

CHAPTER 124

SCHOOL TAXES, FUNDS, AIDS

Sec.		Sec.	
124.01	Definitions.	124.52	Acceptance of federal aid.
124.05	Depository law.	124.53	Vocational education.
124.06	Insufficient funds to pay orders.	124.54	Funds, treasurer's duties.
124.07	Land in settlement of claim against surety.	124.55	Federal aid, reports to the legislature.
124.08	School endowment fund, designation.	124.56	Appropriation account.
124.09	School endowment fund, apportionment.	124.561	Post-secondary vocational-technical education funding.
124.10	Auditor's duties.	124.562	Post-secondary vocational foundation aid.
124.11	Dates of aid payments.	124.563	Post-secondary vocational categorical and capital expenditure aid.
124.12	Manner of payment of state aids.	124.564	Post-secondary vocational debt service aid.
124.14	Distribution of school aids; appropriation.	124.565	Post-secondary vocational education tuition.
124.15	Reduction of aid for violation of law.	124.566	Use of post-secondary vocational categorical aid appropriation.
124.17	Definition of pupil units.	124.57	Aid for vocational education.
124.18	Consolidation; instruction by other district.	124.571	Vocational reimbursement ceiling.
124.185	Pupil attendance of laboratory schools; state aid.	124.572	Current funding for adult vocational education.
124.19	Requirements for aid generally.	124.573	Current funding for secondary vocational education.
124.20	Education; state aid; summer school and flexible school year classes.	124.574	Secondary vocational education for handicapped children.
124.212	Foundation aid.	124.58	Matching aid.
124.213	Aid recapture.	124.59	Federal aid.
124.214	Aid adjustments.	124.60	Teacher training aid.
124.215	Minnesota Indian education committee.	124.61	Teachers' training, federal aid.
124.222	Transportation aid entitlement.	124.611	Eligible teacher program.
124.223	Transportation aid authorization.	124.615	Shortage of educational personnel, acceptance of federal aid.
124.24	Emergency aid.	124.62	Federal aid to education, acceptance by the state.
124.241	State aid for extraordinary tax delinquency.	124.63	National forest land funds, handling and disposition.
124.245	Capital expenditure equalization aid.	124.64	Federal aid to Indians, power of state board.
124.26	Education programs for adults.	124.645	Federal aid to service institutions; food service programs.
124.271	Community school programs aid.	124.646	School lunch aid.
124.28	Gross earnings refund.	124.65	Types of school aid.
124.281	Gross earnings refund, second half of biennium.	124.66	Purposes of school aid.
124.29	Gross earnings refund, federal aid.	124.67	National Defense Education Act, acceptance.
124.32	Handicapped children.	124.68	Federal aid, cooperative research.
124.35	Loans to distressed districts.	124.69	Federal aid, redevelopment, vocational training and retraining.
124.36	Citation, maximum effort school aid law.		TAX ANTICIPATION BORROWING
124.37	Policy and purpose.	124.71	Tax and aid anticipation borrowing; definitions.
124.38	Definitions.	124.72	Application of limiting tax legislation.
124.381	Net debt, determination.	124.73	Authority to borrow money, limitations.
124.39	Fund established; division into accounts.	124.74	Enabling resolution; form of certificates of indebtedness.
124.40	Appropriation.	124.75	Repayment; maturity date of certificates; interest.
124.41	School loans.	124.76	Sale of certificates; disbursement of proceeds.
124.42	Debt service loans.	124.77	Payment of aids; certification of unpaid amounts.
124.43	Capital loans.	124.78	Borrowing against certified unpaid aids.
124.44	Prepayments.	124.781	Limitation on tax anticipation borrowing.
124.45	Applications of payment.	124.79	Elementary and secondary education, acceptance of federal funds.
124.46	Issuance and sale of bonds.		
124.47	Repealer and savings clause.		
124.471	Bond issue, maximum effort school loans; 1963.		
124.472	Bond issue, maximum effort school loans; 1965.		
124.473	Bond issue, maximum effort school loans; 1967.		
124.474	Bond issue, maximum effort school loans; 1969.		
124.48	Indian scholarships.		
124.511	Surplus county school tax funds; distribution.		

124.01 MS 1953 [ Repealed, 1957 c 947 art 9 s 9 ]

124.01 DEFINITIONS. For purposes of this chapter, the words defined in section 120.02 have the same meaning.  
[ Ex1959 c 71 art 5 s 1 ]

124.02 MS 1953 [ Repealed, 1957 c 947 art 9 s 9 ]

124.02 MS 1976 [ Repealed, 1978 c 764 s 143 ]

124.03 MS 1953 [ Repealed, 1957 c 947 art 9 s 9 ]

124.03 MS 1974 [ Repealed, 1976 c 334 s 20 ]

124.04 MS 1953 [ Repealed, 1957 c 947 art 9 s 9 ]

124.04 MS 1976 [ Repealed, 1977 c 447 art 6 s 13 ]

**124.05 MS 1953** [ Repealed, 1957 c 947 art 9 s 9 ]

**124.05 DEPOSITORY LAW.** Subdivision 1. At the annual organizational meeting in independent districts and at the annual district meeting in common districts or at other times if necessary, the board shall designate one or more national or state banks as official depositories for district money, and thereupon shall require the treasurer to deposit all or part of the district money in such bank or banks. Such designation shall be in writing and set forth all the terms and conditions upon which the deposits are made; signed by the chairman and clerk, and made a part of the minutes of the board. Thereupon such bank or banks shall become legal depositories for district money. If the board shall refuse or fail to designate one or more depositories in accordance with this subdivision, the treasurer shall deposit the funds of the district in accordance with the provisions of subdivision 2, and shall file a statement of his selection of the depository with the clerk of the district. The treasurer shall not thereafter be liable for the loss of any funds through the insolvency or default of such depository in the absence of negligence on his part in the selection of the depository.

Subd. 2. In the event that the bank selected as a depository is a member of the Federal Deposit Insurance Corporation, the district may deposit an amount not to exceed the amount insured under the provisions of the federal law creating that corporation, in the depository without the execution of any bond. In the event that it is desired to deposit more than the insured amount in any bank, prior to such deposit, the board shall require the bank to deposit a sufficient bond to the district, executed by a corporate surety company authorized to do business in the state in a sum at least equal to the estimated sum to be deposited in excess of the insured amount. The bond shall be approved by the board and filed in the office of the auditor of the county wherein the district may be situated. In lieu of such bond, the depository shall assign to the district treasurer collateral security for deposits, in accordance with section 118.01.

Subd. 3. When the board deems it advisable, it may authorize the investment or deposit of such amount of funds as will not in the opinion of the board be currently needed by the district in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds.

Subd. 4. Any board investing funds in authorized securities shall deposit such securities for safekeeping with the county treasurer of the county wherein the district is located or with any bank or dealer qualified as provided in section 475.66.

[ *Ex1959 c 71 art 5 s 5; 1965 c 126 s 1; 1965 c 300 s 3; 1973 c 123 art 5 s 7; 1975 c 189 s 1; 1976 c 324 s 23,24* ]

**124.06 MS 1953** [ Repealed, 1957 c 947 art 9 s 9 ]

**124.06 INSUFFICIENT FUNDS TO PAY ORDERS.** In the event that a district has insufficient funds to pay its usual lawful current obligations, subject to section 471.69, the board may enter into agreements with banks or any person to take its orders at any rate of interest not to exceed six percent per annum. Any order drawn after having been presented to the treasurer for payment and not paid for want of funds shall be endorsed by the treasurer by putting on the back thereof the words "not paid for want of funds," giving the date of endorsement and signed by the treasurer. A record of such presentment, nonpayment and endorsement shall be made by the treasurer. Every such order shall bear interest at the rate of not to exceed six per annum from the date of such presentment. The treasurer shall serve a written notice upon the payee or his assignee, personally, or by mail, when he is prepared to pay such orders; such notice may be directed to the payee or his assignee at the address given in writing by such payee or assignee to such treasurer, at any time prior to the service of such notice. No order shall draw any interest if such address is not given when the same is unknown to the treasurer, and no order shall draw any interest after the service of such notice.

[ *Ex1959 c 71 art 5 s 6; 1965 c 69 s 2; 1967 c 761 s 1* ]

**124.07 MS 1953** [ Repealed, 1957 c 947 art 9 s 9 ]

**124.07 LAND IN SETTLEMENT OF CLAIM AGAINST SURETY.** Subdivision 1. **Power of board to accept.** When any district now has or asserts any claim or judgment against any sureties on the bonds of any depository of its funds for the failure of any such depository to account for or pay over any such funds and the board or other governing body of the district determines that the claim or judgment, or some part

# MINNESOTA STATUTES 1978

2029

SCHOOL TAXES, FUNDS, AIDS 124.11

thereof, is not collectible in cash, then any such board or governing body may by resolution determine to accept and receive, in complete or partial satisfaction or settlement of any such claim or judgment, lands or interest therein within this state and may acquire the same for and in the name of such district either by deed or deeds of conveyance from the owners, or as purchaser at execution sale or sales under any such judgment.

Subd. 2. **Title to be held by district.** Title to lands or interests so acquired shall be held by the district. Each tract or portion shall be sold by the district as soon as there may be realized the fair value as determined by such board. Any such sale may be authorized by resolution of the board, and may be made for cash, or for part cash and the deferred balance secured by contract for deed or purchase money mortgage, on such terms as the board approves. Conveyances, contracts, or other instruments evidencing any sale shall be executed by the chairman and the clerk of the board. Lands so acquired and held for resale shall be deemed public lands used for exclusively public purposes and as such shall be exempt from taxation.

[ *Ex1959 c 71 art 5 s 7* ]

**124.08** MS 1953 [ Repealed, 1957 c 947 art 9 s 9 ]

**124.08 SCHOOL ENDOWMENT FUND, DESIGNATION.** For the purpose of aid to public schools, this fund is established:

The school endowment fund, which shall consist of the income from the permanent school fund.

[ *Ex1959 c 71 art 5 s 8; 1969 c 399 s 13* ]

**124.09** MS 1953 [ Repealed, 1957 c 947 art 9 s 9 ]

**124.09 SCHOOL ENDOWMENT FUND, APPORTIONMENT.** The school endowment fund shall be apportioned semiannually by the state board, on the first Monday in March and October in each year, to districts whose schools have been in session at least nine months. The apportionment shall be in proportion to the number of pupils between the ages of five and twenty-one years who shall have been in average daily membership during the preceding year; provided, that apportionment shall not be paid to a district for pupils for whom tuition is received by the district.

