

## CHAPTER 127

## SCHOOL TAXES; SCHOOL FUNDS

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**127.01 STATE SCHOOL TAX.** There shall be levied annually upon the taxable property of the state a tax of one and twenty-three one-hundredths mills on the dollar, to be known as the state school tax, of which one mill on the dollar shall be added to the general school fund, which shall then be known as the current school fund, and the remainder of such tax shall be added to the university fund; provided, that for the fiscal years 1944 and 1945 there shall be levied under this section only 23/100ths of one mill on the dollar, which tax shall be added to the University fund.

[*R. L. s. 1412; 1941 c. 169 art. 8 s. 1; 1943 c. 665 s. 5*] (3011)

**127.02 COUNTY SCHOOL TAX.** The county auditor shall extend upon the tax lists of the county, in the same manner as district school taxes are extended, a tax of one mill on the dollar of the taxable property in each district, to be known as the county school tax, and be credited to the school district in which the property taxed is situated.

[*R. L. s. 1413; 1941 c. 169 art. 8 s. 2*] (3012)

**127.03 DISTRICT SCHOOL TAX.** The taxes voted by school districts shall be certified by the clerk of the school board to the county auditor on or before October tenth of each year and shall be known as the district school tax.

[*R. L. ss. 869, 1413; 1941 c. 169 art. 8 s. 3*] (2058, 3012)

**127.04 LEVIES FOR SCHOOL HOUSES AND SITES.** In common districts the tax rate shall not exceed ten mills for the purchase of school sites and erection and equipment of school houses; but, in such districts in which such ten mill tax will not produce \$600, a greater tax may be levied for school sites and buildings, not to exceed 30 mills on the dollar nor \$600 in amount. In independent districts no tax in excess of eight mills on the dollar shall be levied for the purposes of school sites and the erection of school houses. In special districts, such amounts may be levied as may be allowed by special law.

[*R. L. s. 1414; 1909 c. 458; 1913 c. 36 s. 1; 1919 c. 526; 1921 c. 227; 1939 c. 229; 1941 c. 169 art. 8 s. 4*] (3013)

**127.05 LIMITATION OF RATE ON AGRICULTURAL LANDS.** Subdivision 1. **Graded elementary or high school; unorganized territory.** The rate of taxation of agricultural lands for school maintenance in any school district of the state maintaining a graded elementary or high school and in unorganized territory shall not exceed by more than ten per cent the average rate for school maintenance on similar lands in common school districts of the same county; provided such county has 20 or more common school districts; nor shall such rate exceed one-half the rate for school maintenance on non-agricultural lands in the same school district or unorganized territory in counties having less than 20 common school districts.

Subd. 2. **Joint school district.** When a joint school district is located in two or more counties, the rate of taxation of agricultural lands for school maintenance in any such joint school district maintaining a graded elementary or high school shall, in each of such joint school districts, be equalized at the rate of the county in which the school house is located in such joint school district.

Subd. 3. **Village; consolidated school district.** If a village is entirely within the territorial limits of a consolidated school district and the total assessed valuation of the property within the village does not exceed ten per cent of the total assessed valuation of the property within the district, the rate of taxation of agricultural lands in the district for school maintenance shall not exceed the average rate for school maintenance on agricultural lands in common school districts of the county in which the consolidated school district is located by more than 100 per cent rather than in accordance with the provisions of subdivision 1.

Subd. 4. **Additional levy; limitations.** If the total funds received from state aids plus the proceeds from the maximum levy on agricultural land and a 30 mill levy on all other property subject to taxation are not sufficient to maintain the school, the school board may make an additional levy which shall be uniform on all property. This additional levy shall be within existing limitations, if any, upon the total levy of said district. This section shall not apply to any school district receiving gross earnings aid under the provisions of section 128.23.

[1933 c. 356 s. 1; Ex. 1933 c. 37; Ex. 1934 c. 66; 1935 c. 289; 1941 c. 169 art. 8 s. 5; 1945 c. 408 s. 1; 1947 c. 228 s. 1; 1949 c. 511 s. 1] (3014-6)

**127.053 AID IN LIEU OF TAXES; NON-TAXABLE LAND.** Subdivision 1. In any school district where real estate taxes are not being levied against 40 per cent or more of the total land area there is hereby appropriated annually, in lieu of taxes, an amount equal to ten cents for each acre of non-taxable lands to be paid from the state income tax fund to the school district within which such land is situated, except that no school district shall receive hereunder in any one year more than \$25,000 or an amount in excess of \$25 per pupil unit in average daily attendance in kindergartens and grades one through twelve.

