

Subject Shelter facility appropriation bonds

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Overview

This bill authorizes the sale and issuance of \$10 million of shelter facility appropriation bonds for loans and grants for shelter facilities. The bond proceeds would be appropriated to the Department of Human Services for a grant to Simpson Housing Services, a 501(c) (3) nonprofit corporation, to construct and renovate shelter facilities in the city of Minneapolis.

Effective the day following final enactment.

Summary

Section	Description
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1	Shelter facility appropriation bonds.
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Creates section 16A.9691, which authorizes the sale and issuance of shelter facility appropriation bonds.

Subd. 1. Definitions. Defines terms for the purposes of the section.

“Shelter facility” means a facility having a primary purpose to provide a temporary shelter for the homeless in general, or for a specific homeless population, and does not require occupants to sign leases or occupancy agreements.

Subd. 2. Authorization to issue appropriation bonds. Authorizes Minnesota Management & Budget (MMB) to sell and issue \$10 million of shelter facility appropriation bonds to fund loans or grants for shelter facilities. The proceeds of the appropriation bonds must be credited to a special appropriation shelter facility bond proceeds fund in the state treasury. The term of any series of appropriation bonds may not exceed 21 years. MMB may enter into various agreements relating to the appropriation bonds to meet legal requirements.

Section	Description
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Subd. 3. Form; procedure. Specifies the form and procedure for issuance of the appropriation bonds.

Subd. 4. Refunding bonds. Authorizes MMB to refinance any appropriation bonds, if appropriate based on market conditions.

Subd. 5. Appropriation bonds as legal investments. Specifies who may legally invest in shelter facility appropriation bonds.

Subd. 6. No full faith and credit; state not required to make appropriations. Clarifies that shelter facility appropriation bonds, in contrast to general obligation bonds, are not public debt of the state and the legislature must appropriate for debt service for the bonds. Accordingly, the full faith, credit, and taxing powers of the state are not pledged to pay the bonds.

Subd. 7. Appropriation of proceeds. Provides for the bond proceeds to be appropriated to the Department of Human Services for a grant to Simpson Housing Services, a nonprofit, to construct and renovate shelter facilities in the city of Minneapolis. MMB may also use the bond proceeds for debt service on the bonds.

Subd. 8. Appropriation for debt service and other purposes. Authorizes payment from the general fund for the debt service on the appropriation bonds.

Subd. 9. Waiver of immunity. Permits the state to be sued on contracts related to the appropriation bonds.



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