[ *Ex1959 c 71 art 5 s 9; Ex1971 c 31 art 20 s 15; 1978 c 706 s 29* ]

**124.10** MS 1953 [ Repealed, 1957 c 947 art 9 s 9 ]

**124.10 AUDITOR'S DUTIES.** Subdivision 1. A copy of the apportionment of the school endowment fund shall be furnished by the state board to the commissioner of finance, who thereupon shall draw his warrants on the state treasury, payable to the several districts, for the amount due each district. There is hereby annually appropriated from the school endowment fund the amount of such apportionments.

Subd. 2. The county auditor shall at the time of making the March and November tax settlements of each year apportion to the several districts the amount received from liquor licenses, fines, estrays, and other sources belonging to the general school fund, upon the same basis provided for the state apportionment; but no district shall receive any part of the money received from liquor licenses unless all sums paid for such licenses in such district are apportioned to the county school fund.

Subd. 3. The county auditor, on the first Wednesday after such apportionment, shall report to the commissioner on the amount apportioned, the sources from which such money was received, and the total average daily membership of pupils in the county entitled to apportionment.

[ *Ex1959 c 71 art 5 s 10; 1969 c 16 s 1,2; Ex1971 c 31 art 20 s 16; 1973 c 492 s 14* ]

**124.11** MS 1957 [ Renumbered 129.13 ]

**124.11 DATES OF AID PAYMENTS.** Subdivision 1. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program and except as provided in subdivision 5, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each of the months other than October from August through May based upon information available and the final distribution shall be made in October of the following school year.

# MINNESOTA STATUTES 1978

## 124.12 SCHOOL TAXES, FUNDS, AIDS

2030

Subd. 2. Estimated post-secondary vocational foundation aid shall be paid to districts in 12 equal monthly payments beginning July 15, 1976. The estimated post-secondary vocational foundation aid shall be paid on the basis of the prior year's average daily membership except that the average daily membership and the payments based thereon may be adjusted in September, December, March and June to reflect any increases or decreases in enrollment. The September payment in each fiscal year shall be increased or decreased to reflect any deficit or excess in post-secondary vocational foundation aid received in the prior fiscal year.

Subd. 3. If any school district is unable to borrow necessary funds for the operation of its facilities during any fiscal year, due to legal borrowing restrictions or the lack of reasonable credit facilities, the commissioner of finance and state treasurer may, upon certification of such conditions by the commissioner of administration, advance such education aids as may be required to such district, with the condition that such aids be discounted by an amount equal to six percent or the current yield on U.S. treasury bills on the date of such payment to a maturity approximating the date on which aids are to be paid, whichever rate is higher, pursuant to the terms of this section. The amount of such discount shall be determined by the commissioner of finance, with the six percent discount or the "bid" price quoted on treasury bills of an appropriate maturity calculated after consultation with the staff of the state board of investment.

Subd. 4. Estimated elementary and secondary foundation aids shall be paid out on the basis of the latest available information. Estimated elementary and secondary foundation aids shall be computed on the basis of all pupil units identified in section 124.17, subdivision 1. An October enrollment count shall be obtained from all school districts. Adjustment for final elementary and secondary pupil unit figures shall be made in the final foundation aid distribution in October of the following school year.

Subd. 5. Each year, beginning in 1978, based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall determine the distribution to each school district of the amount of revenue lost as a result of the reduction in property taxes provided in section 273.132. On or before July 15, 1978, and on or before July 15 of each year thereafter, the commissioner of revenue shall certify the amounts so determined to the department of education. Beginning in 1978, the department of education shall pay each school district one-half of its distribution in August and the remaining one-half in the following November, as part of the foundation aid payment to each district in those months.

[ Ex1959 c 71 art 5 s 11; Ex1971 c 31 art 20 s 4; 1973 c 492 s 14; 1974 c 326 s 11; 1975 c 432 s 19; 1977 c 447 art 1 s 2 ]

124.12 MS 1953 [ Repealed, 1957 c 947 art 9 s 9 ]

**124.12 MANNER OF PAYMENT OF STATE AIDS.** Subdivision 1. The moneys made available by the legislature as special state aid to schools shall be paid in the following manner:

Subd. 2. It shall be the duty of the commissioner of education to deliver to the commissioner of finance a certificate for each district entitled to receive state aid under the provisions of this chapter. Upon the receipt of such certificate, it shall be the duty of the commissioner of finance to draw his warrant upon the state treasurer in favor of the district for the amount shown by each certificate to be due to the district. The commissioner of finance shall transmit such warrants to the district together with a copy of the certificate prepared by the commissioner.

Subd. 3. [ Repealed, 1969 c 16 s 4 ]

Subd. 4. [ Repealed, 1969 c 16 s 4 ]

[ Ex1959 c 71 art 5 s 12; 1965 c 537 s 1; 1969 c 16 s 3; 1969 c 399 s 14; 1973 c 492 s 14; 1978 c 616 s 7 ]

124.13 MS 1953 [ Repealed, 1957 c 947 art 9 s 9 ]

124.13 MS 1971 [ Repealed, 1974 c 521 s 34 ]

**124.14 DISTRIBUTION OF SCHOOL AIDS; APPROPRIATION.** Subdivision 1. The state board shall supervise distribution of the school aids in accordance with law. It may make rules and regulations consistent with law for such distribution which will enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for such reports and accounts to it

as will assure accurate and lawful apportionment of aids. It shall require that the membership and pupil unit count of a minimum of 25 school districts be audited each fiscal year. The audits shall be conducted at random throughout the state with no prior notice to any district. At the time of each audit, the auditors shall also examine the appropriate factors that related to the determination of the authorized transportation costs and aids for that district. In districts where a post-secondary vocational-technical school is located, the audit shall include an audit of the membership of that school. Disparities between membership and pupil unit counts or transportation data reported by the school districts and those found by the auditors shall be reported to the commissioner who shall order an increase or reduction of foundation or transportation aids accordingly. A reduction of foundation or transportation aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the state board, and the accounts and records of any district are open to inspection by the state auditor, or the state board.

Subd. 2. There is annually appropriated from the general fund to the department of education the amounts necessary for foundation aid and transportation aid. These amounts shall be reduced by the amount of any funds specifically appropriated for the same purpose in any year from any state fund.

[ 1961 c 562 s 14; 1969 c 399 s 15,16; 1973 c 492 s 7; 1975 c 432 s 20; 1977 c 447 art 1 s 3, art 2 s 1 ]

**124.15 REDUCTION OF AID FOR VIOLATION OF LAW.** Subdivision 1. The amount of special state aids to which a district is entitled shall be the amount computed according to statutes. The annual state aid certificate made by the commissioner to the commissioner of finance shall show the amount of any reductions made.

Subd. 2. Whenever the board of the district authorizes or permits within the district violations of law by:

(1) employment in a public school of the district of a teacher who does not hold a valid teaching license or permit, or

(2) noncompliance with a mandatory rule of general application promulgated by the state board in accordance with statute in the absence of special circumstances making enforcement thereof inequitable, contrary to the best interest of, or imposing an extraordinary hardship on, the district affected, or

(3) continued performance by the district of a contract made for the rental of rooms or buildings for school purposes or for the rental of any facility owned or operated by or under the direction of any private organization, which contract has been disapproved where time for review of the determination of disapproval has expired and no proceeding for review is pending, or

(4) any practice which is a violation of sections 1 and 2 of article 13 of the Constitution of the state of Minnesota, or

(5) failure to provide reasonably for the school attendance to which a resident pupil is entitled under Minnesota Statutes, or

(6) noncompliance with state laws prohibiting discrimination because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance or disability, as defined in section 363.03,

the special state aid to which a district is otherwise entitled for any school year shall be reduced in the amount and upon the procedure provided in this section or, in the case of the violation stated in clause (1), upon the procedure provided in section 124.19, subdivision 3.

Subd. 2a. After consultation with the commissioner of human rights, the state board of education shall adopt rules and regulations in conformance with chapter 15 which direct school districts to file with the commissioner of education assurances of compliance with state and federal laws prohibiting discrimination and which specify the information required to be submitted in support of the assurances. The commissioner of education shall provide copies of the assurances and the supportive information to the commissioner of human rights. If, after review of the assurances and the supportive information it appears to the commissioner of human rights that one or more violations of the Minnesota human rights act are occurring in the district, he shall notify the commissioner of education of the violations, and the commissioner of education may then proceed pursuant to subdivision 3.

Subd. 3. When it appears to the commissioner that one or more of the violations enumerated is occurring in a district, he shall forthwith notify the board of that district in writing thereof. Such notice shall specify the violations, set a reasonable time within which the district shall correct the specified violations, describe the correction required, and advise that if the correction is not made within the time allowed, special state aids to the district will be reduced. The time allowed for correction may be extended by the commissioner if there is reasonable ground therefor.

Subd. 4. The board to which such notice is given may by a majority vote of the whole board decide to dispute that the specified violation exists or that the time allowed is reasonable or the correction specified is correct, or that the commissioner may reduce aids, in which case written notice of such decision shall be given the commissioner. If the commissioner, after such further investigation as he deems necessary, adheres to his previous notice, such board shall be entitled to a hearing by the state board, in which event a time and place shall be set therefor and notice be given by mail to the board of the district. The state board shall adopt rules governing the proceedings for hearings which shall be designed to give a full and fair hearing and permit interested parties an opportunity to produce evidence relating to the issues involved. Such rules may provide that any question of fact to be determined upon such review may be referred to one or more members of the board or to an employee of the state board acting as a referee to hear evidence and report to the state board the testimony taken. The state board, or any person designated to receive evidence upon a review under this act, shall have the same right to issue subpoenas and administer oaths and parties to the review shall have the same right to subpoenas issued as are accorded with respect to proceedings before the industrial commission. There shall be a stenographic record made of all testimony given and other proceedings during such hearing, and as far as practicable rules governing reception of evidence in courts shall obtain. The decision of the state board shall be in writing and the controlling facts upon which the decision is made shall be stated in sufficient detail to apprise the parties and the reviewing court the basis and reason of the decision. The decision shall be confined to whether or not the specified violations or any of them existed at the date of the commissioner's first notice, whether such violations as did exist were corrected within the time permitted, and whether such violations require reduction of the state aids under this section.

