

HOUSE RESEARCH

Bill Summary

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Authors: Solberg and others

Subject: School District Refunding Bonds Made Eligible for Taconite Payments

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Overview

School districts that are located on Minnesota's Iron Range are occasionally granted statutory authority to issue school bonds for building purposes with a portion of the bonds repaid with revenue from the taconite production tax.

These bonds have been authorized in 1988, 1989, 1992, 1996 and 2000. Refunding authority was granted in 1996 for the bonds issued from 1988 to 1996 (although the section numbers in the act were in error and were never corrected). No such authority was granted for the bonds issued in 2000.

This bill clarifies that the refunding bonds issued to replace bonds issued in both 1996 and 2000 qualify for taconite production tax payments.

Section

1 Bonds paid from taconite production tax revenues.

Subd. 1. Refunding bonds. Clarifies that taconite production tax proceeds continue to apply to certain taconite school district facility bonds issued to refund the bonds originally issued for these purposes.

Subd. 2. Local payments. Clarifies that certain taconite school districts that are required to make payments on bonds issued for facilities purposes may continue to make the payments from any funds available to the districts.