

SENATE

STATE OF MINNESOTA

EIGHTY-EIGHTH LEGISLATURE

S.F. No. 986

(SENATE AUTHORS: WIGER and Chamberlain)

DATE	D-PG	OFFICIAL STATUS
03/04/2013	474	Introduction and first reading Referred to Finance

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A bill for an act
relating to education finance; authorizing intermediate school districts to sell and
issue facility bonds under certain circumstances; amending Minnesota Statutes
2012, sections 136D.281; 136D.741; 136D.88.

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

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Section 1. Minnesota Statutes 2012, section 136D.281, is amended to read:

136D.281 BONDS.

Subdivision 1. **Purpose.** The intermediate school board, acting in its own behalf, may
issue bonds for the acquisition and betterment of school facilities or equipment or for the
funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.

Subd. 2. **General law.** Chapter 475 shall be applicable in all respects, except as
separately provided in this section.

Subd. 3. **Resolution.** The purpose and the amount of any borrowing shall first be
approved by resolution of the school board of the intermediate school district. If the
resolution is for a bond issue authorized under subdivision 4, paragraph (c), the resolution
must identify the manner in which the taxes will be spread upon taxpayers in the member
districts. When the resolution has been adopted by the intermediate school board it shall
be published once in a newspaper of general circulation in said district.

Subd. 4. **Referendum.** (a) Except as provided in paragraph (c), the intermediate
school board shall not sell and issue bonds for acquisition or betterment purposes until
the question of their issuance has been submitted to the voters of the intermediate school
district at a special election held in and for the intermediate district. The date of the
election, the question to be submitted, and all other necessary conduct of the election shall
be fixed by the intermediate school board. The election shall be conducted and canvassed

under the direction of the intermediate school board in accordance with chapter 205A, insofar as applicable.

(b) If a majority of the total number of votes cast on the question within the intermediate school district is in favor of the question, the intermediate school board may proceed with the sale and issuance of the bonds.

(c) Upon adoption of a resolution by the intermediate school district board comprised of duly elected board members from each member district, the intermediate school board may sell and issue bonds for any facility deferred maintenance purpose otherwise authorized in section 123B.59. Each district's resolution must pledge the full faith, credit, and unlimited taxing powers of that school district to the payment of all bonds and certificates of indebtedness.

Subd. 5. **General obligation bonds.** (a) For bonds and certificates of indebtedness approved under subdivision 4, paragraphs (a) and (b), the full faith, credit, and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of any participating school district as defined by section 475.51, subdivision 4, or any other similar law.

(b) For bonds and certificates of indebtedness approved under subdivision 4, paragraph (c), the full faith, credit, and unlimited taxing powers of the member school districts of the intermediate school district are pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of the member school district as defined by section 475.51, subdivision 4, or any other similar law.

Subd. 6. **Levies for payment.** (a) The intermediate school board upon awarding a contract for the sale of the bonds authorized under subdivision 4, paragraphs (a) and (b), shall certify to the county auditor or county auditors the years and amounts of taxes required to be levied for the payment of the bonds as provided by section 475.61. The county auditor shall cause taxes to be spread in each year until bonds and interest have been paid upon all of the assessable, taxable valuation of the intermediate school district.

(b) For bonds and certificates of indebtedness issued under subdivision 4, paragraph (c), each member school district shall include its share of the levy, as specified in subdivision 3, in its debt service levy under section 123B.55.

Subd. 7. **Tax-exempt securities.** In all other respects chapter 475 shall apply and the bonds shall be deemed authorized securities within the provisions of section 50.14 and shall be deemed instruments of a public governmental agency.

3.1 Subd. 8. ~~Expiration~~ **Authority limited.** The intermediate school board may not
3.2 issue bonds under this section ~~after~~ between July 1, 1994, and July 1, 2013.

3.3 **EFFECTIVE DATE.** This section is effective July 1, 2013.

