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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2401

02/20/2012 Authored by Hilty

The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education finance; authorizing early repayment of maximum effort
1.3 debt service loans.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **MAXIMUM EFFORT DEBT SERVICE LOANS; EARLY**
1.6 **REPAYMENT AUTHORIZED.**

1.7 (a) A school district that received a maximum effort debt service loan prior to
1.8 January 1, 1997, may repay the full outstanding original principal on its debt service loan
1.9 prior to July 1, 2013, and the liability of the district on the debt service loan is satisfied and
1.10 discharged and interest on the loan ceases.

1.11 (b) A school district making a payment under this section may transfer any
1.12 remaining excess balance from its debt redemption fund to the building construction
1.13 fund prior to July 1, 2013.

1.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.