

HOUSE RESEARCH

Bill Summary

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Subject: Pension deficit bonding referendum

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Overview

This bill would require voter approval for a city, county, town, or school district to issue bonds to fund a pension fund deficit. Under current law, the bonds are exempt from the election requirement.

Section

- 1 Approval by electors, exemptions.** Requires a voter referendum on issuance of local bonds to fund pension or retirement fund liabilities by striking the exemption.

The legislature authorized issuing bonds without a referendum to fund pension fund liabilities in 1985. Minn. Stat. § 475.52, subd. 6 (authority to issue debt for pension fund liabilities), Minn. Stat. § 475.58, subd. 1, clause (7) (exemption from referendum, stricken in bill).

- Effective August 1, 2005, applies to debt issued and sold on or after that date.
- 2 Revisor instruction.** Directs the Revisor of Statutes to prepare legislation for next session that would strike or repeal all authority in law for issuing local bonds without a voter referendum.