

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 696

DATE: February 26, 2011

Version: As introduced

Authors: Runbeck and others

Subject: Local bonding authority; pension and postemployment benefits

Analyst: Deborah A. Dyson

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

Municipalities (cities, counties, towns, and school districts) have had authority to issue general obligation debt to pay unfunded liability for pension or retirement funds since 1985 and other post-employment benefit obligations since 2008. This bill repeals that authority, effective for obligations issued after June 30, 2011.

- 1** **Net debt.** Conforming amendment. Strikes obligations issued to pay pension fund or other postemployment benefit liabilities from the definition of net debt.

Effective for obligations issued after June 30, 2011.
- 2** **Certain purposes.** Strikes authority for a municipality to issue bonds to fund actuarial liabilities to pay postemployment benefits or unfunded pension or retirement fund liabilities.

Effective for obligations issued after June 30, 2011.
- 3** **Approval by electors; exceptions.** Conforming amendment. Strikes authority for a municipality to issue debt without a referendum to fund pension or retirement fund liabilities, or postemployment benefit liabilities.

Effective for obligations issued after June 30, 2011.