Subd. 2. The money hereby appropriated shall be used only for maintenance.

Subd. 3. No school district with an assessed valuation of \$1,300 or more per pupil in average daily attendance shall receive any aid under the provisions of sections 127.053 and 127.054.

Subd. 4. The state auditor shall supply to each county auditor plats with checkings thereon indicating the location and description of such lands situated within the school districts of the county.

[1949 c. 648 s. 1]

**127.054 APPROPRIATIONS; DISTRIBUTION BY STATE AUDITOR.** There is hereby annually appropriated from the state income tax fund \$100,000 to be distributed by the state auditor under the terms hereof, and in the event that said sum shall be insufficient to pay the full amount to which said school districts shall be entitled hereunder, the state auditor shall apportion said sum pro rata to each of said school districts.

[1949 c. 648 s. 2]

**127.06 DISTRIBUTION OF UNEXPENDED SCHOOL FUNDS IN CERTAIN DISTRICTS.** Subdivision 1. **Refunds to taxpayers.** The school board of any common school district in this state, wherein the schools of such district have not been maintained for a period of not less than five years, and which district has unexpended funds accumulated from the proceeds of the one mill tax levy provided for in section 127.02, in excess of \$500, may, in its discretion, deliver all or any part of such funds to the treasurer of the county in which such district is situated. The funds so delivered to the county treasurer shall be paid by the treasurer to the owners of the real estate situated in such district in the proportion that the amount of the tax collected from such real estate bears to the amount to be so distributed. It shall be the duty of the auditor of the county in which such district is situated to determine the proportionate share to be paid to each owner of real estate in such district and to furnish the county treasurer with a statement thereof.

Subd. 2. **Refunds to state treasurer.** When the school board of any such district has delivered and turned over to the county treasurer the proceeds of the one mill tax, as provided in this section, then such school board shall refund all or any part of unexpended funds in its treasury received by such district as its proportionate share of the income tax funds provided for by section 290.62, to the state treasurer, which funds when so refunded shall be placed in the income tax school fund and disbursed in the same manner as other money in the fund is disbursed.

[1937 c. 265 ss. 1, 2; 1941 c. 169 art. 8 s. 6] (2823-4, 2823-5)

**127.07 DEPOSITORIES OF SCHOOL FUNDS.** The governing board, by whatever name known, of the several common, independent, and special school districts

in this state may in its discretion select and designate as depositories for school district money any national or state banks for a period not exceeding three years, on the execution by such bank of a sufficient bond to the school district in double the sum deposited, except in cases where the bond furnished is that of a surety company authorized to do business in the state and, in such cases, the amount of bond shall be equal to the estimated sum to be deposited, to be approved by the board and filed in the office of the auditor of the county wherein the school district may be situated. It thereupon may require the treasurer to deposit all, or any part of, the school district's money in such bank provided that such designation may be made in an amount not exceeding \$1,500 in common school districts and not exceeding \$3,000 in independent or consolidated school districts without the execution of any bond. Where the bank designated is a member of the federal deposit insurance corporation no bond or collateral shall be required up to the amount covered by such insurance. Such designation shall be in writing and set forth all the terms and conditions upon which the deposits are made, be signed by the chairman and clerk or president and clerk, as the case may be, and filed with the clerk. Thereupon such bank shall become a legal depository for school district money and thereafter the school district treasurer shall deposit such school district money therein as he shall be required from time to time to deposit by such school district governing board.

[1907 c. 133 s. 1; 1909 c. 332 s. 1; 1927 c. 118; 1929 c. 76; 1941 c. 169 art. 8 s. 7] (2836)

**127.08 INTEREST ON DEPOSITS.** All interest on money deposited, as hereinbefore provided, shall be computed on monthly balances and become the property of the school district.

[1909 c. 332 s. 3; 1941 c. 169 art. 8 s. 8] (2838)

**127.09 EXEMPTION OF TREASURER.** The school district treasurer and the sureties on his bond shall be exempt from liability to the school district by reason of the loss of any funds of such school district deposited in any such bank from the failure, bankruptcy, or other acts of such bank to the extent and amount of such funds in such bank at the time of such failure or bankruptcy.