Subd. 5. If the violation specified is corrected within the time permitted, or if the commissioner on being notified of the district board's decision to dispute decides such violation does not exist, or if the state board decides after hearing no violation specified in the commissioner's notice existed at the time thereof, or that such as existed were corrected within the time permitted, there will be no reduction of special state aids payable to such school district; otherwise special state aids payable to the district for the year in which the violation occurred will be reduced as follows: The total amount of special state aids to which the district may be entitled will be reduced in the proportion that the period during which a specified violation continued, computed from the last day of the time permitted for correction, bears to the total number of days school is held in the district during the year in which such violation exists.

Subd. 6. Reductions in special aid under this section shall be from foundation aid. If there is not sufficient foundation aid remaining to be paid for the school year in which the violation occurred, the reduction shall be from the other special aids payable to the district for that year in the order in which special state aids are listed in this code. If there is not a sufficient amount of special state aids remaining payable to the district for the school year in which the violation occurred to permit the full amount of reduction required, that part of the required reduction not taken from that school year's aids will be taken from the special state aids payable to the district for the next school year, and the reduction will be made from the various aids payable for the next year in the order above specified.

Subd. 7. Decision of the state board under this section may be reviewed on certiorari by the district court of the county wherein the district, or any part thereof, is located.

Subd. 8. Any notice to be given the board of a district will be deemed given when a copy thereof is mailed, registered, to the superintendent of the district, if there is a superintendent, and to the clerk of the board of the district, unless it is shown that neither the superintendent nor the clerk in fact received such notice in the ordinary course of mail, in which event time for correction will be accordingly extended by the commissioner so that a reasonable time will be allowed from actual receipt of

notice for correction. If notice is sent by the commissioner with respect to a violation which is continued by the district in a succeeding year, no separate notice for that violation for the succeeding year will be required. Proceedings initiated by such notice shall include any continuing violation notwithstanding that a part thereof occurs in a year different from that in which it started. The commissioner may require reasonable proof of the time that a violation ceased for the determination of the amount of aids to be withheld. Costs and disbursements of the review by the district court, exclusive of those incurred in the administrative proceedings, may be taxed against the losing party and in the event taxed against the state shall be paid from the appropriations made to the department for the payment of special state aids.

[ *Ex 1959 c 71 art 5 s 15; 1963 c 203 s 1; 1965 c 51 s 18; 1973 c 492 s 14; 1975 c 59 s 3; 1975 c 162 s 29; 1975 c 173 s 1-3; 1976 c 2 s 61,172; 1978 c 706 s 30; 1978 c 764 s 38,39* ]

**124.16** [ Repealed, 1978 c 764 s 143 ]

**124.17 DEFINITION OF PUPIL UNITS.** Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) In an elementary school:

(a) For handicapped pre-kindergarten pupils, as defined in section 120.03, enrolled in programs approved by the commissioner, one-half pupil unit;

(b) For kindergarten pupils enrolled in one-half day sessions throughout the school year or the equivalent thereof, one-half pupil unit; and

(c) For other elementary pupils, one pupil unit.

(2) In secondary schools, one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.

(4) To meet the problems of educational overburden caused by broken homes, poverty and low income, each pupil in clauses (1) and (2) from families receiving aid to families with dependent children or its successor program who is enrolled in the school district on October 1 shall be counted as an additional five-tenths pupil unit. By March 1 of each year the department of public welfare shall certify to the department of education, and to each school district to the extent the information pertains to it, that information concerning children from families with dependent children who were enrolled in the school district on the preceding October 1 which is necessary to calculate pupil units. Additional aids to a district for such pupils may be distributed on a delayed basis until the department of education publicly certifies that the information needed for paying such aids is available on such a timely basis that such aids may be paid concurrently with other foundation aids.

(5) In every district where the number of pupils from families receiving aid to families with dependent children or its successor program exceeds five percent of the total actual pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent for purposes of this clause, provided that in districts where the percent of concentration is less than six, no additional pupil units shall be counted under this clause for pupils from families receiving aid to dependent children or its successor program and provided further that no such pupil shall be counted as more than one and one-tenth additional pupil units pursuant to clauses (4) and (5). Such weighting shall be in addition to the weighting provided in clauses (1), (2), (3), and (4). School districts are encouraged to allocate a major portion of the aids that they receive on account of clauses (4) and (5) to primary grade programs and services, particularly to programs and services that involve participation of parents. Each district receiving aids on account of both clauses (4) and (5) shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all such aids received.

(6) Where the total pupil units of a district are used as a multiplier in determining foundation aids and spending and levy limitations and where the actual number of pupil units has decreased from the prior year, the number of pupil units shall equal the greater of (a) the quotient obtained when the sum of the numbers of actual pupil units in the district for the two prior years and the current year and one quarter of the number of actual pupil units in the district for the third prior year, is divided by 3.25 or (b) the number of actual pupil units for the current year increased by .6 times

# MINNESOTA STATUTES 1978

## 124.17 SCHOOL TAXES, FUNDS, AIDS

2034

the difference between the actual pupil units for the prior year and the current year. Only pupil units as computed in clauses (1) and (2) shall be included for purposes of computations made pursuant to this clause.

(7) In districts maintaining classified secondary schools where the actual number of pupil units has increased from the prior year by two percent or more, the additional pupil units over the prior year, as computed in clauses (1) and (2), shall be multiplied times one-tenth for each percent of increase over the prior year and a number of pupil units equal to the product shall be added to the other units for the district. The percent of increase shall be rounded up to the next whole percent for purposes of this clause, provided that in districts where the percent of increase is less than two, no additional pupil units shall be added to the other units for the district and provided further that the number of pupil units of increase over the prior year shall under no circumstances be multiplied by more than five-tenths.

(8) Only pupil units in clauses (1) and (2) shall be used in computing adjusted maintenance cost per pupil unit.

Subd. 2. Membership for pupils in grades kindergarten through twelve and for handicapped pre-kindergarten pupils shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused; provided that any pupil, regardless of age, who has been absent from school for 15 consecutive school days without receiving instruction in the home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this section shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days said schools are in session.

Subd. 2a. Notwithstanding subdivision 2, pupils granted transitional year status shall continue to be counted as members on the current roll of the school for the remainder of the school year. For purposes of computing average daily membership transitional year pupils shall be considered to be enrolled every day school is in session for the remainder of the school year.

Subd. 2b. Notwithstanding subdivision 2, pupils enrolled in the Minnesota National Guard program shall be construed to be in attendance for purposes of computing average daily membership during any period of the regular school year, but not to include summer school, during which the pupil is attending military active duty training pursuant to that program. During that period of military active duty training, the pupil shall earn all aid for the district of residence or attendance which would be otherwise earned by his presence.

Subd. 2c. Notwithstanding the provisions of subdivision 2, in any case where school is in session but pupils are prevented from attending for more than 15 consecutive days because of epidemic, calamity, weather, fuel shortage, or other justifiable cause, the state board, upon application, may allow the district to continue to count these pupils in average daily membership. A lawful employees' strike is not a justifiable cause for purposes of this subdivision.

Subd. 3. In computing pupil units for a prior year, the number of pupil units shall be adjusted to reflect any change for the current year in relative weightings by grade level or category of special assistance, any change in measurement from average daily attendance to average daily membership and any change in school district boundaries, but not for the addition for the first time in the current year of a specified category of special assistance as provided in subdivision 1, clause (4).

[ *Ex1959 c 71 art 5 s 17; Ex1961 c 77 s 1; 1969 c 736 s 1; 1969 c 1085 s 3; 1971 c 829 s 1; Ex1971 c 31 art 20 s 2; 1973 c 683 s 4; 1974 c 521 s 18-20; 1975 c 432 s 21,22; 1976 c 2 s 59; 1976 c 271 s 42,43; 1977 c 447 art 1 s 4-6; 1978 c 764 s 40-43* ]

NOTE: Section 124.17, subdivision 2 was also amended by Laws 1978, Chapter 706, Section 31 to read as follows:

"Subd. 2. Membership for pupils in grades kindergarten through twelve and for handicapped prekindergarten pupils shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially



known that the pupil has left or has been legally excused; provided that any pupil, regardless of age, who has been absent from school without a legally justifiable excuse for 15 consecutive school days shall be dropped from the roll and classified as withdrawn. Nothing in this subdivision shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days said schools are in session. For districts operating 12 months schools, days schools are in session shall mean the number of session days required by section 124.19, subdivision 1."

**124.18 CONSOLIDATION; INSTRUCTION BY OTHER DISTRICT.** Subdivision

1. **Aid payments in case of alteration of boundaries.** Where two or more districts hereafter unite the state aid shall continue to be paid for the remainder of the school year in which the union was completed as the state aids were paid to the individual districts prior to the union.

Subd. 2. **Tuition.** Every district which provides instruction in other districts and which receives foundation program aid shall pay to the district furnishing this elementary and secondary school instruction the actual cost thereof chargeable to maintenance exclusive of transportation costs.

There shall also be paid for capital outlay and debt service to the district providing such instruction \$10 per pupil unit in average daily membership for each non-resident pupil unit, except that every district educating non-resident pupils may charge and include in its tuition, for capital outlay and debt service, an amount per pupil unit in average daily membership based on the amount that the average expenditure for capital outlay and debt service determined by dividing such annual expenditure by the total number of pupil units in average daily membership in the district exceeds \$10 per pupil unit. If the district has no capital outlay or debt service the district receiving such funds may use them for any purpose for which it is authorized to spend money. Provided further that if a district provides instruction for nonresident handicapped and trainable children, tuition shall be as specified in section 120.17, subdivision 4.

[ *Ex1959 c 71 art 5 s 18; 1963 c 530 s 1; 1969 c 513 s 1; 1975 c 432 s 23* ]

**124.185 PUPIL ATTENDANCE OF LABORATORY SCHOOLS; STATE AID.**

Notwithstanding any provision in this chapter which may indicate the contrary, a school district which allows pupils to attend a model school or laboratory school conducted by a state university or the University of Minnesota shall be entitled to all the aids provided by law as though such pupils were in attendance in such school district. Such aids to which such school district is entitled shall not be affected by any agreement between the school district and the state university board or the board of regents of the University of Minnesota governing the tuition which such school district shall pay for the attendance by its pupils at such model or laboratory school, and such tuition shall be as negotiated between the state university board or the board of regents of the University of Minnesota and the school district involved.

