

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2970
Version: Second engrossment

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Subject: Capital investment, debt management guideline added

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Requires the debt capacity forecast to include a new debt limit determination, established in this bill.

Defines debt as debt payable from nondedicated general fund revenues.

Limits the amount of debt that can be authorized after any forecast to an amount that when the debt service for it is added to existing debt service due on outstanding debt is no more than 3.5 percent of the estimated nondedicated general fund revenues for the same time periods. (Subdivision 1 requires the forecast to show actual debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and the next six fiscal years.)

Does not require reduction in previous authorizations or cancellation of previous appropriations if the forecast shows that the limit will be exceeded.

Effective for sale and issuance of debt by the state on or after July 1, 2017.