

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3980

(SENATE AUTHORS: HEMMINGSEN-JAEGER, Rest and Weber)

DATE	D-PG	OFFICIAL STATUS
02/26/2026	6416	Introduction and first reading Referred to Taxes
03/12/2026		Comm report: To pass as amended Second reading

1.1 A bill for an act

1.2 relating to taxation; public finance; modifying local government debt financing;

1.3 amending Minnesota Statutes 2024, sections 123B.595, subdivision 5; 297A.993,

1.4 subdivision 4; 469.060, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2024, section 123B.595, subdivision 5, is amended to read:

1.7 Subd. 5. **Bond authorization.** (a) A school district may issue general obligation bonds

1.8 under this section to finance facilities plans approved by its board and the commissioner.

1.9 Chapter 475, except sections 475.58 and 475.59, must be complied with. The authority to

1.10 issue bonds under this section is in addition to any bonding authority authorized by this

1.11 chapter or other law. The amount of bonding authority authorized under this section must

1.12 be disregarded in calculating the bonding or net debt limits of this chapter, or any other law

1.13 other than section 475.53, subdivision 4.

1.14 (b) At least 20 days before ~~the earliest of the issuance of bonds or the final certification~~

1.15 ~~of levies under subdivision 6~~, the district must publish notice of the intended projects, the

1.16 amount of the bond issue, and the total amount of district indebtedness currently outstanding.

1.17 Failure to give notice as described in this paragraph does not affect the validity of the bonds.

1.18 (c) The portion of revenue under this section for bonded debt must be recognized in the

1.19 debt service fund.

2.1 Sec. 2. Minnesota Statutes 2024, section 297A.993, subdivision 4, is amended to read:

2.2 Subd. 4. **Bonds.** (a) A county may, by resolution, authorize, issue, and sell its bonds,
2.3 notes, or other obligations for the purposes specified in subdivision 2. The county may also,
2.4 by resolution, issue bonds to refund the bonds issued pursuant to this subdivision.

2.5 (b) The bonds may be limited obligations, payable solely from or secured by taxes levied
2.6 under this section, and the county may also pledge its full faith, credit, and taxing power as
2.7 additional security for the bonds. A regional railroad authority within the county may also
2.8 pledge its taxing powers as additional security for the bonds.

2.9 (c) A county may issue and sell bonds in one or more series and without an election.
2.10 The county may determine how the bonds shall be secured; how the bonds will bear interest,
2.11 and the rate or rates, or variable rate; the rank or priority; how the bonds will be executed
2.12 and be payable, and how they will mature; and how the bonds will be subject to any defaults,
2.13 redemptions, repurchases, tender options, or other terms. The county may also determine
2.14 how the bonds shall be sold.

2.15 (d) The county may enter into and perform all contracts deemed necessary or desirable
2.16 by it to issue and secure the bonds, including an indenture of trust with a trustee located
2.17 within or outside of the state.

2.18 (e) Before issuing bonds qualifying under this section, the county must publish a notice
2.19 of its intention to issue the bonds and the date and time of a hearing to obtain public comment
2.20 on the matter. The notice must be published in the official newspaper of the county or in a
2.21 newspaper of general circulation in the county. The notice must be published at least ~~14~~
2.22 ten, but not more than 28, days before the date of the hearing.

2.23 (f) Any project financed with bonds issued under this section must be included in a
2.24 capital improvement plan as defined in section 373.40, subdivision 3. For purposes of this
2.25 paragraph, "project" means any project described in subdivision 2, notwithstanding section
2.26 373.40, subdivision 1, paragraph (b).

2.27 (g) Except as otherwise provided in this subdivision, the bonds must be issued and sold
2.28 in the manner provided under chapter 475.

2.29 Sec. 3. Minnesota Statutes 2024, section 469.060, subdivision 3, is amended to read:

2.30 Subd. 3. **Detail; maturity.** The port authority with the consent of its city's council shall
2.31 set the date, denominations, place of payment, form, and details of the bonds. ~~The bonds~~
2.32 ~~must mature serially.~~ The first installment must be due in not more than three years and the
2.33 last in not more than 30 years from the date of issuance.