[ *1965 c 476 s 1; 1975 c 321 s 2* ]

**124.19 REQUIREMENTS FOR AID GENERALLY.** Subdivision 1. Every district which receives special state aid shall maintain school or provide instruction in other districts, in state university laboratory school or in the university laboratory school, at least a minimum term as defined by the state board. The normal school year when school is in session shall be not less than 175 days, or their equivalent in a district operating a flexible school year program. A district which holds school for that period and is otherwise qualified is entitled to special state aid as by law provided. If school is held a less period such special state aid shall be reduced by the ratio that the difference between 175 days and the number of days school is held bears to 175 days, multiplied by 60 percent of the product of the district's foundation aid formula allowance times its pupil units for that year; but districts maintaining less than the required minimum number of days of school in session do not lose special state aid if the circumstances causing such loss of school time below the required minimum number of days were beyond the control of the board and provided proper evidence has been submitted and a good faith attempt made to make up time lost on account of these circumstances. Days devoted to teachers' institutes or other meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school in session. Effective the 1977-1978 school year, not more than five days may be devoted to parent-teacher conferences or teachers' workshops as part of the required minimum number of days school is in session.

Subd. 2. [ *Repealed, 1977 c 447 art 1 s 21* ]

# MINNESOTA STATUTES 1978

## 124.20 SCHOOL TAXES, FUNDS, AIDS

2036

Subd. 3. When a district employs a teacher or teachers that do not hold a valid teaching certificate, special state aid shall be withheld in the proportion that the number of such teachers is to the total number of teachers employed by the district.

[ *Ex1959 c 71 art 5 s 19; 1969 c 379 s 1; 1974 c 326 s 12; 1975 c 321 s 2; 1977 c 447 art 1 s 7; 1978 c 764 s 44* ]

**124.20 EDUCATION; STATE AID; SUMMER SCHOOL AND FLEXIBLE SCHOOL YEAR CLASSES.** Foundation aid for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, (3) summer school classes in elementary and secondary schools, and (4) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid at a proportionate rate for foundation aids paid for the preceding regular school year; provided that no district shall receive aid for programs under this section in an amount greater than its actual expenditures for these programs; provided further, that for purposes of computing summer school foundation aid, a district's foundation aid for the regular school year shall be reduced by the amount of the agricultural tax credit included in that foundation aid.

[ *Ex1959 c 71 art 5 s 20; 1973 c 514 s 1; 1974 c 326 s 13; 1974 c 521 s 21; 1975 c 432 s 24; 1978 c 764 s 45* ]

**124.21** [ Repealed, 1967 c 769 s 2 ]

**124.211** [ Repealed, Ex1971 c 31 art 20 s 25 ]

**124.212 FOUNDATION AID.** Subdivision 1. The foundation aid program for school districts for school years 1977-1978 and 1978-1979 shall be governed by the terms and provisions of this section.

Subd. 2. Except as may otherwise be provided in this section, the following words and phrases when used in this section shall have the meanings herein ascribed to them.

(1) "Adjusted maintenance cost" means the state and local current expense for pupils in elementary and secondary schools, exclusive of transportation, veterans training program, community services, and after reduction for receipts from the sale of authorized items sold to the individual pupil by the school such as lunches, items of personal use, or other items specifically authorized by law or under the procedures set forth in sections 120.71 to 120.76, and after reduction for receipts from quasi-school activities when the school board has assumed direction and control of same. For purposes of determining the adjusted maintenance costs, the state department of education shall use only figures from the annual financial reports of the districts for the prior year and any supplementary documents received by it on or before August 1 of the current year. For any district which has not transmitted to the department of education before August 1, its annual financial report for the prior year, the figures from the most recent financial report of that district received on or before August 1, shall be used for purposes of calculating its certified levy and foundation aid.

(2) "Adjusted assessed valuation" shall mean the assessed valuation of the taxable property notwithstanding the provisions of section 275.49 of the school district as adjusted by the equalization aid review committee.

Subd. 3. [ Repealed, 1973 c 683 s 30 ]

Subd. 3a. Notwithstanding any of the other provisions of this section, for the 1977-1978 school year neither the sum nor the sum per pupil unit of the aggregate foundation aid earned by a district maintaining a classified secondary school and the amount raised by the maximum levy authorized by Minnesota Statutes 1976, Section 275.125, Subdivision 2a, Clause (2) and for the 1978-1979 school year neither the sum nor the sum per pupil unit of the aggregate foundation aid earned by such a district and the amount raised by the maximum levy authorized in 1977 by section 275.125, subdivision 2a, clause (1), shall be less than the sum or the sum per pupil unit respectively of the aggregate foundation aid earned for the 1972-1973 school year, any payments earned for 1972-1973 which but for the operation of Minnesota Statutes 1971, Section 124.212, Subdivision 3, would not have been earned, and the amount raised by the levy authorized by Minnesota Statutes 1971, Section 275.125, Subdivision 2, Clause (1). Aggregate foundation aid includes foundation aid for all pupil units, except units computed in section 124.17, subdivision 1, clause (3). For purposes of this com-

# MINNESOTA STATUTES 1978

2037

## SCHOOL TAXES, FUNDS, AIDS 124.212

putation pupil units used as a divisor shall include only those units identified in section 124.17, subdivision 1, clauses (1) and (2).

NOTE: Subdivision 3a is repealed effective July 1, 1979.

Subd. 4. The amount of money received by a school district as income from the permanent school fund for any year, shall be deducted from the foundation aid earned by the district for the same year or from aid earned from other state sources.

NOTE: Subdivision 4, as amended by Laws 1977, Chapter 447, Article 1, Section 10, is effective July 1, 1979.

Subd. 5. In no event shall the amount payable to any district from state sources for any one year be reduced below the amount payable as apportionment of the school endowment fund pursuant to sections 124.08 to 124.10.

Subd. 5a. (1) In the 1977-1978 school year and each school year thereafter, the amount of money apportioned to a school district for that year pursuant to section 124.10, subdivision 2 which exceeds the amount apportioned to that district pursuant to section 124.10, subdivision 2 for the 1976-1977 school year, shall be deducted from the foundation aid earned by that district for the same year.

(2) In addition to the deduction in clause (1), the following amounts apportioned pursuant to section 124.10, subdivision 2 shall be deducted from foundation aid for the school years designated:

(a) In the 1977-1978 school year, one-sixth of the amount apportioned, but not to exceed one-sixth of the amount apportioned for the 1976-1977 school year;

(b) In the 1978-1979 school year, one-third of the amount apportioned, but not to exceed one-third of the amount apportioned for the 1976-1977 school year;

(c) In the 1979-1980 school year, one-half of the amount apportioned, but not to exceed one-half of the amount apportioned for the 1976-1977 school year;

(d) In the 1980-1981 school year, two-thirds of the amount apportioned, but not to exceed two-thirds of the amount apportioned for the 1976-1977 school year; and

(e) In the 1981-1982 school year, five-sixths of the amount apportioned, but not to exceed five-sixths of the amount apportioned for the 1976-1977 school year.

(3) In the 1982-1983 school year and each school year thereafter, the entire amount of money apportioned to a school district for that year pursuant to section 124.10, subdivision 2, shall be deducted from the foundation aid earned by that district for the same year.

Subd. 6. [ Repealed, 1973 c 683 s 30 ]

Subd. 6a. [ Repealed, 1975 c 432 s 97 ]

Subd. 6b. For the 1977-1978 school year a district shall receive in foundation aid the lesser of (1) \$1,030 per pupil unit less 29 mills times the 1975 adjusted assessed valuation of the district, or (2) the amount that bears the same relation to the difference in (1) as the sum of the greater sum computed pursuant to Minnesota Statutes 1976, Section 124.212, Subdivision 7b, Clause (2), and the greater of (a) five-sixths of the difference that results when such greater sum is subtracted from \$1,030, or (b) \$70, bears to \$1,030.

Subd. 6c. For the 1979-1980 school year a district shall receive in foundation aid \$1,155 per pupil unit less 27 mills times the 1977 adjusted assessed valuation of the district, plus the amount of the agricultural tax credit by which 1978 payable 1979 property taxes in the district are reduced pursuant to section 273.132.

Subd. 7. [ Repealed, 1973 c 683 s 30 ]

Subd. 7a. [ Repealed, 1975 c 432 s 97 ]

Subd. 7b. For the 1978-1979 school year a district shall receive in foundation aid \$1,095 per pupil unit less 28 mills times the 1976 adjusted assessed valuation of the district, plus the amount of the agricultural tax credit by which 1977 payable 1978 property taxes in the district are reduced pursuant to section 273.132.

Subd. 7c. For the 1980-1981 school year a district shall receive in foundation aid \$1,220 per pupil unit less 27 mills times the 1978 adjusted assessed valuation of the district, plus the amount of the agricultural tax credit by which 1979 payable 1980 property taxes in the district are reduced pursuant to section 273.132.

Subd. 8. [ Repealed, 1973 c 683 s 30 ]

Subd. 8a. (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district. For districts which received payments under sections 124.215, subdivision 2a; 124.25; 124.28; 124.30; 473.633 and 473.635; the foundation aid shall be reduced by: The previous year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125, but not to exceed 50 percent of the previous year's payment.

(2) For districts which received payments under sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; the foundation aid shall be reduced in the October adjustment payment by the difference between the dollar amount of the payments received pursuant to those sections in the fiscal year to which the October adjustment is attributable and the amount which was calculated, pursuant to section 275.125, subdivision 9, as a reduction of the levy attributable to the fiscal year to which the October adjustment is attributable. If the October adjustment of a district's foundation aid for a fiscal year is a negative amount because of this clause, the next fiscal year's foundation aid to that district shall be reduced by this negative amount in the following manner: there shall be withheld from each monthly scheduled foundation aid payment due the district in such fiscal year, 15 percent of the total negative amount, until the total negative amount has been withheld. The amount reduced from foundation aid pursuant to this clause shall be recognized as revenue in the fiscal year to which the October adjustment payment is attributable.

Subd. 9. Any district not maintaining classified elementary or secondary schools shall pay the tuition required in order to enable resident pupils to attend school in another district when necessary, and shall receive foundation aid pursuant to this section on the same basis as other districts. The aid shall be computed as if the pupils were enrolled in the district of residence.

Subd. 9a. Shared time pupils are defined as those pupils who attend public school programs for part of the regular school day and who otherwise fulfill the requirements of section 120.10 by attendance at a private school.

(a) The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which the pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil.

