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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 329

January 25, 2007

Authored by Carlson, Greiling and McFarlane

The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to education finance; authorizing intermediate school districts to engage
1.3 in certain short-term borrowing; amending Minnesota Statutes 2006, sections
1.4 126C.50; 126C.52, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 126C.50, is amended to read:

1.7 126C.50 TAX AND AID ANTICIPATION BORROWING; DEFINITIONS.

1.8 School district as used in sections 126C.50 to 126C.56 means any school district in
1.9 the state of Minnesota, including an intermediate school district, however organized and
1.10 wherever located.

1.11 EFFECTIVE DATE. This section is effective the day following final enactment.

1.12 Sec. 2. Minnesota Statutes 2006, section 126C.52, is amended by adding a subdivision
1.13 to read:

1.14 Subd. 3. Intermediate school districts. (a) The board of any intermediate school
1.15 district may borrow money in the manner and subject to the limitations set forth in
1.16 sections 126C.50 to 126C.56 in anticipation of receipt of:

- 1.17 (1) state aids for schools as defined in Minnesota Statutes;
1.18 (2) federal school aids to be distributed by or through the department; and
1.19 (3) membership fees and tuition payments from its member school districts.

1.20 (b) The aggregate of the intermediate school district's borrowings under this
1.21 subdivision shall never exceed 75 percent of the certified aids, fees, and tuition payments
1.22 listed in paragraph (a) which are receivable by the intermediate school district in the
1.23 fiscal year in which the money is borrowed.

2.1 (c) The intermediate school district must submit its estimated membership fees
2.2 and tuition payment receipts to the commissioner of education in a manner and form
2.3 approved by the commissioner. At the commissioner's discretion, the estimated amount
2.4 of membership fees and tuition payment receipts may be reduced. The commissioner
2.5 must then certify the aids, fees, and tuition payments for the purpose of determining the
2.6 maximum amount of the intermediate school district's borrowings for any year.

2.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.