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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **1883**

March 18, 2009

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The bill was read for the first time and referred to the Committee on Finance

March 23, 2009

By motion, recalled and re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to the state agricultural society; eliminating the maximum limit on
1.3 its bonded debt and the sunset on the authority to issue bonds; modifying the
1.4 authorized investments of debt service funds; requiring notification of the
1.5 commissioner of finance; amending Minnesota Statutes 2008, sections 37.31,
1.6 subdivisions 1, 7; 37.33, subdivision 3; 37.34; repealing Minnesota Statutes
1.7 2008, section 37.31, subdivision 7.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.9 Section 1. Minnesota Statutes 2008, section 37.31, subdivision 1, is amended to read:

1.10 Subdivision 1. **Bonding authority.** The society may issue negotiable bonds in
1.11 a principal amount that the society determines necessary to provide sufficient money
1.12 for achieving its purposes, including the payment of interest on bonds of the society,
1.13 the establishment of reserves to secure its bonds, the payment of fees to a third party
1.14 providing credit enhancement, and the payment of all other expenditures of the society
1.15 incident to and necessary or convenient to carry out its corporate purposes and powers.
1.16 Bonds of the society may be issued as bonds or notes or in any other form authorized by
1.17 law. ~~The principal amount of bonds issued and outstanding under this section at any time~~
1.18 ~~may not exceed \$20,000,000, excluding bonds for which refunding bonds or crossover~~
1.19 ~~refunding bonds have been issued.~~

1.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.21 Sec. 2. Minnesota Statutes 2008, section 37.31, subdivision 7, is amended to read:

1.22 Subd. 7. **Approval Notification; commissioner of finance.** ~~Before~~ Within 30 days
1.23 after issuing and selling bonds under this section, the society must ~~obtain the approval~~

2.1 notify, in writing, of the commissioner of finance of the date of issuance, principal amount,
2.2 true interest cost, final maturity date of the issue, and credit rating as applicable.

2.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.4 Sec. 3. Minnesota Statutes 2008, section 37.33, subdivision 3, is amended to read:

2.5 Subd. 3. **Investment.** Money in a debt service reserve fund not required for
2.6 immediate use may be invested in accordance with section ~~37.07~~ 37.34.

2.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.8 Sec. 4. Minnesota Statutes 2008, section 37.34, is amended to read:

2.9 **37.34 MONEY OF THE SOCIETY.**

2.10 The society may contract with the holders of any of its bonds as to the custody,
2.11 collection, securing, investment, and payment of money of the society or money held in
2.12 trust or otherwise for the payment of bonds, and to carry out the contract. Money held in
2.13 trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of
2.14 the money may be invested in accordance with chapter 118A and may be secured in the
2.15 same manner as money of the society, and all banks and trust companies are authorized
2.16 to give security for the deposits.

2.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.18 Sec. 5. **REPEALER.**

2.19 Minnesota Statutes 2008, section 37.31, subdivision 7, is repealed.

APPENDIX
Repealed Minnesota Statutes: 09-2884

37.31 ISSUANCE OF BONDS.

Subd. 7. **Approval; commissioner of finance.** Before issuing bonds under this section, the society must obtain the approval, in writing, of the commissioner of finance.