

Subject Public finance bill

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Overview

This bill modifies various provisions relating to local government debt financing, including for school districts issuing debt for projects that require review and comment by the commissioner of education, county courthouse and justice center projects, economic development authorities, certain residential rental projects, and other projects subject to an annual volume cap.

Summary

Section	Description
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| 1 | <p>Review and comment.</p> <p>Modifies the school district projects that are exempt from mandatory review and comment by the commissioner of education, from exempting facility additions, maintenance projects, and remodeling projects, to exempting new construction, expansion, or remodeling of education facilities. Projects that require expenditures of \$500,000 or less per school site (for districts with capital loans outstanding) or \$2,000,000 or less (for districts that do not have outstanding capital loans) are also currently excepted from the review and comment requirement.</p> |
| 2 | <p>Publication.</p> <p>Extends the maximum time period for a school board to post summaries of the commissioner of education's positive or unfavorable reviews and comments on certain projects, from 60 days before a bond referendum or solicitation of bids to 88 days. Provides that where no bond referendum is required, the public notice and meeting requirements regarding the commissioner's review and comment do not apply.</p> |
| 3 | <p>Lease purchase; installment buys.</p> <p>Provides an exception to the mandatory review and comment requirements for certain school districts when they enter into installment contracts or lease purchase agreements, that matches the existing dollar limits described in section 1.</p> |

Section	Description
4	<p>Definitions.</p> <p>Modifies the definition of “debt obligation” for purposes of providing state guarantees of certain obligations through the Minnesota Public Facilities Authority to include bonds and notes used by counties to fund the construction of court houses or justice centers, provided that they are connected to a jail, correctional, or other law enforcement facility.</p>
5	<p>Sections that apply if federal limit applies.</p> <p>Clarifies that the Minnesota Bond Allocation Act applies to private activity bonds issued by economic development authorities that are required under federal law to obtain an allocation of volume cap.</p>
6	<p>Application for residential rental projects.</p> <p>For residential rental project allocations from the unified pool, modifies the time period in which an issuer must permanently issue obligations from on or before 180 days of the allocation, to on or before the earlier of 180 days of the allocation or the last business day in December.</p>
7	<p>Application for all other types of qualified bonds.</p> <p>For all other allocations of qualified bonds other than residential rental bonds described in section 6, modifies the time period in which an issuer must permanently issue obligations from on or before 120 days of the allocation, to on or before the earlier of 120 days of the allocation or the last business day in December.</p>



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