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### Overview

Minnesota Statutes assign school boards the authority to govern, manage, and control the activities and interests of the school district. Among other duties, the school board is charged with the authority to set attendance boundaries and open, close, and manage school buildings. The board must follow a statutory process in order to close a school building.

Most school districts build new school buildings and make major building modifications by holding a referendum to approve the sale of bonds and then use the bond proceeds to pay for the cost of construction.

H.F. 1963 places limitations on a school board if the board has chosen to close a school building. For five years following the board's decision to close a school building, unless the board holds a successful referendum for that purpose, the board is prohibited from using operating capital money (about \$250 per pupil per year for the average district) for any purpose that would expand the district's instructional space, and similarly, the board is prohibited from using the building lease levy to expand the district's instructional space.

The board is also prohibited from using any bond proceeds in a manner that is in any way inconsistent with the information submitted to the commissioner as part of the review and comment process and the board is prohibited from participating in the state guarantee program for locally issued general obligation bonds if the district's building projects deviate in any manner from the plans submitted to the commissioner for review and comment on the building project.

## **Section**

- 1**        **Uses of revenue; operating capital.** Prohibits a school board in the five years following the decision to close a school building from using operating capital money for any purpose that would expand the district's instructional space unless a successful referendum on that question has been held.
- 2**        **Referendum required after schoolhouse closing; building lease levy.** Prohibits a school board in the five years following the decision to close a school building from using the building lease levy to expand the district's instructional space unless a successful referendum on that question has been held.
- 3**        **Definitions; state bond credit enhancement program.** Keeps a school district from qualifying for the state credit enhancement program on any building bonds issued for a project if any part of that project is inconsistent with the information submitted to the commissioner of education under the review and comment process.
- 4**        **Proper use of bond proceeds.** Prohibits a school board from using any portion of revenue from bond proceeds for a school building project that is in any way inconsistent with the information submitted to the commissioner of education under the review and comment process.