01 to 15D.18.

Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered to determine whether an entity is an affiliate. A determination by the authority of affiliate status shall be deemed conclusive for the purposes of sections 15D.01 to 15D.18.

History: *1971 c 868 s 5; 1973 c 758 s 3; 1975 c 271 s 6; 1978 c 793 s 63; 1983 c 258 s 53,54; 1984 c 544 s 89; 1985 c 248 s 70; 1986 c 444; 1989 c 293 s 57; 1992 c 513 art 1 s 16; 1992 c 545 art 1 s 1; 1995 c 212 art 3 s 59; 1997 c 183 art 3 s 18; 1998 c 386 art 2 s 44; 2000 c 260 s 20; 2000 c 386 s 1; 2003 c 133 art 2 s 16; 2005 c 107 art 2 s 60; 2007 c 144 art 2 s 31; 2010 c 215 art 2 s 9; 2014 c 149 s 74; 2024 c 124 art 2 s 23; 2024 c 127 art 35 s 23; 1Sp2025 c 3 art 7 s 7-17,30*

15D.06 SOURCE OF PAYMENT OF EXPENSES.

All expenses incurred in carrying out the provisions of sections 15D.01 to 15D.18, shall be payable solely from funds provided under the authority of sections 15D.01 to 15D.18, and no liability shall be incurred by the authority hereunder beyond the extent to which money shall have been provided under the provisions of sections 15D.01 to 15D.18.

History: *1971 c 868 s 6; 1Sp2025 c 3 art 7 s 30*

15D.07 NOTES OF THE AUTHORITY.

The authority may from time to time issue negotiable notes for the purpose of sections 15D.01 to 15D.18, and may from time to time renew any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The authority may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the authority or any issue thereof may contain any provisions which the authority is authorized to include in any resolution or resolutions authorizing revenue bonds of the authority or any issue thereof, and the authority may include in any notes any terms, covenants or conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenue of the authority, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

History: *1971 c 868 s 7; 1Sp2025 c 3 art 7 s 30*

15D.08 BONDS OF THE AUTHORITY.

Subdivision 1. **Bonds; generally.** (a) The authority may from time to time issue revenue bonds for purposes of sections 15D.01 to 15D.18, and all revenue bonds, notes, bond anticipation notes or other obligations of the authority issued pursuant to sections 15D.01 to 15D.18 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of revenue bonds, the authority may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any note, including renewals, shall not exceed five years from the date of issue of the original note. Notes shall be paid from any revenues of the authority available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. The notes and the resolution or resolutions authorizing the

same may contain any provisions, conditions or limitations which a bond resolution or the authority may contain.

(b) Before issuing revenue bonds, notes, or other obligations under paragraph (a) on behalf of a health care organization to finance health care facilities, the authority must obtain consent by resolution from each city or town where the project is located, except that consent need not be obtained in the case of a city or town with a population of less than 100,000. The consent by resolution requirement does not apply to financing under paragraph (a) on behalf of a participating institution that is primarily an institution of higher education.

Subd. 2. **Payment of bonds and notes.** The revenue bonds and notes of every issue shall be payable solely out of revenues of the authority, subject only to any agreements with the holders of particular revenue bonds or notes pledging any particular revenues. Notwithstanding that revenue bonds and notes may be payable from a special fund, they shall be and be deemed to be, for all purposes, negotiable instruments, subject only to the provisions of the revenue bonds.

Subd. 3. **Issuance, conditions, sale.** The revenue bonds may be issued as serial bonds or as term bonds, or the authority, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the members of the authority and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, payable at such time or times, be in denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The revenue bonds or notes may be sold at public or private sale for such price or prices as the authority shall determine. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for such definite bonds. Bonds or notes may be executed by the manual or facsimile signatures of two officers of the authority, and the facsimile of any seal adopted by the authority may be imprinted thereon, so long as the signature of either one such officer is a manual signature or as the bonds are authenticated by the manual signature of an authorized officer of a corporate trustee appointed to authenticate the bonds under a trust agreement with the authority.

Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

(1) pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with one or more partnerships, corporations or associations, or other bodies, public or private, to secure the payment of the revenue bonds or of any particular issue of revenue bonds, subject to agreements with bondholders as may then exist;

(2) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(3) the setting aside of reserves or sinking funds, and the regulation and disposition of them;

(4) limitations on the right of the authority or its agent to restrict and regulate the use of the project;

(5) limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging the proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

(6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to, and the manner in which consent may be given;

(8) limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority;

(9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of the holders in the event of a default; or

(10) the mortgaging of a project and the site thereof for the purpose of securing the bondholders.

Subd. 4a. **Health care certification.** Health care organizations must provide the authority with a signed certificate from the health care organization stating that so long as authority financing for the health care organization remains outstanding, none of the proceeds of the bonds to the health care organization may be directly or indirectly used to benefit a private party or private equity-funded entity.

Subd. 5. **Liability.** Neither the members of the authority nor any person executing the revenue bonds or notes shall be liable personally on the revenue bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

Subd. 6. **Other powers.** The authority shall have power out of any funds available therefor to purchase its bonds or notes. The authority may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

Subd. 7. **Investment.** The authority may invest any bond proceeds, sinking funds or reserves in any securities authorized for investment of funds of municipalities pursuant to sections 118A.04 and 118A.05, including securities described in section 475.67, subdivision 8. In addition, such bond proceeds, sinking funds and reserves may be:

(1) deposited in time deposits of any state or national bank subject to the limitations and requirements of chapter 118A; or

(2) invested in repurchase agreements with, providing for the repurchase of securities described in the preceding sentence by, a bank qualified as a depository of money of the authority, a national or state bank in the United States that is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds $10,000,000, or a reporting dealer to the Federal Reserve Bank of New York. Power to make any such investment or deposit is subject to the provisions of any applicable covenant or restriction in a resolution or trust agreement of the authority.

History: *1971 c 868 s 8; 1973 c 758 s 4,5; 1984 c 654 art 4 s 23; 1996 c 399 art 2 s 3; 1997 c 219 s 2; 1Sp2025 c 3 art 7 s 18-20,30*

15D.09 TRUST AGREEMENT.

In the discretion of the authority any revenue bonds issued under the provisions of sections 15D.01 to 15D.18, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. The trust agreement or the resolution providing for the issuance of revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or

any portion of the project. The trust agreement or resolution providing for the issuance of revenue bonds may contain provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particular provisions that have been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds. Any bank or trust company incorporated under the laws of the state that may act as depository of the proceeds of bonds or of revenues or other moneys may furnish indemnifying bonds or pledge securities as may be required by the authority. Any trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any trust agreement or resolution may contain other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of the trust agreement or resolution may be treated as a part of the cost of the operation of a project.

History: *1971 c 868 s 9; 1Sp2025 c 3 art 7 s 21,30*

15D.10 REVENUE REFUNDING BONDS.

Subdivision 1. **Bonds; generally.** The authority is hereby authorized to provide for the issuance of revenue bonds of the authority for the purpose of refunding any revenue bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of such revenue bonds, and, if deemed advisable by the authority, for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project or any portion thereof.

Subd. 2. **Proceeds.** The proceeds of any such revenue bonds issued for the purpose of refunding outstanding revenue bonds may, in the discretion of the authority, be applied to the purchase or retirement at maturity or redemption of such outstanding revenue bonds either on their earliest or any subsequent redemption date or upon the purchase or at the maturity thereof and may, pending such application be placed in escrow to such purchase or retirement at maturity or redemption on such date as may be determined by the authority.

Subd. 3. **Investment.** Any escrowed proceeds, pending use, may be invested and reinvested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, or in shares or units in any money market mutual fund whose investment portfolio consists solely of direct obligations of the United States of America, maturing at a time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of the proceeds and interest, income and profits, if any, earned or realized on the investments may be returned to the authority for use by it in any lawful manner.

Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project may be invested or deposited as provided in section 15D.08, subdivision 7.

Subd. 5. **Relation to other laws.** All such revenue bonds shall be subject to the provisions of sections 15D.01 to 15D.18, in the same manner and to the same extent as other revenue bonds issued pursuant to sections 15D.01 to 15D.18.

History: *1971 c 868 s 10; 1973 c 758 s 6; 1Sp2025 c 3 art 7 s 22,23,30*

15D.11 BONDS ARE NOT STATE OBLIGATION.

Bonds issued under authority of sections 15D.01 to 15D.18 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings. The legislature intends not to appropriate money from the general fund to pay for these bonds.

