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State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETIETH SESSION

H. F. No. 2308

03/09/2017 Authored by Poston and Kresha  
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act  
1.2 relating to education; modifying the procedures for dissolution and attachment of  
1.3 school districts; authorizing the Eagle Valley School District to issue bonds for  
1.4 its reorganization operating debt; providing for transition aid for districts attaching  
1.5 territory of the Eagle Valley School District; amending Minnesota Statutes 2016,  
1.6 section 123A.73, subdivision 2; repealing Minnesota Statutes 2016, section  
1.7 123A.73, subdivision 3.

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

1.9 Section 1. Minnesota Statutes 2016, section 123A.73, subdivision 2, is amended to read:

1.10 Subd. 2. ~~Involuntary Dissolution; referendum revenue.~~ As of the effective date of  
1.11 the voluntary or involuntary dissolution of a district and its attachment to one or more  
1.12 existing districts pursuant to sections 123A.60 or 123A.64 to 123A.72, the authorization  
1.13 for any referendum revenue previously approved by the voters of the dissolved district in  
1.14 that district pursuant to section 126C.17, subdivision 9, or its predecessor or successor  
1.15 provision, is canceled. The authorization for any referendum revenue previously approved  
1.16 by the voters of a district to which all or part of the dissolved district is attached shall not  
1.17 be affected by the attachment and shall apply to the entire area of the district as enlarged  
1.18 by the attachment.

1.19 EFFECTIVE DATE. This section is effective the day following final enactment.

1.20 Sec. 2. EAGLE VALLEY REORGANIZATION OPERATING DEBT.

1.21 Subdivision 1. Reorganization operating debt determined. Independent School District  
1.22 No. 2759, Eagle Valley, must estimate its reorganization operating debt according to

2.1 Minnesota Statutes, section 123B.82, and submit that amount to the commissioner of  
 2.2 education for approval.

2.3 Subd. 2. **Reorganization operating debt bonds.** Independent School District No. 2759,  
 2.4 Eagle Valley, may issue general obligation bonds without an election under Minnesota  
 2.5 Statutes, chapter 475, after a public meeting of the school board with notice given by mail  
 2.6 according to Minnesota Statutes, section 123B.09, subdivision 11, in an amount not to  
 2.7 exceed the reorganization operating debt approved by the commissioner of education under  
 2.8 subdivision 1, plus the cost of issuing the bonds. The bonds must be repaid within ten years  
 2.9 of issuance.

2.10 Subd. 3. **Repayment.** The bonded debt issued under this section remains payable by the  
 2.11 taxable property located within the boundaries of former Independent School District No.  
 2.12 2759, Eagle Valley.

2.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.14 Sec. 3. **EAGLE VALLEY DISSOLUTION AND ATTACHMENT TRANSITION**  
 2.15 **AID.**

2.16 Subdivision 1. **Transition aid.** (a) For fiscal year 2018 only, transition aid shall be paid  
 2.17 to each independent school district to which is attached territory of the former Independent  
 2.18 School District No. 2759, Eagle Valley, in an amount equal to \$10,000 times the number  
 2.19 of pupils enrolled in the enlarged district on October 1, 2017, who were enrolled in  
 2.20 kindergarten through grade 6 in Independent School District No. 2759, Eagle Valley, on  
 2.21 October 1 of the previous school year.

2.22 (b) Notwithstanding paragraph (a), transition aid under this section may not exceed  
 2.23 \$250,000 for any school district.

2.24 Subd. 2. **Appropriation.** \$..... in fiscal year 2018 is appropriated from the general fund  
 2.25 to the commissioner of education for payment of transition aid under this section. This is a  
 2.26 onetime appropriation.

2.27 **EFFECTIVE DATE.** This section is effective July 1, 2017, if Independent School  
 2.28 District No. 2759, Eagle Valley, is dissolved on or before July 1, 2017.

2.29 Sec. 4. **REPEALER.**

2.30 Minnesota Statutes 2016, section 123A.73, subdivision 3, is repealed.

2.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

**123A.73 LEVY LIMITATIONS OF REORGANIZED DISTRICTS.**

Subd. 3. **Voluntary dissolution; referendum revenue.** As of the effective date of the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 123A.46, the authorization for all referendum revenues previously approved by the voters of all affected districts for those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision, is canceled. However, if all of the territory of any independent district is included in the enlarged district, and if the adjusted net tax capacity of taxable property in that territory comprises 90 percent or more of the adjusted net tax capacity of all taxable property in an enlarged district, the enlarged district's referendum revenue shall be determined as follows:

The referendum revenue shall be the revenue per adjusted pupil unit times the number of adjusted pupil units in the enlarged district. Any new referendum revenue shall be authorized only after approval is granted by the voters of the entire enlarged district in an election pursuant to section 126C.17, subdivision 9.