(b) Foundation aid for shared time pupils shall equal the amount which would accrue if shared time pupil units, counted pursuant to section 124.17, subdivision 1, clauses (1) and (2), were added to the district's total pupil units used in determining its foundation aid. Foundation aid for shared time pupils shall be in addition to any other aid to which the district is otherwise entitled and shared time average daily membership shall not be used in the computation of pupil units under section 124.17, subdivision 1, for any purpose other than the computation of shared time foundation aid pursuant to this subdivision.

(c) Foundation aid for shared time pupils shall be paid to the district of the pupil's residence. If a pupil attends shared time classes in another district, the resident district shall pay to the district of attendance an amount of tuition equal to the ratio in clause (a) times the amount of tuition which would be charged and paid for a non-resident public school pupil in a similar circumstance. The district of residence shall not be obligated for tuition except by previous agreement.

(d) Notwithstanding the provisions of clause (c), the resident district of a shared time pupil attending shared time classes in another district may grant the district of attendance, upon its request, permission to claim the pupil as a resident for state aid purposes. In this case, state aid shall be paid to the district of attendance and, upon agreement, the district of attendance may bill the resident district for any unreimbursed education costs, including unreimbursed transportation costs.

(e) Minutes of enrollment in a public school during which a nonpublic school pupil receives services pursuant to section 123.935 shall not be used in the computation of shared time foundation aid pursuant to this subdivision.

Subd. 9b. Public school programs may be provided to shared time pupils only at a public school building; provided, however, that special instruction and services for handicapped children required pursuant to section 120.17 may also be provided at a neutral site as defined in section 123.932, and diagnostic and health services required pursuant to section 120.17 may also be provided at a nonpublic school building. As used in this subdivision, "diagnostic services" means speech, hearing, vision, psychological, medical and dental diagnostic services and "health services" means physician, nursing or optometric services provided to pupils in the field of physical and mental health.

Subd. 10. (a) The equalization aid review committee, consisting of the commissioner of education, the commissioner of administration, and the commissioner of revenue, is hereby continued and permanently established. The duty of this committee shall be to review the assessed valuation of the districts of the state. When such reviews disclose reasonable evidence that the assessed valuation of any district furnished by any county auditor is not based upon the market value of taxable property in such district, then said committee shall call upon the department of revenue to ascertain the market value of such property, and adjust such values as required by law to determine the adjusted assessed valuation. The department of revenue shall take such steps as are necessary in the performance of that duty and may incur such expense as is necessary therefor. The commissioner of revenue is authorized to reimburse any county or governmental official for services performed at his request in ascertaining such adjusted valuation. On or before March 15, annually, the department of revenue shall submit its report on the assessed values established by the previous year's assessment to said committee for approval or rejection and, if approved, such report shall be filed not later than the following July 1 with the commissioner of education and each county auditor for those school districts for which he has the responsibility for determination of mill rates. A copy of the adjusted assessed value so filed shall be forthwith mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which such district is located.

(b) For purposes of determining the adjusted assessed value of agricultural lands for the calculation of 1977 adjusted assessed values and thereafter, the market value of agricultural lands shall be the arithmetic average of (1) the price for which the property would sell in an arms length transaction, and (2) the income which could be derived from its free market gross rental rate capitalized at a rate of nine percent.

Subd. 11. (a) The committee shall not increase the adjusted assessed valuation, exclusive of property valuation added, improved, reclassified, or reassessed since the prior assessment, of taxable property for any subsequent year in any school district by more than eight percent over the certified valuation established for the year immediately preceding.

(b) The sales ratio studies published by the department of revenue, or any part thereof, or any copy of the same, or records accumulated in preparation thereof, which are prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids pursuant to this section shall not be admissible in evidence in any proceeding, except that the sales ratio studies shall be admissible as a public record without the laying of a foundation in (1) actions under chapter 278 in the case of property described in section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12; (2) actions brought in the small claims division of the tax court; or (3) in actions for review of the determination of the school aids payable under this section.

Subd. 11a. (1) If in any year the assessed value of any district is less than the assessed value of the immediate preceding year, the equalization aid review committee shall, upon notification by the county assessor prior to October 16 of that assessment year, redetermine for all purposes the adjusted assessed value of the immediate preceding year taking into account the decrease in assessed value. On or before November 1 of the assessment year, the equalization aid review committee shall file the redetermined adjusted assessed value with the commissioner of education who shall thereupon certify to the county auditors and school districts affected the redetermined adjusted assessed value and the appropriate levy limits of the school districts affected pursuant to section 275.125, subdivision 10. Notwithstanding section 275.07, the districts affected may certify the taxes voted to the county auditor on or before December 1.

# MINNESOTA STATUTES 1978

## 124.212 SCHOOL TAXES, FUNDS, AIDS

2040

(2) If in any year the assessed value of class 1 and class 1a property, as defined in section 273.13, subdivision 2, in any district is less than the assessed value of such property in the immediately preceding year, the equalization aid review committee shall redetermine for all purposes the adjusted assessed value of the immediately preceding year taking into account only the decrease in assessed value of class 1 and class 1a property. If subdivision 11, clause (a) is applicable to such a district, the decrease in class 1 and class 1a property shall be applied to the adjusted assessed value as limited therein. In all other respects, the provisions of clause (1) shall be applicable.

Subd. 12. Should any district within 60 days after receipt of a copy of a report filed with the commissioner of education made pursuant to subdivisions 10 or 11a, be of the opinion that the equalization aid review committee has made an error in the determination of the school district's market value, it may appeal from the report or portion thereof relating to the school district to the tax court, as provided in subdivisions 13 to 18.

Subd. 13. The school district shall file with the clerk of the tax court a notice of appeal from the determination of the equalization aid review committee fixing the market value of the school district, and such notice shall show the basis of the alleged error. A copy of such notice of appeal shall be served upon the commissioners of revenue and education, and proof of service shall be filed with the clerk of court.

Subd. 14. Upon receipt of the notice of appeal the tax court shall review the notice of appeal and determine whether it appears from the allegations and proofs therein contained that an error has been made in the determination by the equalization aid review committee of the market value of the property in the school district. If the court finds it probable that such an error has been made, it shall notice the matter for hearing; otherwise, it shall dismiss the appeal and notify the parties thereof. Hearing shall be set and held in the same manner as other hearings of the tax court are set and heard. The attorney general shall represent the commissioners of revenue and education and equalization aid review committee; the administrative procedure act, sections 15.0415 to 15.0422, shall apply to hearings insofar as it is applicable.

Subd. 15. The tax court shall hear, consider and determine such appeal, de novo upon the issues made by the notice of appeal, if a hearing has been granted thereon. At the conclusion of the hearing the court shall (1) file findings of fact, or (2) re-refer the issues to the equalization aid review committee with instructions and recommendations for a determination and correction of the market value of the appealing school district. The decision of the tax court, if it decides the matter de novo, shall have the same force and effect as a determination by the equalization aid review committee in the first instance under this section, and the equalization aid review committee shall be notified thereof. If the matter is re-referred to the equalization aid review committee a redetermination by the equalization aid review committee in accordance with the recommendations of the tax court shall likewise have the same force and effect as a determination by it in the first instance under this section.

Subd. 16. In addition to the powers and duties of the tax court as prescribed by chapter 271, and any act amendatory thereof, any hearing ordered pursuant to the provisions hereunder may be heard by a hearing examiner in lieu of one or more judges of the tax court. If a hearing is conducted by a hearing examiner, such hearing examiner shall exercise the same powers conferred by law upon one or more judges of the tax court. He shall report to the court. The court is authorized to make findings of fact based on the report of the hearing examiner in the same manner as is required by these provisions when the hearing is conducted by the court. The tax court may employ hearing examiners upon such terms and conditions as it shall prescribe. A hearing examiner so appointed shall be in the unclassified service of the state.

Subd. 17. A decision of the tax court pursuant to the terms hereof shall be final and shall not be subject to review by any court, except upon certiorari to the supreme court.

Subd. 18. During the pendency of any appeal from an equalization aid review committee evaluation, state aids to the district so appealing shall be paid on the basis of the evaluation subject to adjustment upon final determination of the appeal.

Subd. 19. [ Repealed, 1977 c 447 art 1 s 21 ]

Subd. 20. No adjustments to foundation aid payments resulting from omissions in school district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December 15 of the next school year. Any

# MINNESOTA STATUTES 1978

2041

## SCHOOL TAXES, FUNDS, AIDS 124.214

school district educating children who are residents of another school district shall notify the district of residence within 60 days of the date the child is determined by the district to be a nonresident, but not later than October 1 following the end of the school year in which the child is educated. If the district of residence does not receive a notification from the providing district pursuant to this subdivision, it shall not be liable to that district for any tuition billing received after October 1 of the next school year. If a commissioner of a state agency, or his representative or agent, or a court of the state of Minnesota desires to place a child in a school district which is not his district of residence, that commissioner or court shall, prior to placement if possible, notify the district of attendance, the district of residence, and the commissioner of education of its intention.

Subd. 21. Foundation aids shall be paid to the district of residence unless otherwise specifically provided by law.

[ *Ex*1971 c 31 art 20 s 3; 1973 c 582 s 3; 1973 c 683 s 5-10,27; 1974 c 521 s 22,23; 1975 c 432 s 25-33; 1976 c 134 s 78; 1976 c 239 s 35; 1976 c 271 s 44-46; 1977 c 307 s 29; 1977 c 423 art 3 s 1,2, art 4 s 1; 1977 c 447 art 1 s 8-15,17; 1978 c 706 s 32; 1978 c 733 s 20,21; 1978 c 764 s 46-51; 1978 c 767 s 1 ]

NOTE: Laws 1977, Chapter 423, Article 3, Section 9, reads as follows:

"Sec. 9. The 1976 adjusted assessed values determined under the provisions of section 124.212 shall be computed using the assessment ratios for taxes payable in 1978 provided by sections 5, 6 and 7. The 1977 adjusted assessed values determined under the provisions of section 124.212 shall be computed using the assessment ratios for taxes payable in 1979 provided by sections 5, 6 and 7. In the case of adjusted assessed values which are limited under the provisions of section 124.212, subdivision 11, clause (a), the recomputation provided in this section shall be made on the limited value."

