CHAPTER 167

TRUNK HIGHWAY BONDS

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167.26 MS 1953 [Repealed, 1957 c 592 s 1]

167.31 MS 1982 [Repealed, 1984 c 654 art 3 s 153]

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167.37 MS 1982 [Repealed, 1984 c 654 art 3 s 153]

167.38 MS 1982 [Repealed, 1984 c 654 art 3 s 153]

167.39 MS 1982 [Repealed, 1984 c 654 art 3 s 153]

167.40 MS 1974 [Repealed, 1976 c 163 s 63]

167.41 [Temporary]

167.42 MS 1982 [Repealed, 1984 c 654 art 3 s 153]

167.43 MS 1982 [Repealed, 1984 c 654 art 3 s 153]

167.44 MS 1982 [Repealed, 1984 c 654 art 3 s 153]

167.45 MS 2022 [Repealed, 2023 c 68 art 4 s 129]

167.46 PROPERTY PURCHASED WITH HIGHWAY BOND PROCEEDS.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "State trunk highway bond-financed property" means property acquired, improved, or maintained in whole or in part with the proceeds of state trunk highway bonds authorized to be issued under the Minnesota Constitution, article XIV, section 11.

(c) "Outstanding state trunk highway bonds" means the dollar amount of state trunk highway bonds, including any refunding state trunk highway bonds, issued with respect to state trunk highway bond-financed property, less the principal amount of state trunk highway bonds paid or defeased.

Subd. 2. **Leases.** (a) State trunk highway bond-financed property may only be leased (1) for those purposes authorized by law, (2) in accordance with the requirements of all other laws and duly adopted rules applicable thereto, and orders, if any, of the commissioner of management and budget intended to ensure the legality and tax-exempt status of outstanding state trunk highway bonds, and (3) with the approval of the commissioner of management and budget. A lease of state trunk highway bond-financed property, including any renewals that are solely at the option of the lessee, must be for a term substantially less than the useful life of the state trunk highway bond-financed property, but may allow renewal beyond that term upon a determination by the commissioner of transportation that the use continues to be authorized by law and that the additional term is authorized by law. A lease of state trunk highway bond-financed property must be terminable by the commissioner of transportation if the other contracting party defaults under the contract and must provide for oversight by the commissioner of transportation.

(b) Notwithstanding the provisions of any other law, money received by the state under a lease of state trunk highway bond-financed property must be paid to the commissioner of transportation, deposited in the state trunk highway fund, and used to pay or redeem or defease any outstanding state trunk highway bonds in accordance with the commissioner of management and budget's order authorizing their issuance. The money paid to the commissioner of transportation is appropriated for this purpose. Money in excess of the foregoing requirement must be applied as otherwise required by law.

Subd. 3. **Sales.** (a) State trunk highway bond-financed property must not be sold unless the sale (1) is for a purpose authorized by law, (2) is conducted in accordance with applicable law and duly adopted rules, (3) is made in accordance with orders, if any, of the commissioner of management and budget intended to ensure the legality and tax-exempt status of outstanding state trunk highway bonds, and (4) is approved by the commissioner of management and budget.

(b) Notwithstanding any other law, the net proceeds of a sale of any state trunk highway bond-financed property must be paid to the commissioner of transportation, deposited in the state trunk highway fund, and used to pay or redeem or defease any outstanding trunk highway bonds in accordance with the commissioner of management and budget's order authorizing their issuance. The net proceeds of sale paid to the commissioner of transportation are appropriated for these purposes. Any net proceeds of sale in excess of the foregoing requirement must be applied as otherwise required by law. When all of the net proceeds of sale have been applied as provided in this subdivision, the sold property is no longer considered state trunk highway bond-financed property.

Subd. 4. **Relation to other laws.** This section applies to all state trunk highway bond-financed property unless otherwise provided by law.

History: *1Sp2001 c 8 art 2 s 26; 2009 c 101 art 2 s 109*

167.50 MINNESOTA TRUNK HIGHWAY BONDS.

Subdivision 1. **Trunk highway purposes.** For the purpose of providing money for trunk highway purposes, when authorized by law and requested by the commissioner of transportation, the commissioner of management and budget shall issue and sell bonds of the state of Minnesota, for the prompt payment of which, with the interest thereon, the full faith, credit, and taxing powers of the state are hereby irrevocably pledged. "Trunk highway purposes" shall include recreational vehicle usage and lanes. Such bonds shall be known as Minnesota trunk highway bonds. The proceeds thereof shall be credited to the trunk highway fund, except that accrued interest and any premium received upon sale of such bonds shall be credited to the state bond fund.

