

Minnesota Management & Budget Statewide Operating Policy

Minnesota Management & Budget, Treasury (Debt Mgmt)
Issued: January 18, 2012

Number 1201-01
Revised:

City & County and School District Credit Enhancement Default Payment

Objective

Minnesota Management & Budget (MMB) will work with the Public Facilities Authority (PFA) and the Minnesota Department of Education (MDE) to meet the debt service payment as required by Minnesota Statute 446A.086 (<https://www.revisor.mn.gov/statutes/?id=446A.086>) State May Guarantee Governmental Unit Building Debt; Repayment) and 126C.55 (<https://www.revisor.mn.gov/statutes/?id=126C.55>) State Payment Of Debt Obligation Upon Potential Default; Repayment; State Obligation Not Debt), respectively.

Policy

The state guarantees payments for debt obligations enrolled in the City & County Credit Enhancement Program (Minnesota Statute 446A.086) and the School District Credit Enhancement Program (Minnesota Statute 126C.55). If it is determined by the city/state or school district that they are unable to make the payment or portion of a payment on a debt obligation enrolled in one of these programs a notification to MMB is required. MMB will work with the PFA or MDE and follow procedure to make payment. Amounts paid by MMB must be reimbursed by the agency to the state per requirements of the statute. See related statute for additional details.

Procedures

City & County Credit Enhancement Default Payment Procedure 1201-01.1
School District Credit Enhancement Default Payment Procedure 1202-01.2

See Also

School District Credit Enhancement Policy was previously reported in Minnesota Management & Budget Operating Policy 1202-01. This policy was combined with City & State Credit Enhancement Policy 1201-01 on 7/1/2011.

Minnesota Statutes 126C.55 (<https://www.revisor.mn.gov/statutes/?id=126C.55>) and 446A.086 (<https://www.revisor.mn.gov/statutes/?id=446A.086>)