

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 260

**DATE:** February 23, 1999

**Version:** As introduced

**Authors:** Kielkucki and others

**Subject:** Clarifying the date of consolidation for Howard Lake-Waverly-Winthrop

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### Overview

Minnesota school districts that choose to reorganize (consolidate, combine through the cooperation and combination or C&C program, etc.) are eligible for a special levy to eliminate any operating debt that exists at the time of the reorganization. The purpose of this levy is to help facilitate the reorganization of small school districts into more efficient districts. When the outstanding operating debt can be eliminated, the new combined school district can begin its existence without regard to the previous levels of operating debt in any of its component school districts..

In the case of Howard Lake-Waverly-Winthrop, special legislation in 1994 designated fiscal year 1995 as the first year of cooperation and combination for the former districts. This means that the reorganization operating debt levy should be based on the outstanding negative fund balances on June 30, 1994. However, the special legislation was intended to clarify the first year of additional C&C aid for the school district, and the district was not expecting the special legislation to alter the date of the calculation of the reorganization operating debt levy. The district's initial levy was based on the larger operating debt level. If no legislation passes during the 1999 legislative session, the department of children will reduce the school district's levy for taxes payable in 2000 by \$104,000.

- 1 Date of consolidation; Howard Lake-Waverly-Winthrop.** Clarifies that the reorganization operating debt levy for independent school district No. 2687, Howard Lake-Waverly-Winsted must be determined as of June 30, 1995, not June 30, 1994.
- 2 Effective Date.** Makes section 1 effective the day following final enactment.