

FILE NUMBER: Version:	H. F. 616 As introduced	DATE:	May 3, 1999
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Overview

School districts are required to pay municipal special assessments just as any other property owner. School districts generally make these payments on an annual basis from their general fund balance. In many cases, the interest rates attached by the municipality to the outstanding balance of the special assessment are considerably higher than a school district's cost of borrowing.

H.F. 616 authorizes a school district to issue general obligation bonds in order to pay off the special assessments. These bonds are repaid with a transfer of the district's general education levy authority.

1 Purchase of certain equipment. Expands the authority for school districts to issue general obligation (g.o.) certificates or notes to include g.o. certificates for the payment of special assessments. Allows the certificates or notes to be issued for not more than 20 years. Requires the district to transfer general education levy proceeds in order to repay these certificates.