



PMA[®]
SECURITIES



Capital Facilities Bonding

STATUTE REFERENCE:

- [123B.62](#)

BOND SECURITY:

- General Obligation of the District

PROCESS:

- Requires Commissioner approval
- Must publish notice of intended project, amount of bond issue and the total amount of district indebtedness
- No voter approval needed unless District receives petition of 15% of registered voters within 30 days of board's adoption of a resolution stating the intention to issue bonds.

FUNDING SOURCE:

- Construction paid from bond proceeds
- Bond Debt paid from operating capital revenue in the District's general fund. No new revenue is created by issuing bonds.

TAX IMPACT:

- No tax impact on most property. May cause reduction in taxes on agricultural land due to Ag2School Credit.

STATE AID IMPACT:

- No increase or decrease in state aid.

ELIGIBLE PROJECTS

- Improve and repair buildings and sites
- Health and safety improvements
- Energy modifications
- Security improvements

KEY NOTES:

- The bonds must be paid off within 15 years.
- The bond payment cannot exceed the total amount of district operating capital revenue.
- While the bonding is paid by operating capital, the list of eligible projects is more limited than operating capital funding when used on a pay as you go basis.



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