3.4 Sec. 2. Minnesota Statutes 2012, section 136D.741, is amended to read:

3.5 **136D.741 BONDS.**

3.6 Subdivision 1. **Purpose.** The intermediate school board, acting in its own behalf, may
3.7 issue bonds for the acquisition and betterment of school facilities or equipment or for the
3.8 funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.

3.9 Subd. 2. **Chapter 475 applies.** Chapter 475 shall be applicable in all respects,
3.10 except as separately provided in this section.

3.11 Subd. 3. **Resolution.** The purpose and the amount of any borrowing shall first be
3.12 approved by resolution of the school board of the intermediate school district. If the
3.13 resolution is for a bond issue authorized under subdivision 4, paragraph (c), the resolution
3.14 must identify the manner in which the taxes will be spread upon taxpayers in the member
3.15 districts. When such resolution has been adopted by the intermediate school board it shall
3.16 be published once in a newspaper of general circulation in said district.

3.17 Subd. 4. **Referendum.** (a) Except as provided in paragraph (c), the intermediate
3.18 school board shall not sell and issue bonds for acquisition or betterment purposes until
3.19 the question of their issuance has been submitted to the voters of the intermediate school
3.20 district at a special election held in and for such intermediate district. The date of such
3.21 election, the question to be submitted, and all other necessary conduct of such election
3.22 shall be fixed by the intermediate school board and said election shall be conducted and
3.23 canvassed under the direction of the intermediate school board in accordance with chapter
3.24 205A, insofar as the same may be deemed applicable.

3.25 (b) If a majority of the total number of votes cast on the question within the
3.26 intermediate school district is in favor of the question, the intermediate school board may
3.27 thereupon proceed with the sale and the issuance of said bonds.

3.28 (c) Upon adoption of a resolution by the intermediate school district board
3.29 comprised of duly elected board members from each member district, the intermediate
3.30 school board may sell and issue bonds for any facility deferred maintenance purpose
3.31 otherwise authorized in section 123B.59. Each district's resolution must pledge the full
3.32 faith, credit, and unlimited taxing powers of that school district to the payment of all bonds
3.33 and certificates of indebtedness.

4.1 Subd. 5. **Payment.** (a) For bonds and certificates of indebtedness approved under
4.2 subdivision 4, paragraphs (a) and (b), the full faith, credit, and unlimited taxing powers
4.3 of the intermediate school district shall be pledged to the payment of all bonds and
4.4 certificates of indebtedness, and none of such obligations shall be included in the net debt
4.5 of any participating school district as defined by section 475.51, subdivision 4, or any
4.6 other law similar thereto.

4.7 (b) For bonds and certificates of indebtedness approved under subdivision 4,
4.8 paragraph (c), the full faith, credit, and unlimited taxing powers of the member school
4.9 districts of the intermediate school district are pledged to the payment of all bonds and
4.10 certificates of indebtedness, and none of the obligations shall be included in the net debt
4.11 of the member school district as defined by section 475.51, subdivision 4, or any other
4.12 similar law.

4.13 Subd. 6. **Tax for.** (a) The intermediate school board upon awarding a contract for
4.14 the sale of such bonds authorized under subdivision 4, paragraphs (a) and (b), shall certify
4.15 to the county auditor or county auditors the years and amounts of taxes required to be
4.16 levied for the payment of such bonds as provided by section 475.61. The county auditor
4.17 shall cause such taxes to be spread in each year until bonds and interest have been paid
4.18 upon all of the assessable, taxable valuation of said intermediate school district.

4.19 (b) For bonds and certificates of indebtedness issued under subdivision 4, paragraph
4.20 (c), each member school district shall include its share of the levy, as specified in
4.21 subdivision 3, in its debt service levy under section 123B.55.

4.22 Subd. 7. **Tax-exempt securities.** In all other respects chapter 475, shall apply and
4.23 said bonds shall be deemed authorized securities within the provisions of section 50.14,
4.24 and shall be deemed instruments of a public governmental agency.

