Overview

This bill exempts public higher education from debt service on general obligation bonds and appropriates money to provide a debt service tuition rebate to public post-secondary students.

Section

1. When payment required. Eliminates the University of Minnesota and MnSCU from the directions to the commissioner of finance on the assessment of debt service.

2. Higher education exemption. Exempts the University of Minnesota and MnSCU from being assessed or otherwise required to pay any portion of the amount of debt service on general obligation bonds sold to finance capital improvement projects for public higher education facilities in Minnesota.

3. Debt service tuition rebate.
   Subd. 1. Establishment. Establishes a one-time tuition rebate for public post-secondary students based on the student's share of debt service. Requires MnSCU and requests the University of Minnesota to allocate the amount available for the debt service tuition rebate to the respective campuses of each system based on enrollment in fiscal year 2000 and to establish a process for rebating a student's share of debt service. Requires each campus to make an application for the rebate available and work with campus student organizations to advertise and publicize the availability of the rebate.
   Subd. 2. Allocation of debt service tuition rebate. Requires each MnSCU campus to distribute its debt service allocation to eligible students as a rebate of each student's share of debt service costs. Requests each University of Minnesota campus to distribute tuition rebates up to a maximum of $150 per full-year equivalent student. Establishes student eligibility. Requires the college or university to begin making debt service tuition rebates to students by August 1, 2000.

4. Appropriation. Appropriates a total of $25,014,000 from the general fund for the tuition rebate.
Appropriates $16,600,000 to MnSCU to be allocated to campuses for distribution to students. Appropriates $300,000 to MnSCU for administration of the tuition rebate program. Appropriates $8,000,000 to the University of Minnesota to be allocated to campuses for distribution to students. Appropriates $114,000 to the University of Minnesota to administer the tuition rebate program.

**Effective date.** Makes sections 1 and 2 effective for bonds authorized after the effective date of this act. Makes sections 3 and 4 effective the day following final enactment.