**124.213 AID RECAPTURE.** Subdivision 1. In any year when the amount of the maximum levy allowed for any district by section 275.125, subdivision 2a, clause (1) or (2), exceeds the product of (a) the district's foundation aid formula allowance for the corresponding school year under section 124.212 and (b) the number of pupil units computed for the district under section 124.17 for that school year, an amount equal to the difference between the sum of the levy as certified plus the amount of any reductions pursuant to section 275.125, subdivision 9, of the maximum levy, and the specified product shall be deducted in the following order from the aids for the purposes specified receivable during the same school year pursuant to the following sections: (1) transportation aid pursuant to section 124.222; (2) secondary vocational aid pursuant to section 124.57 or 124.573; (3) special education aid pursuant to section 124.32. This section shall apply to school years commencing with the 1977-1978 school year; provided, deductions pursuant to this section shall be limited to the following percentages of the difference between the specified product and the certified levy in the school years indicated: 20 percent of the difference in the 1977-1978 school year and 60 percent of the difference in the 1978-1979 school year.

Subd. 2. For the 1977-1978 school year, the foundation aid formula allowance shall equal the lesser of \$1,030 or the sum of the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), and the greater of (a) five-sixths of the difference that results when such greater sum is subtracted from \$1,030, or (b) \$70. The foundation aid formula allowance shall be \$1,095 for the 1978-1979 school year.

[ 1976 c 271 s 47; 1977 c 447 art 1 s 16; 1978 c 764 s 52,53 ]

NOTE: Section 124.213 was also repealed by Laws 1978, Chapter 764, Section 143 effective July 1, 1979.

**124.214 AID ADJUSTMENTS.** Subdivision 1. **Omissions.** No adjustments to any aid payments made pursuant to this chapter, resulting from omissions in school district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December 15 of the next school year, unless otherwise specifically provided by law.

Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and whenever the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon such changed valuations, the county auditor shall, prior to February 1 of each year, beginning in 1979, certify to the commissioner

of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. In August of each year, beginning in 1979, when the district's net revenue loss during the preceding year exceeds \$1 per pupil unit in the district in the most recent school year for which data is available, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of (1) the net revenue loss as certified by the county auditor, times (2) the ratio of the sum of the amounts of the district's levy limitations in the preceding October pursuant to section 275.125, subdivision 2a, clause (1) or (2), subdivision 5, and subdivision 13, to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received.

[ 1977 c 447 art 6 s 2; 1978 c 764 s 54 ]

**124.215 MINNESOTA INDIAN EDUCATION COMMITTEE.** Subdivision 1. [ Repealed, Ex1971 c 31 art 20 s 23 ]

Subd. 2. [ Repealed, Ex1971 c 31 art 20 s 23 ]

Subd. 2a. [ Repealed, 1977 c 447 art 6 s 13 ]

Subd. 3. [ Repealed, 1977 c 447 art 6 s 13 ]

Subd. 4. [ Repealed, 1977 c 447 art 6 s 13 ]

Subd. 5. [ Repealed, 1977 c 447 art 6 s 13 ]

Subd. 6. An advisory committee to the state board of education to be known as the Minnesota Indian education committee consisting of not less than 15 nor more than 25 residents of Minnesota of Indian ancestry is created for the purpose of rendering advice and assistance to the state board of education as provided for in this section and for such other purposes as the state board of education may from time to time request of the committee.

The members of the committee shall be reimbursed for the expenses incurred in the performance of their duties in the same manner and at the same rate as reimbursement for such expenses is made to state officers and employees.

Subd. 7. [ Repealed, 1977 c 447 art 6 s 13 ]

Subd. 8. [ Repealed, 1977 c 447 art 6 s 13 ]

[ 1969 c 399 s 49; 1969 c 822 s 1-7; Ex1971 c 31 art 20 s 5; 1975 c 432 s 34 ]

**124.22** Subdivision 1. [ Repealed, 1973 c 683 s 30 ]

Subd. 2. [ Repealed, 1965 c 805 s 3 ]

Subd. 3. [ Repealed, 1973 c 683 s 30 ]

Subd. 4. [ Repealed, 1973 c 683 s 30 ]

Subd. 5. [ Repealed, 1965 c 805 s 3 ]

Subd. 6. [ Repealed, 1973 c 683 s 30 ]

**124.221** [ Repealed, 1977 c 447 art 6 s 13 ]

**124.222 TRANSPORTATION AID ENTITLEMENT.** Subdivision 1. [ Repealed, 1975 c 432 s 97 ]

Subd. 1a. **Computation.** For the 1977-1978 school year the state shall pay to each school district for all school transportation and related services for which the district is authorized by law to receive state aid:

(1) The lesser product of either:

(a) The actual net operating cost per eligible pupil transported during the 1978 fiscal year times the number of eligible pupils transported during the 1978 fiscal year; or

(b) One hundred seventeen percent of the actual net operating cost per eligible pupil transported during the 1976 fiscal year, times the number of eligible pupils transported during the 1978 fiscal year;

(2) Minus the amount raised by a levy of one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy collected in calendar year 1977;



# MINNESOTA STATUTES 1978

2043

SCHOOL TAXES, FUNDS, AIDS 124.222

(3) Plus, the amount of depreciation for one year on the school bus fleet computed by the department of education on a straight line basis at the rate of 12 1/2 percent per year of the cost of the fleet;

(4) Plus, the amount of depreciation for one year on school buses reconditioned by the department of corrections. This depreciation shall be computed by the department of education on a straight line basis at the rate of 33 1/3 percent per year of the cost to the district of the reconditioning.

Subd. 1b. **Computation.** For the 1978-1979 school year the state shall pay to each school district for all school transportation and related services for which the district is authorized by law to receive state aid:

(1) The lesser product of either:

(a) The actual net operating cost per eligible pupil transported during the 1979 fiscal year times the number of eligible pupils transported during the 1979 fiscal year; or

(b) One hundred twenty-seven percent of the actual net operating cost per eligible pupil transported during the 1976 fiscal year, times the number of eligible pupils transported during the 1979 fiscal year;

(2) Minus the amount raised by a levy of one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy collected in calendar year 1978;

(3) Plus, the amount of depreciation for one year on the school bus fleet computed by the department of education on a straight line basis at the rate of 12 1/2 percent per year of the cost of the fleet;

(4) Plus, the amount of depreciation for one year on school buses reconditioned by the department of corrections. This depreciation shall be computed by the department of education on a straight line basis at the rate of 33 1/3 percent per year of the cost to the district of the reconditioning.

Subd. 2. [ Repealed, 1975 c 432 s 97 ]

Subd. 2a. **Handicapped pupil transportation; cost.** (1) In addition to the amounts authorized in subdivision 1a, if the actual net operating cost per eligible handicapped pupil transported during the 1978 fiscal year exceeds 127 percent of the actual net operating cost per eligible handicapped pupil transported during the 1976 fiscal year, the state shall pay to the district 80 percent of the cost for this handicapped transportation in excess of this 127 percent.

(2) In addition to the amounts authorized in subdivision 1b, if the actual net operating cost per eligible handicapped pupil transported during the 1979 fiscal year exceeds 137 percent of the actual net operating cost per eligible handicapped pupil transported during the 1976 fiscal year, the state shall pay to the district 80 percent of the costs for this handicapped transportation in excess of this 137 percent.

Subd. 2b. **Transportation between districts.** For the 1978-1979 school year and thereafter, the state shall pay 50 percent of the cost of the transportation authorized pursuant to section 124.223, clause (9), but not to exceed a cost of \$100 per pupil. Transportation which receives aid pursuant to this subdivision shall not also receive aid pursuant to subdivisions 1a, 1b or 2a.

Subd. 3. **Payment schedule.** Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, the state shall pay to each school district 30 percent of its estimated school transportation aid entitlement for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The amount of transportation aid for school bus depreciation shall be paid on or before September 30. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

Subd. 4. [ Repealed, 1977 c 447 art 2 s 9 ]

Subd. 5. [ Repealed, 1977 c 447 art 2 s 9 ]

Subd. 6. **Base cost adjustments.** For the purposes of payment of transportation aids in the 1978 fiscal year and thereafter, the commissioner of education may adjust the base cost per eligible pupil transported during the 1976 fiscal year to reflect changes in costs resulting from the following:

(a) Alterations in school district boundaries if application is made prior to December 15 of the school year following the year in which the alterations are made;

(b) Omissions in school district reports if application is made prior to December 15, 1977;

(c) The addition by the district of an authorized transportation aid category if that category of transportation was not provided during the 1976 fiscal year if application is made prior to December 15 of the school year following the year in which the additional transportation is provided;

(d) Omissions in school district reports determined by the legislative auditor;

(e) Increased costs resulting from changes in transportation patterns required by a schoolhouse closing provided that (1) the cost increases can be demonstrated to be a direct result of the closing; (2) the increases result in costs above the formula limitation; and (3) application is made prior to December 15 of the school year following the last school year in which the schoolhouse is open;

(f) Increased costs resulting from changes in transportation patterns caused by a schoolhouse opening provided that (1) the cost increases can be demonstrated to be a direct result of the opening; (2) the increases result in costs above the formula limitation; and (3) application is made prior to December 15, 1978 or December 15 of the school year following the first school year in which the schoolhouse is open, whichever is later.

In the 1978 fiscal year and thereafter, the commissioner shall appropriately adjust the base cost per eligible pupil transported during the 1976 fiscal year to reflect changes in the treatment of depreciation and qualification for depreciation aid resulting from changes in school bus fleet ownership from district owned and managed to privately owned and contracted or from privately owned and contracted to district owned and managed. Districts shall report any such changes to the commissioner within 60 days of the date the changes are made.

Prior to making any base cost change pursuant to this subdivision, the department shall examine the appropriate factors that relate to the determination of the authorized transportation costs and aid for that district.

[ 1973 c 683 s 11; 1974 c 326 s 14; 1974 c 521 s 24; 1975 c 432 s 35-39; 1976 c 271 s 48; 1977 c 447 art 2 s 2-6; 1978 c 764 s 55,56 ]

**124.223 TRANSPORTATION AID AUTHORIZATION.** For the 1978-1979 school year and thereafter, school transportation and related services for which state transportation aid is authorized are:

(1) Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

(2) Transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to and from a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a;

(5) When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education, and necessary transportation required by section 120.17, subdivision 9 for resident handicapped pupils who are provided special in-

# MINNESOTA STATUTES 1978

2045

SCHOOL TAXES, FUNDS, AIDS 124.241

struction and services on a shared time basis;

(7) Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) Services described in clauses (1) to (7) and clause (10) when provided in conjunction with a state board approved summer school program;

(9) Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes approved by the commissioner or secondary vocational classes not provided at a secondary vocational center which are approved by the commissioner for resident pupils of any of these districts; and

(10) Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935.

