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This bill allows the commissioner of management and budget to allocate to the Fort Snelling Upper Post residential rental project a portion of the Minnesota Housing Finance Agency's (MHFA) tax-exempt bond allocation and requires the MHFA to approve low-income housing tax credits for the project if the bonds are issued. The commissioner may determine who can issue these bonds. If the project is not proceeding by 2019 and 2020, the bond allocation may be used by the MHFA for a qualified residential rental project.

Federal tax law regulates the issuance of tax-exempt private activity bonds and low-income housing tax credits. Each year, the state receives an "annual volume cap," which is "the aggregate dollar amount of obligations constituting 'private activity bonds' under federal tax law and bearing interest excluded from gross income for purposes of federal income taxation which, under the provisions of federal tax law, may be issued in one year by issuers." Minn. Stat. § 474A.02, subd. 2. The Minnesota Bond Allocation Act governs the allocation of the annual volume cap among issuers, including the MHFA. Minnesota Management and Budget administers the law. (Note: This law does not relate to the state's general obligation bonding.)