History: *1971 c 868 s 11; 1990 c 610 art 2 s 5; 1Sp2025 c 3 art 7 s 30*

15D.12 REVENUES.

The authority may fix, revise, charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by each project and may contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. The rates, rents, fees, and charges may vary between projects involving an education facility and projects involving a health care facility and shall be fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from the project so as to provide funds sufficient with other revenues, if any:

(1) to pay the cost of maintaining, repairing and operating the project and each and every portion of the project, to the extent that the payment of the cost has not otherwise been adequately provided for;

(2) to pay the principal of and the interest on outstanding revenue bonds of the authority issued in respect of the project as the same shall become due and payable; and

(3) to create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, revenue bonds of the authority. The rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this state other than the authority. A sufficient amount of the revenues derived in respect of a project, except part of the revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at regular intervals as may be provided in the resolution or trust agreement in a sinking or other similar fund that is hereby pledged to, and charged with, the payment of the principal of and the interest on revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. The pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind against the authority, irrespective of whether the parties have notice of the pledge. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of a sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of bonds or of a trust

agreement. Except as may otherwise be provided in the resolution or trust agreement, the sinking or other similar fund shall be a fund for all revenue bonds issued to finance a project or projects at one or more participating institutions without distinction or priority of one over another; provided the authority in any resolution or trust agreement may provide that the sinking or other similar fund shall be the fund for a particular project at a participating institution and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of the subordinate lien bonds.

History: *1971 c 868 s 12; 1Sp2025 c 3 art 7 s 24,30*

15D.13 REMEDIES OF BONDHOLDERS AND TRUSTEES.

Any holder of revenue bonds issued under the provisions of sections 15D.01 to 15D.18, or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by sections 15D.01 to 15D.18, or by such resolution or trust agreement to be performed by the authority or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

History: *1971 c 868 s 13; 1Sp2025 c 3 art 7 s 30*

15D.14 BONDS ELIGIBLE FOR INVESTMENT.

Bonds issued by the authority under the provisions of sections 15D.01 to 15D.18, are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 15D.01 to 15D.18. The bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes 1969, section 50.14. The bonds are hereby made securities that may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

History: *1971 c 868 s 14; 1Sp2025 c 3 art 7 s 25,30*

15D.15 EXEMPTION FROM TAXES AND OTHER RESTRICTIONS.

The exercise of the powers granted by sections 15D.01 to 15D.18, will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as the operation and maintenance of a project by the authority or

its agent will constitute the performance of an essential public function, neither the authority nor its agent shall be required to pay any taxes or assessments upon or in respect of a project or any property acquired or used by the authority or its agent under the provisions of sections 15D.01 to 15D.18, or upon the income therefrom.

History: *1971 c 868 s 15; 1983 c 213 s 8; 1Sp2025 c 3 art 7 s 30*

15D.16 ADMINISTRATION.

The administration of sections 15D.01 to 15D.18, shall be under the authority independent of other departments and agencies and notwithstanding chapter 16C. The authority shall not be subject to the provisions of chapter 14, including section 14.386 in connection with the adoption of any rules, rents, fees or charges or with the exercise of any other powers or duties.

History: *1971 c 868 s 16; 1973 c 758 s 7; 1982 c 424 s 130; 1985 c 248 s 70; 1995 c 186 s 41; 1995 c 233 art 2 s 56; 1997 c 187 art 5 s 18; 1998 c 386 art 2 s 45; 1Sp2025 c 3 art 7 s 30*

15D.17 CONFLICT OF INTEREST.

Notwithstanding any other law to the contrary it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of any participating institution, financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architecture firm, insurance company, construction company, or any other firm, person or corporation to serve as a member of the authority, provided the trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority in each instance where the business affiliation of any trustee, director, officer or employee is involved.

History: *1971 c 868 s 17; 1973 c 758 s 8; 1Sp2025 c 3 art 7 s 26,30*

15D.18 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures. Each year, the authority shall submit to the Minnesota Historical Society and the Legislative Reference Library a report of the authority's activities in the previous year, including all financial activities.

History: *1971 c 868 s 18; 1975 c 271 s 6; 1983 c 258 s 55; 1995 c 212 art 3 s 38; 2005 c 107 art 2 s 60; 2014 c 149 s 74; 1Sp2025 c 3 art 7 s 27,30*