Subd. 2. **Issuance and sale.** The bonds shall be issued and sold upon competitive bids after published notice. The bonds shall be issued and sold at the times and prices (not less than par and accrued interest), in the form and denominations, bearing interest at the rate or rates, maturing on dates, with or without option of prior redemption upon notice and at specified times and prices, payable at a bank or banks, within or without the state, with provisions for registration, conversion, and exchange and for the issuance of temporary bonds or notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further provisions, as the commissioner of management and budget may determine, subject to the approval of the attorney general (but not subject to the provisions of chapter 14, including 14.386). Each bond shall mature within 20 years from its date of issue and shall be executed by the commissioner of management and budget under official seal. The signature of the commissioner on the face of and any interest coupons appurtenant to any bond, and the seal may be printed, lithographed, stamped, engraved, or otherwise reproduced thereon, provided that the signature of one of the officers, or of an authorized representative of

a corporate registrar or other agent designated by the commissioner of management and budget to authenticate the bonds, shall be manually subscribed on the face of each bond.

Subd. 3. **General obligations.** The commissioner of management and budget shall ascertain and certify to purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms. Any act authorizing the issuance of bonds pursuant to this section shall, together with this section, constitute complete authority for such issue, and such bonds shall not be subject to the restrictions or limitations contained in any other law.

Subd. 4. **Expenses.** All expenses incidental to the sale, printing, execution, and delivery of state trunk highway bonds pursuant to this section, including, but not limited to, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the trunk highway fund, and the amounts necessary therefor are appropriated from said fund.

History: *1965 c 892 s 1; 1973 c 492 s 14; 1973 c 620 s 5; 1976 c 166 s 7; 1980 c 607 art 14 s 31; 1982 c 424 s 130; 1983 c 17 s 4; 1983 c 301 s 141; 1995 c 233 art 2 s 56; 1997 c 187 art 5 s 23; 2000 c 479 art 1 s 14; 2003 c 112 art 2 s 23; 2009 c 101 art 2 s 109*

167.51 TRUNK HIGHWAY BOND ACCOUNT; TRANSFERS.

Subdivision 1. **Account; appropriation.** The commissioner of management and budget shall maintain in the state bond fund a separate account which shall be designated the Minnesota trunk highway bond account. On the first day of December of each year there shall be transferred from the trunk highway fund to the Minnesota trunk highway bond account a sum sufficient, with all money previously transferred to such account, and all income from the investment of such money, to pay all principal and interest then and theretofore due and to become due within the next ensuing year and to and including July 1 in the second ensuing year on Minnesota trunk highway bonds. There is annually appropriated from the trunk highway fund a sum of money sufficient to carry out the provisions of this subdivision.

Subd. 2. **Transfers.** All money transferred from the trunk highway fund or from any other source to the Minnesota trunk highway bond account and all income from the investment thereof shall be available for the payment of outstanding state trunk highway bonds and interest thereon, whether or not issued pursuant to section 167.50, in the same manner as the proceeds of taxes paid into the trunk highway fund, and so much thereof as may be necessary is appropriated for such payments. The legislature may appropriate and transfer to the Minnesota trunk highway bond account, for the payment of such trunk highway bonds and interest thereon, any other moneys in the state treasury not otherwise appropriated. The commissioner of management and budget is directed to make the appropriate entries in the accounts of the respective funds.

History: *1965 c 892 s 2; 1973 c 492 s 14; 1994 c 643 s 70; 1Sp2001 c 8 art 2 s 27; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109*

167.52 TAX LEVY.

The state auditor shall levy each year on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then and theretofore transferred under section 167.51, and all income from the investment thereof, to pay the entire amount of principal and interest which is then due or is to become due within the then ensuing year and to and including July 1 of the second ensuing year, on Minnesota trunk highway bonds heretofore issued and all such bonds hereafter issued pursuant to section 167.50. Such tax shall be subject to no limitation of rate or amount until all such bonds and all interest thereon are fully paid. The proceeds of such taxes are appropriated and credited to the state bond fund, and

the principal and interest of said bonds are payable from the proceeds of such taxes, and the whole thereof, or so much thereof as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of the taxes provided for herein to pay the principal and interest when due on such bonds, then such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated. The general fund shall be reimbursed from the proceeds of said taxes when received.

History: *1965 c 892 s 3; 1969 c 399 s 1; 1Sp1985 c 14 art 4 s 27*

167.521 MS 1982 [Repealed, 1984 c 654 art 3 s 153]

167.60 DEBT-FINANCING MANAGEMENT POLICY.

(a) The commissioner shall develop a debt-financing management policy for trunk highway bonds, federal advanced construction funds, and other forms of highway financing based on debt or future repayment. The policy must be used by the department to guide decision making related to debt financing. The commissioner may update the policy as necessary. In developing and updating the policy, the commissioner shall consult with the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance.

(b) The debt-financing management policy must address relevant financial issues, including, but not limited to:

(1) limits on cumulative amounts of debt for the trunk highway system from all state and federal sources;

(2) eligibility of projects for debt-financing funds;

(3) allocation and use of funds;

(4) terms of debt service and methods of repayment;

(5) management of trunk highway fund balance impacts; and

(6) mitigation of risks from different forms of debt financing.

(c) Upon creation or formal revision of the debt-financing management policy, the commissioner shall distribute electronic copies to the members of the legislative committees with jurisdiction over transportation finance, and as required for reports to the legislature under section 3.195, subdivision 1.

History: *2010 c 350 s 3; 2023 c 25 s 58*