[1909 c. 332 s. 2; 1941 c. 169 art. 8 s. 9] (2837)

**127.10 TREASURER MAY DESIGNATE DEPOSITORY IN CERTAIN CASES.** If the treasurer of any common or independent school district shall present to the governing board of such district in session a written request for the designation of a depository for the funds of the district and such board shall refuse or fail to designate one or more depositories within 30 days after the presentation of such request, such treasurer may deposit the funds of the district in banks of his own selection in an amount not exceeding \$1,500 in any one bank, if a common school district, or not exceeding \$3,000 in any one bank, if an independent school district. Where such bank is a member of the federal deposit insurance corporation the amount which may be deposited may be increased to the amount of insurance coverage provided by this corporation. Such treasurer shall not thereafter be liable for the loss of any such funds through the insolvency or default of any such bank in the absence of negligence on his part in the selection of such bank.

[1931 c. 90; 1941 c. 169 art. 8 s. 10] (2839-2)

**127.11 SCHOOL TREASURERS MAY BE REIMBURSED IN CERTAIN CASES.** Where any school treasurer has reimbursed, or shall hereafter reimburse, the district for loss of funds of the district on deposit in any bank which has or may become insolvent, such district may reimburse the treasurer for money so paid when a majority of the electors voting thereon at an annual or special meeting vote to do so, providing the notice of such annual or special meeting shall specify that such matter will be considered at such meeting.

[1929 c. 67; 1941 c. 169 art. 8 s. 11] (2839-1)

**127.12 ISSUANCE OF WARRANTS; FUNDS IN CLOSED BANKS.** Any school district which now has, or may hereafter have, any money on deposit in any bank at the time such bank is closed, or hereafter closes, for the purpose of liquidation, may issue its general warrants in payment of any obligation and in the amount that the money so on deposit could have been applied thereto if available, notwithstanding there may not at the time of the issuance thereof be any funds on hand for the payment thereof, or any taxes previously levied and then in process of collection the proceeds of which will be available for the payment of such warrants. Such war-

rants when issued, may be presented to the treasurer and marked "Not paid for lack of funds" and shall thereafter draw interest at the rate of six per cent until paid.

[1925 c. 74; 1941 c. 169 art. 8 s. 12] (2997-1)

**127.13 ACCEPTANCE OF PROPERTY IN SETTLEMENT OF CLAIMS.** Subdivision 1. **Power of board to accept.** When any school district in this state now has or asserts any claim or judgment against any sureties on the bonds of any depository of its funds for the failure of any such depository to account for or pay over any such funds and the school board or other governing body of the district determines that the claim or judgment, or some part thereof, is not collectible in cash, then any such school board or governing body may by resolution determine to accept and receive, in complete or partial satisfaction or settlement of any such claim or judgment, lands or interest therein within this state and may acquire the same for and in the name of such district either by deed or deeds of conveyance from the owners, or as purchaser at execution sale or sales under any such judgment.

Subdivision 2. **Title to be held by district.** Title to lands or interests so acquired shall be held by the district in lieu of its money not accounted for or paid over, as aforesaid, and the same and each tract or portion thereof shall be sold by such district as soon as and wherever there may be realized therefrom the fair value thereof as determined by such school board or governing body. Any such sale may be authorized by resolution of such school board or governing body, and may be made for cash, or for part cash and the deferred balance secured by contract for deed or purchase money mortgage, on such terms as the board or governing body may approve. Conveyances, contracts, or other instruments evidencing any such sale shall be executed by the president or other presiding officer and the clerk or secretary of the board or governing body. Lands so acquired and held for re-sale, as aforesaid, shall be deemed public lands used for exclusively public purposes, and as such shall be exempt from taxation.

[1931 c. 227 ss. 1, 2; 1941 c. 169 art. 8 s. 13] (2836-1, 2836-2)

**127.14 COMPENSATION.** No additional compensation or fees shall be paid to any of the school district officers by reason of any of the provisions of sections 127.07 to 127.09.

[1907 c. 133 s. 4; 1909 c. 332 s. 1; 1941 c. 169 art. 8 s. 14] (2839)