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HOUSE FILE No. 1040

FIRST COMMITTEE ENGROSSMENT

February 23, 2009

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

Referred by Chair to K-12 Education Finance Division.

February 25, 2009

Returned to the Committee on Finance as Amended.

1.1 A bill for an act
1.2 relating to education finance; authorizing Independent School District No. 2887,
1.3 McLeod West, to issue general obligation bonds for its reorganization operating
1.4 debt.

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

1.6 Section 1. **MCLEOD WEST SCHOOL DISTRICT; FUNDING BONDS.**

1.7 **Subdivision 1. Reorganization operating debt determined.** Independent School
1.8 District No. 2887, McLeod West, must estimate its reorganization operating debt
1.9 according to Minnesota Statutes, section 123B.82, and submit that amount to the
1.10 commissioner of education for approval.

1.11 **Subd. 2. Bond sale.** Independent School District No. 2887, McLeod West, may
1.12 issue general obligation bonds without an election under Minnesota Statutes, chapter
1.13 475, in an amount not to exceed the reorganization operating debt approved by the
1.14 commissioner of education under subdivision 1. The bonds must be repaid within six
1.15 years of issuance.

1.16 **Subd. 3. Repayment.** The bonded debt issued under this section remains payable
1.17 by the taxable property located within the boundaries of former Independent School
1.18 District No. 2887, McLeod West.

1.19 **Subd. 4. Reorganization operating debt levy.** A school district that otherwise is
1.20 eligible to levy for reorganization operating debt amounts of the former Independent
1.21 School District No. 2887, McLeod West, may levy under Minnesota Statutes, section
1.22 123A.73, subdivision 9, only upon approval of the commissioner of education and only for
1.23 that portion of the reorganization operating debt not already included under subdivision 1.

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