

A bill for an act
relating to education; eliminating certain reserve accounts in a school district
general fund; amending Minnesota Statutes 2006, section 123B.79, by adding a
subdivision.

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

Section 1. Minnesota Statutes 2006, section 123B.79, is amended by adding a
subdivision to read:

Subd. 9. **Elimination of reserve accounts.** A school board shall eliminate all
reserve accounts established in the school district's general fund under Minnesota Statutes
before July 1, 2006, for which no specific authority remains in statute as of June 30,
2007. Any balance in the district's reserved for bus purchases account as of June 30,
2007, shall be transferred to the reserved account for operating capital in the school
district's general fund. Any balance in other reserved accounts established in the school
district's general fund under Minnesota Statutes before July 1, 2006, for which no specific
authority remains in statute as of June 30, 2007, shall be transferred to the school district's
unreserved general fund balance. A school board may, upon adoption of a resolution by
the school board, establish a designated account for any program for which a reserved
account has been eliminated.

EFFECTIVE DATE. This section is effective June 30, 2007.