4.25 Subd. 8. **Expiration Authority limited.** The intermediate school board may not
4.26 issue bonds under this section after between July 1, 1994, and July 1, 2013.

4.27 **EFFECTIVE DATE.** This section is effective July 1, 2013.

4.28 Sec. 3. Minnesota Statutes 2012, section 136D.88, is amended to read:

4.29 **136D.88 BONDS.**

4.30 Subdivision 1. **Purpose.** The intermediate school board, acting in its own behalf, may
4.31 issue bonds for the acquisition and betterment of school facilities or equipment or for the
4.32 funding or refunding of outstanding bonds, warrants, orders, or certificates of indebtedness.

4.33 Subd. 2. **General law.** Chapter 475 shall be applicable in all respects, except as
4.34 separately provided in this section.

Subd. 3. **Resolution.** The purpose and the amount of any borrowing shall first be approved by resolution of the school board of the intermediate school district. If the resolution is for a bond issue authorized under subdivision 4, paragraph (c), the resolution must identify the manner in which the taxes will be spread upon taxpayers in the member districts. When the resolution has been adopted by the intermediate school board it shall be published once in a newspaper of general circulation in the district.

Subd. 4. **Referendum.** (a) Except as provided in paragraph (c), the intermediate school board shall not sell and issue bonds for acquisition or betterment purposes until the question of their issuance has been submitted to the voters of the intermediate school district at a special election held in and for the intermediate district. The date of the election, the question to be submitted, and all other necessary conduct of the election shall be fixed by the intermediate school board. The election shall be conducted and canvassed under the direction of the intermediate school board in accordance with chapter 205A, insofar as applicable.

(b) If a majority of the total number of votes cast on the question within the intermediate school district is in favor of the question, the intermediate school board may thereupon proceed with the sale and issuance of the bonds.

(c) Upon adoption of a resolution by the intermediate school district board comprised of duly elected board members from each member district, the intermediate school board may sell and issue bonds for any facility deferred maintenance purpose otherwise authorized in section 123B.59. Each district's resolution must pledge the full faith, credit, and unlimited taxing powers of that school district to the payment of all bonds and certificates of indebtedness.

Subd. 5. **General obligation bonds.** (a) For bonds and certificates of indebtedness approved under subdivision 4, paragraphs (a) and (b), the full faith, credit, and unlimited taxing powers of the intermediate school district shall be pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of any participating school district as defined by section 475.51, subdivision 4, or any other similar law.

(b) For bonds and certificates of indebtedness approved under subdivision 4, paragraph (c), the full faith, credit, and unlimited taxing powers of the member school districts of the intermediate school district are pledged to the payment of all bonds and certificates of indebtedness, and none of the obligations shall be included in the net debt of the member school district as defined by section 475.51, subdivision 4, or any other similar law.

6.1 Subd. 6. **Levies for payment.** (a) The intermediate school board upon awarding
6.2 a contract for the sale of the bonds authorized under subdivision 4, paragraphs (a) and
6.3 (b), shall certify to the county auditor or county auditors the years and amounts of taxes
6.4 required to be levied for the payment of the bonds as provided by section 475.61. The
6.5 county auditor shall cause taxes to be spread in each year until bonds and interest have
6.6 been paid upon all of the assessable, taxable valuation of the intermediate school district.

6.7 (b) For bonds and certificates of indebtedness issued under subdivision 4, paragraph
6.8 (c), each member school district shall include its share of the levy, as specified in
6.9 subdivision 3, in its debt service levy under section 123B.55.

6.10 Subd. 7. **Tax-exempt securities.** In all other respects chapter 475 shall apply and
6.11 the bonds shall be deemed authorized securities within the provisions of section 50.14,
6.12 and shall be deemed instruments of a public governmental agency.

6.13 Subd. 8. **~~Expiration~~ Authority limited.** The intermediate school board may not
6.14 issue bonds under this section ~~after~~ between July 1, 1994, and July 1, 2013.

6.15 **EFFECTIVE DATE.** This section is effective July 1, 2013.