

PUBLIC FINANCE

Public finance; section governing bonds, drainage lien interest, school and private activity bonds notice requirements, transportation bonds, and municipal bankruptcy modified

April 08, 2019

	Yes	No
DOR Administrative Cost/Savings		X

Department of Revenue

Analysis of H.F. 2650 (Marquart) / S.F. 2759 (Chamberlain) as introduced

EXPLANATION OF THE BILL

Under current law, the interest rate charged on drainage lien principal may not exceed the interest rate set by the State Court Administrator for judgments and awards. This interest is part of what a property owner pays when a drainage lien special assessment applies to their property. The proposal would modify the maximum interest rate allowed for drainage liens on properties so that it may not exceed the rate set by the State Court Administrator, or six percent, whichever is greater.

Under current law, public notices are required a specified number of days in advance of a public hearing for school district facilities projects, municipal housing programs, and local economic development projects. The proposal would reduce the number of days in advance of a hearing the public notice is required.

The proposal creates bonding provisions for counties that impose a local general sales tax of up to 0.5% for transportation uses.

The proposal updates language referencing the United States Bankruptcy Code and the definition of "municipality" for the purpose of capital improvement bonds.

Under current law, the Metropolitan Council cannot use general transit bonding authority proceeds for light rail transit. The proposal lifts some restrictions on proceeds that can be used for light rail transit.

Under current law, a public facilities project for purposes of the Minnesota Bond Allocation Act means any publicly owned facility, or a facility owned by a nonprofit organization that is used for district heating or cooling, that is eligible to be financed with public facilities bonds. The proposal would also modify the ownership requirements to allow public or privately owned facilities used for district heating or cooling to qualify as a public facilities project.

REVENUE ANALYSIS DETAIL

The proposal would have no assumed impact on the state general fund.

Source: Minnesota Department of Revenue
 Property Tax Division - Research Unit
www.revenue.state.mn.us/research_stats/pages/revenue-analyses.aspx

hf2650(sf2759)_pt_2/wkm

