

126C.71 PAYMENT AND APPLICATIONS OF PAYMENT.

Subdivision 1. **Payment.** (a) On November 20 of each year, each district having an outstanding capital loan or debt service loan shall compute the excess amount in the debt redemption fund. The commissioner shall prescribe the form and calculation to be used in computing the excess amount. A completed copy of this form shall be sent to the commissioner before December 1 of each year. The commissioner may recompute the excess amount and shall promptly notify the district of the recomputed amount.

On December 15 of each year, the district shall remit to the commissioner, at a minimum, an amount equal to the greater of:

- (i) the excess amount in the debt redemption fund; or
- (ii) the amount by which the maximum effort debt service levy exceeds the required debt service levy for that calendar year.

(b) If a payment required under paragraph (a) is not made within 30 days, the commissioner may reduce any subsequent payments due the district under this chapter and chapters 120B, 122A, 123A, 123B, 124D, 125A, and 127A by the amount due, after providing written notice to the district.

Subd. 2. **Application of payments.** The commissioner shall apply payments received under subdivision 1 toward the principal of its contracts. While more than one contract is held, priority of payment must be given to the one of earliest date.

History: *Ex1959 c 27 s 10; 1975 c 432 s 62; 1Sp1997 c 4 art 4 s 15; 1998 c 397 art 7 s 64,164; art 11 s 3; 5Sp2020 c 3 art 5 s 10*