[ 1973 c 683 s 12; 1974 c 521 s 25; 1975 c 432 s 40; 1976 c 271 s 49; 1977 c 447 art 2 s 7; 1978 c 733 s 22; 1978 c 764 s 57 ]

**124.23** [ Repealed, 1977 c 403 s 13; 1977 c 447 art 6 s 13 ]

**124.24 EMERGENCY AID.** Subdivision 1. Emergency aid is money paid by the state to a district which by reason of physical calamity is unable to maintain its schools in compliance with minimum standards established by the state board. Such aid will be paid only when specifically directed by the state board.

Subd. 2. Any school district which applies for aid under this section shall be subject to a review of its total financial condition by representatives of the state board of education to determine the need for assistance.

[ Ex1959 c 71 art 5 s 24; 1977 c 447 art 6 s 3 ]

**124.241 STATE AID FOR EXTRAORDINARY TAX DELINQUENCY.** Subdivision 1. For any calendar year in which:

(1) a school district's tax delinquency, which for purposes of this section shall equal the difference between

(a) the amount the school district receives in real property tax proceeds of any kind, including interest, penalties and collections of delinquencies from previous years, resulting from levies certified pursuant to section 275.125, subdivision 2a, clause (1) or (2), and its predecessor and successor general school purpose levy authorization statutes, and

(b) the amount certified in October of the preceding calendar year pursuant to section 275.125, subdivision 2a, clause (1) or (2),

is greater than two and one-half percent of the sum of the amounts authorized for the school district by Minnesota Statutes 1974, Section 275.125, Subdivision 2a, Clause (1) or (2), and section 124.212, subdivision 6b for the 1975-1976 school year, and the successor statutory provisions for succeeding school years;

(2) these receipts are less than this certified levy; and

(3) the maximum permissible amounts were certified in October of the preceding year pursuant to section 275.125, subdivision 2a, clause (1) or (2), and Minnesota Statutes 1974, Section 275.125, Subdivision 3, Clause (5), or its successor excess levy authorization statute;

the school district may apply to the commissioner of education within 30 days after the end of the calendar year and the commissioner shall pay aid to the school district by the following February 28, in the amount by which the tax delinquency exceeds the two and one-half percent figure.

For purposes of the calculation of a district's tax delinquency in clause (1), if the assessed valuation of the school district was reduced after the taxes were spread by the county auditor in October of the preceding calendar year, the amount certified in October of the preceding calendar year shall be reduced by any difference between the amount certified and the amount of taxes collected upon such reduced valuation, for which the district is authorized to make an additional levy pursuant to section 275.48. If a district's adjusted assessed valuation is under contest and it is receiving foundation aid computed on the basis of the uncontested portion of its valuation, taxes levied against the contested portion of its valuation shall not be included in the amount certi-

fied in October of the preceding calendar year for purposes of the calculation of the tax delinquency in clause (1).

Subd. 2. If the school district has received aid pursuant to subdivision 1 and in any subsequent calendar year its tax delinquency is less than two and one-half percent of the sum described in subdivision 1, clause (1), the foundation aid for the school district shall be reduced in the fiscal year which begins in that calendar year by the difference between such delinquency and two and one-half percent of such sum or the amount of state aid previously paid pursuant to subdivision 1 and still outstanding, whichever is lesser. Any reduction in state aid shall be applied to the state aid paid earliest in time pursuant to subdivision 1 and shall be made as equally as possible in the four aid installments commencing in February.

Subd. 3. Any aid so paid shall constitute an advance to the district without interest and in the fiscal year six years after the fiscal year in which state aid has been paid to the school district pursuant to subdivision 1, foundation aid for the school district shall be reduced by the amount of such state aid paid six years previous, to the extent the aid payment has not been offset by any prepayment made by the school district.

Subd. 4. The application, aid payments, and repayments made pursuant to this section shall be based upon the best information available, subject to correction by the department of education in the next succeeding year. The provisions of subdivision 1 shall expire June 30, 1981, but shall be effective with respect to real property taxes received in calendar year 1975 and thereafter.

[ 1975 c 432 s 4 ]

**124.245 CAPITAL EXPENDITURE EQUALIZATION AID.** Subdivision 1. The state shall pay a school district the difference by which an amount equal to \$75 per pupil unit in that school year or, in districts where the pupil unit count is increased pursuant to section 124.17, subdivision 1, clause (7), \$80 per pupil unit in that school year, exceeds the amount raised by 10 mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this section in any year, a district must have levied the full 10 EARC mills for use for capital expenditures in that year pursuant to sections 124.04 or 275.125, subdivision 11a.

Subd. 2. As used in this section, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), (5), (6) and (7).

Subd. 3. All capital expenditure equalization aid shall be distributed prior to November 1 of each year.

[ 1977 c 447 art 6 s 4 ]

**124.25** [ Repealed, 1977 c 447 art 6 s 13 ]

**124.26 EDUCATION PROGRAMS FOR ADULTS.** Subdivision 1. For evening schools and continuing education programs for adults established for persons over 16 years of age and not in attendance upon regular day schools, the state shall compensate any district maintaining such programs in accordance with requirements established by the state board from funds appropriated for that purpose, or such funds combined with federal funds insofar as federal funds are available. The state shall pay these aids on a current funding basis. The portion of such compensation from state appropriation shall be 90 percent of the compensation paid each teacher for his services in such programs up to \$8,000 per year based on the costs in that current year. All classes shall be tuition free when taught by teachers subsidized under this section and there shall be no charge for registration, materials and supplies, or G.E.D. tests. Evening school and continuing education programs are defined as those public day or evening school programs which are established for persons over 16 years of age not in attendance at the full time elementary or secondary schools and which qualify such persons for the high school diploma, the high school equivalency certificate or for academic achievement at the secondary level.

Subd. 2. Each district providing evening school and continuing education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of evening school and continuing education programs. In no case shall a district pursuant to this section receive more than the actual cost of providing these programs.

# MINNESOTA STATUTES 1978

2047

SCHOOL TAXES, FUNDS, AIDS 124.28

Subd. 3. The state department of education shall reimburse each G.E.D. testing center the sum of \$10 for each battery of G.E.D. tests or \$2 for each individual test administered by that center.

Subd. 4. The state shall pay to each school district 30 percent of its estimated adult education aid entitlement for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

[ *Ex1959 c 71 art 5 s 26; 1969 c 864 s 1; 1971 c 827 s 1; 1975 c 432 s 42; 1976 c 271 s 50; 1977 c 447 art 4 s 2,3* ]

**124.27** [ Repealed, 1963 c 19 s 2 ]

**124.271 COMMUNITY SCHOOL PROGRAMS AID.** Subdivision 1. [ Repealed, 1977 c 447 art 4 s 6 ]

Subd. 2. In fiscal year 1978 and each year thereafter, the state shall pay 50 cents per capita to each school district which is operating a community school program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or the maximum permissible certified levy for community services pursuant to section 275.125, subdivision 8, clause (1), for use in that year.

Subd. 3. The population of the district for purposes of this section is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Subd. 4. Each district providing community school programs pursuant to sections 121.85 to 121.88 shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these community school programs. All funds received pursuant to this section and to the levy authorized in section 275.125, subdivision 8, shall be utilized solely for the purposes of community school programs.

Subd. 5. All community school programs aid shall be distributed by the state aids, statistics and research section of the state department of education. Aid shall be distributed prior to November 1, 1976 and each year thereafter.

[ *1975 c 432 s 43; 1976 c 18 s 3; 1976 c 271 s 51; 1977 c 447 art 4 s 4* ]

**124.28 GROSS EARNINGS REFUND.** Subdivision 1. When the properties of any district are made up, to the extent of at least 20 percent in value of property which is exempt from local taxation because taxes thereon are paid into the state treasury under the provisions of the gross earnings tax law, for the refund receivable in fiscal year 1974 and thereafter such district shall receive annually a refund from such gross earnings taxes in the amount that would be produced by a tax on such exempt property at three times the current tax rate for school purposes in the district including the rate for nonresident high school children levied by the county provided that any district which has 15 percent in value of such exempt property and presently receiving gross earnings refund shall continue to receive it until June 30, 1963. For the purpose of determining the amount of this refund, the value of such exempt property shall be set at 30 percent of its full value except that in no case shall the assessed value of said exempt property for this purpose exceed such an amount as when added to the assessed value of all other property in the district exceed \$9,000 per resident pupil unit. In the determination of the amounts to which districts shall be entitled in the distribution of any state aids that are based upon total valuation per pupil this valuation shall be included.

Subd. 2. Any district entitled to a tax refund under the provisions of this section shall apply to the commissioner of education on or before July 1 of each year for such a refund and the commissioner of education shall immediately secure the necessary information on the valuation of the railroad property located in such a district from the department of public service subject to taxation under the gross earnings tax act, except rolling stock and the main tracks, and the local school tax rate in such a district, and compute the amount of the refund. For the purposes of this section the railroad valuation shall be taken as of December 31 of the year preceding the application, the taxable valuation as of the first Monday of January of the year of the application, the tax rates of the year of the application and the enrollments as of June 1 of the year of application. The commissioner of education shall forthwith draw a warrant on the state treasurer for such a refund to be paid from the appropriation otherwise

# MINNESOTA STATUTES 1978

## 124.281 SCHOOL TAXES, FUNDS, AIDS

2048

made for that purpose. Provided, however, that for refunds receivable during fiscal 1974 and thereafter, no school district qualifying for a refund under this section shall receive more money than would be produced by a tax rate of 160 mills applied to the railroad property assessed at 30 percent of its full value as reported by the department of public service; nor shall any school district receive a larger refund the second fiscal year of the biennium than it receives the first fiscal year of the biennium by reason of the school district raising its mill rate for school purposes by more than five mills. Provided further, that payments made pursuant to this section during fiscal 1974 and 1975 are hereby sanctioned and deemed to have been made in accordance with the intent of this subdivision.

If the appropriation made for the purposes of this section is insufficient to pay all the school districts eligible for refund under this section the appropriation shall be prorated among the school districts entitled thereto.

