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### Overview

Generally, when a school board chooses to build a new school building or substantially remodel an existing school facility, the board submits the broad outlines of its building project to the commissioner of education for a “review and comment.” Once the review and comment has been finished, the board may conduct an election to approve the sale of bonds and the bonds are used to pay for the construction costs. The bonds are general obligation bonds, backed both by the full faith and credit of the school district, and in most instances, by the state’s promise to pay any bond amounts in the case of a potential default by the school district through the state’s bond credit enhancement program.

Under Minnesota’s current law, the voters are approving the sale of a specific dollar amount of bonds and the school board may modify its final building plans from those described during the lead-up to the election.

HF 3094 requires that any bond issue approved under Chapter 475 must be used exactly for the specific projects described prior to the passage of the bond issue. HF 3094 also removes the state aid guarantee on the bonds if any portion of the proceeds of the bonds are not spent exactly as laid out in the pre-election materials.

**Section**

- 1 State payment; eligibility.** Removes the state guarantee supporting local school district bonds if any portion of the bond proceeds are not spent in their entirety as described in the project's review and comment.
- 2 Sample ballot; posting.** Requires a school district to post the review and comment and supplemental information in the same manner as the ballot is posted prior to the election.
- 3 Proper use of bond proceeds.** Requires bond proceeds to be spent in their entirety exactly as laid out in the district's plans. Requires that no building project be eliminated from the proposed projects. This section applies to all municipal bonding projects, not just schools.
- 4 Manner and submission of bonds; notice.** Requires the bond question to state the name of the plan or plans being proposed by the district. Requires the plans to be those that were submitted to the commissioner of education for review and comment.