

**PUBLIC FINANCE
Local Government Debt
Financing Modified**

March 15, 2023

| | | |
|---|------------|-----------|
| | Yes | No |
| DOR Administrative Costs/Savings | | X |

Department of Revenue
Analysis of S.F. 2405 (Rest) / H.F. 2757 (Gomez) as introduced

| | Fund Impact | | | |
|--------------|--------------------|------------------|------------------|------------------|
| | F.Y. 2024 | F.Y. 2025 | F.Y. 2026 | F.Y. 2027 |
| | (000's) | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 |

Assumed effective date of August 1, 2023.

EXPLANATION OF THE BILL

The proposal makes several modifications to local debt government financing. It would clarify that the National Association of Credit Unions is an allowed insurer of funds invested in time deposits, extend the allowable length of some certificates of indebtedness or capital notes used for financing by local governments from 10 years to 20 years, update the definition of capital equipment with regards to capital notes used to purchase capital equipment for county purposes, clarify special taxing district rules for some port authorities and economic development authorities, update the definitions of public facilities project and public facility bonds, and clarifies the municipal water and wastewater treatment systems subject to certain limits on obligations.

REVENUE ANALYSIS DETAIL

- There is no assumed impact to the state general fund.

Source: Minnesota Department of Revenue
Property Tax Division – Research Unit
<https://www.revenue.state.mn.us/revenue-analyses>

sf2405(hf2757) Debt Financing Modified_pt_1/wms