

## CHAPTER 127

## SCHOOL TAXES, SCHOOL FUNDS

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*127.01* **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* **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* **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* **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 schoolhouses; 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 other school districts no tax in excess of eight mills on the dollar shall be levied for the purposes of school sites and the erection of schoolhouses. This section shall not apply to any school district in a city of the first class.

[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; 1953 c. 682 s. 1] (3013)

*127.05* **127.05 LIMITATION OF RATE ON AGRICULTURAL LANDS.** Subdivision 1. Graded elementary, 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 percent 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. Provided in any consolidated school district or a district formed under the provisions of Minnesota Statutes 1949, Sections 122.40 to 122.55, or both, maintaining a graded elementary or secondary school, the rate of taxation of agricultural land and personal property having taxable situs on farms shall not exceed one-half the rate for school maintenance on other taxable property in the same school district.

Subd. 2. [Repealed, 1955 c 712 s 2]

59 C.338 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 percent 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.

59 C.338 Subd. 4. **Additional levy.** If the total funds received from state aid plus the proceeds from the maximum levy on agricultural land and a 40 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. Provided in any consolidated school district or a district formed under the provisions of Minnesota Statutes 1949, Sections 122.40 to 122.55, or both, maintaining a graded elementary or secondary school, when the total funds anticipated to be received from state aid plus the revenue anticipated to be received from a tax levy as provided in subdivision 1 for agricultural land and personal property having taxable situs on farms, plus revenue anticipated to be received from at least a 50 mill levy on all other property will not produce sufficient revenue to maintain the school, an additional levy for school maintenance shall be made which shall be uniform on all taxable property subject to limitations imposed by law.

127.051 Subd. 5. **Limitation on appreciation.** Subdivision 1 of this section does not apply to any district not maintaining a graded elementary school and which district receives gross earnings state aid under provisions of Minnesota Statutes, Section 128.22 as amended.

[1933 c 356 s 1; Ex1933 c 37; Ex1934 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; 1951 c 549 s 1, 2; 1957 c 596 s 1] (3014-6)

127.051 **CERTIFICATION OF LEVIES FOR SCHOOL PURPOSES IN JOINT SCHOOL DISTRICTS.** On or before October 10 of each year the clerk of the school board of any joint school district shall certify to the county auditor of the county in which the administrative offices of the school district are located the levies for school purposes authorized by law for such school district.

[1957 c 566 s 1]

127.052 **CERTIFICATION OF ASSESSED VALUATIONS.** On or before December 1 of each year the county auditors of all counties wherein any portion of a joint school district is located shall separately certify to the auditor designated in section 127.051 hereof the assessed valuation as finally equalized for purposes of taxation of all agricultural and nonagricultural property located within their respective counties, which certification shall contain the information required in determining the tax rates in said district pursuant to the applicable portions of Minnesota Statutes, section 127.05, as amended.

[1957 c 566 s 2]

127.056 **LEVY, ASSESSMENT RATIO, ADJUSTED ASSESSED VALUATION, TAX RATES.** Subdivision 1. The county auditor to whom the levy is certified shall determine the levy for maintenance purposes for the portions of the district in each of the counties in the manner provided herein.

Subd. 2. Assessment ratio means the ratio which the full and true valuation of taxable property within the district certified by the county auditor pursuant to sections 127.051 to 127.058 bears to the correct, full and true value of such property as determined by the department of taxation and approved by the equalization aid review committee.

Subd. 3. Such auditor shall equalize all assessment ratios in the district by dividing the assessment ratio for the portion of the district in his own county by the assessment ratio for the portions of the district in each of the counties of the district. The percentage thus obtained for the portion of the district in each county is the adjusted ratio for the portion of the district in that county.

Subd. 4. Such auditor shall compute the adjusted assessed valuation of agricultural and nonagricultural property in the district by multiplying the assessed valuations as finally equalized for purposes of taxation of each portion of the district in each county by the adjusted ratio obtained in subdivision 3 of this section for the portion of the district in each county. He shall then determine the total adjusted assessed valuation of the agricultural property in the district as well as the total adjusted assessed valuation of the nonagricultural property in the district.

Such total adjusted assessed valuations shall be the sum of the adjusted assessed valuations of each type of property within each portion of the district within each county.

Subd. 5. On the total adjusted assessed valuations of agricultural and non-agricultural property obtained in subdivision 4 of this section such county auditor shall then determine the tax rates which will produce the entire school maintenance levy pursuant to the applicable portions of Minnesota Statutes, section 127.05, as amended. These tax rates so determined shall be the rates for school maintenance in the portion of the district in his county.

Subd. 6. Such auditor shall determine the tax rates for the portions of the district in other counties wherein the district is located by multiplying the agricultural and nonagricultural tax rates for his county by the adjusted ratios obtained in subdivision 3 of this section for the portions of the district in each respective county. Such auditor shall certify such mill levies together with supporting data to the auditor of each county affected thereby. Each county auditor shall spread the mill levies so determined upon the taxable property of the school district in his county.

[1957 c 566 s 3]

**127.057 DETERMINATION OF MILL RATES.** Subdivision 1. Such auditor shall determine the mill rates for all other school tax levies, including capital outlay and debt service, by spreading the levies against the total adjusted assessed valuation of the district computed as provided by section 127.056, subdivision 4. The mill rates so determined are the mill rates to be spread on the portion of the school district in his county.

Subd. 2. Such auditor shall determine the mill rates for all other school tax levies, including capital outlay and debt service, for the portions of the district in other counties by multiplying the mill rates obtained for his county as computed in section 4, subdivision 1 of this section by the adjusted ratio obtained in section 127.056, subdivision 3 for each county and the figures so obtained are the mill rates to be spread in each such county. Such auditor shall certify such mill levies together with supporting data to the auditor of each county affected thereby. Each auditor shall spread the mill rates so determined upon the taxable property of such school district in his county.

[1957 c 566 s 4]

**127.058 COMMISSIONER OF TAXATION, DUTIES.** On or before November 1 of each year the commissioner of taxation shall furnish to the county auditor in the county in which the administrative office of any joint school district is located the assessment ratios for the portions of the district in the several counties wherein such district is located, which were submitted to the equalization aid review committee and approved by it during the current year. The commissioner of taxation shall take such steps and give such aid to the county auditors as is necessary in order to obtain a uniform application of sections 127.051 to 127.058 and he may incur expenses therefor.

[1957 c 566 s 5]

**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

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(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 of each common, independent, or special school district in this state shall 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 shall require the treasurer to deposit all, or any part of, the school district's money in such bank provided that when the bank designated is a member of the federal deposit insurance corporation such designation may be made in an amount not exceeding \$10,000 in common and in independent or consolidated school districts without the execution of any bond. 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 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; 1953 c. 85 s. 1; 1957 c. 367 s. 1] (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 board shall refuse or fail to designate one or more depositories within 30 days after the organization meeting of such board, such treasurer shall deposit the funds of the district, in the name 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; 1957 c. 367 s. 2] (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-

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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 percent until paid.

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

*XC7/a 82 13* **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.

Subd. 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)

*XC7/a 82 14* **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)

*XC7/a 82 15-25*