

CHAPTER 116R

AIRCRAFT FACILITIES; STATE FINANCING

116R.02 Bond issue; sale authorization.
116R.04 Revenue bonds; purposes, terms,
approval.

116R.11 Aircraft facilities funds and debt service
accounts.

116R.02 BOND ISSUE; SALE AUTHORIZATION.

[For text of subs 1 and 2, see M.S.2002]

Subd. 3. **Review procedure; data practices.** (a) Before issuing the bonds for a project, approving financial assistance, or entering into loan, lease, or other revenue agreements for the project described in subdivisions 5 and 6, the commissioner of finance shall review the financial condition of the proposed lessee or lessees of the project or projects, and any related person. The commissioner shall exercise due diligence in the review. The commissioner shall engage an independent, nationally recognized consultant having special expertise with the airline industry and its financing to prepare a written report on the financial condition of the lessee or lessees and any related person. A lessee and any related person shall provide all information required for the commissioner's review and the consultant's report, including information substantially equivalent to that required by an investment bank or other financial institution considering a project for debt financing.

(b) Except as otherwise provided in this subdivision, business plans, financial statements, customer lists, and market and feasibility studies required under sections 116R.01 to 116R.16 or submitted in connection with the provision of financial assistance or any agreement authorized under Laws 1991, chapter 350, are nonpublic data, as defined in section 13.02, subdivision 9. The commissioner or the commissioner of employment and economic development may make the data accessible to any person, agency, or public entity if the commissioner or the commissioner of employment and economic development determines that access is required under state or federal securities law or is necessary for the person, agency, or public entity to perform due diligence in connection with the provision of financial assistance to the projects described in subdivisions 5 and 6. The data may also be made available as requested by the Legislative Commission on Planning and Fiscal Policy.

(c) Before the commissioner issues bonds for a project, approves financial assistance, or enters into loan, lease, or other revenue agreements for the project, the commissioner shall submit a report on the proposed transaction to the governor. The report must describe: all proposed state, metropolitan, and local government financial commitments; the financial assistance proposed to be provided; the proposed loan, lease, and revenue agreements; any other arrangements related to state and local debt, taxes, financing, and debt service; and the estimates of economic activity, air traffic, and other factors that have been used in assessing the prospective financial condition of the lessee or lessees and any related person. The report must contain the following findings:

(1) that the commissioners of employment and economic development and finance and, for purposes of a project described in subdivision 5, the Metropolitan Airports Commission have reviewed the current and prospective financial condition of each proposed lessee of the project or projects and any related person; and

(2) that, on the basis of their review, the commissioners and, for purposes of the project described in subdivision 5, the commission have determined that the revenues estimated to be available to the lessee or lessees for payments under the loan, lease, or other revenue agreements are at least sufficient during each year of the term of the proposed bonds to pay when due all financial obligations of the lessee or lessees under the terms of the proposed loan, lease, or other revenue agreements. Copies of the

report must be filed at the legislature as provided in section 3.195 when the report is submitted to the governor.

[For text of subs 4 to 8, see M.S.2002]

Subd. 9. **Project cost report.** Before the commissioner of finance issues bonds, approves financial assistance, or enters into loan, lease, or other revenue agreements for the projects described in subdivisions 5 and 6, the commissioner of employment and economic development shall report to the governor on total public costs related to the construction of the projects. The report must include: an estimate of the total state, metropolitan, and local tax costs for the project; and an estimate of the total state, metropolitan, and local capital costs, and method of financing, of any airport and off-airport improvements related to the construction of the facilities but not included in the cost of the facilities, including any runway or taxiway improvements and road, highway, sewer, or other public facility or utility improvement costs. Copies of the report must be filed at the legislature as provided in section 3.195 when the report is submitted to the governor.

History: *1Sp2003 c 4 s 1*

116R.04 REVENUE BONDS; PURPOSES, TERMS, APPROVAL.

Subdivision 1. **Bonds.** The commissioner from time to time may issue negotiable bonds in one or more series or issues in a principal amount which, in the opinion of the commissioner of employment and economic development, is necessary to provide sufficient funds for achieving the purposes of sections 116R.01 to 116R.16, which may include the construction of a heavy maintenance facility for aircraft to be located at the Duluth International Airport, the financing of an aircraft engine repair facility in the city of Hibbing, the payment of interest on bonds of the commissioner, the establishment of reserves to secure the bonds, and the payment of all other expenditures of the commissioner and the owner of a financed facility incident to and necessary or convenient to carry out the purposes and powers of sections 116R.01 to 116R.16. The bonds may be issued as bonds or notes or in any other form authorized by law. Except as provided in subdivision 3, section 116R.02, subdivision 4, paragraph (a), or an order of the commissioner or indenture authorizing the bonds, sections 16A.631 to 16A.675 do not apply to the bonds authorized under section 116R.02.

[For text of subs 2 to 5, see M.S.2002]

History: *1Sp2003 c 4 s 1*

116R.11 AIRCRAFT FACILITIES FUNDS AND DEBT SERVICE ACCOUNTS.

[For text of subd 1, see M.S.2002]

Subd. 2. **Accounts.** The commissioner of finance or any trustee appointed by the commissioner under sections 116R.01 to 116R.16 shall maintain permanently on official books and records debt service accounts separate from all other funds and accounts, to record all receipts and disbursements of money for principal and interest payments on each series of bonds. No later than the due date of each principal and interest payment on the bonds, the commissioner shall withdraw from the proceeds of the bonds, or from revenues on hand and available for the purpose, and shall deposit in the debt service accounts the amount, if any, required to be deposited in the account by the order of the commissioner or any indenture authorized by an order of the commissioner. All amounts in any debt service account are appropriated for the payment of principal, premiums, and interest for the bonds to which the account relates. If the Minnesota Constitution, article XI, section 7, applies to any series of bonds, amounts in the debt service account and any debt service reserve account established under section 116R.13 for the bonds, regardless of who holds or invests the amounts, must be special accounts of the state bond fund, for which the commissioner of finance shall maintain records. Amounts in the accounts must reduce any levy otherwise required by the Minnesota Constitution for payment of principal or interest on the bonds.

History: *2003 c 112 art 2 s 50*