Subd. 3. For the purpose of determining the applicability of this section to any district in fiscal 1974 and subsequent years, the valuation of taxable property shall be the adjusted value of such property as determined by the equalization aid review committee and used in calculating foundation aid for the corresponding school year, and the valuation of the exempt property shall be the full value of the exempt property as reported annually by the department of public service. For the purpose of determining refunds the valuations of the taxable property shall be taken at 30 percent of the valuations as adjusted by the equalization aid review committee and the valuation of the exempt property shall be taken at 30 percent of its full value. The eligibility of a school district under this section is determined by adding the adjusted taxable valuation of the taxable property of the district as determined by the equalization aid review committee to the full value of the exempt property as reported by the department of public service; then by dividing the amount of the exempt property by the total of such taxable property and exempt property; if the result is 20 percent or more the school district is eligible, otherwise not, unless it qualifies temporarily under subdivision 1 or the following paragraph.

Any district disqualified from receiving refunds because this subdivision as amended substitutes a more recent adjusted assessed valuation for the 1969 adjusted assessed valuation previously specified, shall nevertheless continue to receive such refunds for three additional years, but the net amounts due prior to any required proration shall be reduced by 25 percent the first year, by 50 percent the second year, and by 75 percent the third year.

[ *Ex1959 c 71 art 5 s 28; 1961 c 381 s 1; 1971 c 25 s 67; Ex1971 c 31 art 37 s 1; 1973 c 492 s 14; 1973 c 683 s 13; 1973 c 773 s 1; 1974 c 521 s 26; 1975 c 432 s 44* ]

NOTE: This section is repealed effective July 1, 1979 pursuant to Laws 1976 c 271 s 98 subd 3.

**124.281 GROSS EARNINGS REFUND, SECOND HALF OF BIENNIUM.** A school district eligible for tax refund during the first year of the biennium under the provisions of section 124.28, shall also be entitled to such a refund during the second year of the biennium whether or not the district meets the formula requirements of the law for the second year, but not to exceed, however, the refund received for the first year of the biennium.

[ *1969 c 1154 s 31* ]

NOTE: This section is repealed effective July 1, 1979 pursuant to Laws 1976 c 271 s 98 subd 3.

**124.29 GROSS EARNINGS REFUND, FEDERAL AID.** The money received from the federal government by any district as its share of the distribution of proceeds from the sale of timber or rental of lands shall not be chargeable against gross earnings aid received by a district.

[ *Ex1959 c 71 art 5 s 29* ]

NOTE: This section is repealed effective July 1, 1979 pursuant to Laws 1976 c 271 s 98 subd 3.

**124.30** [ Repealed, 1977 c 447 art 6 s 13 ]

**124.31** [ Repealed, 1973 c 683 s 30 ]

# MINNESOTA STATUTES 1978

2049

SCHOOL TAXES, FUNDS, AIDS 124.32

**124.32 HANDICAPPED CHILDREN.** Subdivision 1. The state shall pay to any district:

(a) For the employment in its educational program for handicapped children, 60 percent of the salary of essential personnel in 1977-1978 and 69 percent of the salary of essential personnel in 1978-1979, but this amount shall not exceed \$11,500 in 1977-1978 or \$12,000 in 1978-1979 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district;

(b) Plus five percent of the salaries of essential personnel employed in its educational program for handicapped children, for the purpose of recognizing additional support costs of educational programs for handicapped children.

Subd. 1a. For purposes of this section, for the 1977-1978 school year, the foundation aid formula allowance per pupil unit shall be the lesser of \$1,030 or the greater sum computed pursuant to section 124.212, subdivision 6b, clause (2). The foundation aid formula allowance per pupil unit shall be \$1,095 for the 1978-1979 school year, \$1,155 for the 1979-1980 school year, and \$1,220 for the 1980-1981 school year. Computations of foundation aid formula allowances pursuant to this section shall be based on the foundation aid formula allowance per pupil unit in the child's district of residence. For the purposes of computing foundation aid formula allowances pursuant to this section, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1, clause (1) or (2).

Subd. 1b. (1) For special instruction or training and services provided for any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than Minnesota school districts, the state shall pay each district 60 percent of the difference between the amount of the contract and the foundation aid formula allowance of the district for that pupil or a pro rata portion of the foundation aid formula allowance for pupils who receive services by contract on less than a full time basis.

(2) For special instruction or training and services provided for a pupil by such a contract as part of a summer school program, the state shall pay each district 60 percent of the difference between the amount of the contract and the foundation aid received by the district for that pupil pursuant to section 124.20, or a pro rata portion of that foundation aid for a pupil who receives services by such a contract on less than a full time summer school basis. This clause shall be effective for the 1977 summer school and thereafter.

Subd. 2. The state shall pay each district for supplies and equipment purchased or rented for use in the instruction of handicapped children an amount equal to one-half of the sum actually expended by the district but not to exceed an average of \$50 in any one school year for each handicapped child receiving instruction.

Subd. 3. [ Repealed, 1973 c 683 s 30 ]

Subd. 3a. The aids provided for educational programs for handicapped children shall be paid on a current funding basis.

Subd. 4. The aids provided for handicapped children shall be paid to the district providing the special instruction and services. Foundation aid shall be paid to the district of the pupils' residence. The total amount of aid paid may not exceed the amount expended for handicapped children in the school year for which the aid is paid.

Subd. 5. When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay to the resident district not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance in the resident district, for each handicapped child placed in a residential facility. Not more than \$550,000 for 1977-1978 and \$600,000 for 1978-1979 shall be paid for the purposes of this subdivision. If that amount does not suffice, the aid shall be prorated among all qualifying districts.

The following types of facilities may be approved by the commissioner:

(a) A residential facility operated by the state or a public school district and designed to serve the low incidence handicapped, the multiple handicapped, or the most severely handicapped children within the state.

# MINNESOTA STATUTES 1978

## 124.32 SCHOOL TAXES, FUNDS, AIDS

2050

(b) A private, nonsectarian residential facility designed to provide educational services for handicapped children within the state.

(c) A state hospital or private nonsectarian residential center designed to provide care and treatment for handicapped children.

Subd. 6. The state shall pay each district the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following such procedure as requested by the commissioner of education a district providing instruction and services for such handicapped child may bill the state the actual cost incurred in providing said services including transportation costs and a proportionate amount of capital outlay and debt service, minus the amount of the foundation aid formula allowance for the child and the special education aid, transportation aid, and any other aid earned in behalf of such child, such action pursuant to limits set forth in subdivision 4.

Subd. 7. Before May 1 of each year, each district providing special instruction and services to handicapped children shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs proposed as eligible for state aid pursuant to this section and of the estimated number and grade level of handicapped children in the district who will receive special instruction and services during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and for the evaluation of the necessity of the program, the necessity of the personnel to be employed in the program, the amount which the program will receive from grants from federal funds, or special grants from other state sources, and the program's compliance with the rules and standards of the state board. The commissioner shall review each application in order to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to handicapped children pursuant to section 120.17. The commissioner shall not approve aid pursuant to this section for any program or for the salary of any personnel he determines to be unnecessary or unessential on the basis of this review. The commissioner may also withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources. On or before July 1 of each year, the commissioner shall approve, disapprove or modify each application, and notify each applying district of his action and of the estimated amount of aid for the programs. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet any substantial changes in the needs of handicapped children in the district.

Subd. 8. When planning programs for the education of handicapped children in the regular classroom, school districts are encouraged to consider the size of the regular class and to provide the support services necessary to insure successful mainstreaming.

Subd. 9. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program the state shall pay to each school district 30 percent of its estimated special education aid for the school year on or before each of the following dates: September 30, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following year.

Subd. 10. The state shall pay aid for 1977 summer school programs for handicapped children on the basis of the formula applicable to the 1977-1978 school year. Beginning with the summer of 1978, the state shall pay aid for summer school programs for handicapped children on the basis of the sections of Minnesota Statutes providing aid for handicapped children for the preceding school year. On or before March 15 of each year, districts shall submit separate applications for program and budget approval for summer school programs. The review of these applications shall be as provided in subdivision 7. By May 1 of each year, the commissioner shall approve, disapprove or modify the applications and notify the districts of his action and of the estimated amount of aid for the summer school programs. Aid for these programs shall be paid on or before the October 1 after the summer when the programs are conducted.



# MINNESOTA STATUTES 1978

2051

SCHOOL TAXES, FUNDS, AIDS 124.38

Subd. 11. [ Expired ]

[ *Ex1959 c 71 art 5 s 32; 1961 c 559 s 1; 1965 c 870 s 1; 1967 c 853 s 1; 1969 c 913 s 1; 1969 c 981 s 6; 1971 c 25 s 33; 1973 c 501 s 3; 1973 c 683 s 14-16; 1975 c 162 s 41; 1975 c 432 s 48-50; 1976 c 271 s 52; 1977 c 447 art 3 s 9; 1978 c 764 s 58-62* ]

**124.33** [ Repealed, 1969 c 981 s 7 ]

**124.34** [ Repealed, 1969 c 9 s 97 ]

**124.35 LOANS TO DISTRESSED DISTRICTS.** Financial aid to distressed districts shall be governed by the provisions of the maximum effort school aid law.

[ *Ex1959 c 71 art 5 s 35* ]

**124.36 CITATION, MAXIMUM EFFORT SCHOOL AID LAW.** Sections 124.36 to 124.47 may be cited as the "maximum effort school aid law."

[ *Ex1959 c 27 s 1* ]

**124.37 POLICY AND PURPOSE.** The rates of increase in school population in Minnesota and population shifts and economic changes in recent years, and anticipated in future years, have required and will require large expenditures for performing the duty of the state and its subdivisions to provide a general and uniform system of public schools. The state policy has been to require these school costs to be borne primarily by the local subdivisions. In most instances the local subdivisions have been, and will be, able to provide the required funds by local taxation as supplemented by the aids usually given to all school districts from state income tax and other state aids. There are, however, exceptional cases due to local conditions not found in most other districts where, either temporarily or over a considerable period of years, the costs will exceed the maximum which the local taxpayers can be reasonably expected to bear. In some districts having bonds of several issues outstanding, debt service tax levy requirements are excessive for some years because of heavy bond principal payments accumulating in some of the years due to overlapping or short term issues. The policy and purpose of sections 124.36 to 124.47 is to utilize the credit of the state, to a limited degree, to relieve those school districts, but only those, where the maximum effort by the district is inadequate to provide the necessary moneys.

[ *Ex1959 c 27 s 2* ]

**124.38 DEFINITIONS.** Subdivision 1. As used in sections 124.38 to 124.47, the terms defined in this section shall have the following meanings:

Subd. 2. "District" means any school district defined in the education code.

Subd. 3. "Indebtedness" or "debt" means the net debt of any district computed according to section 475.51, subdivision 4, excluding loans made under sections 124.36 to 124.47.

Subd. 4. "Debt service fund" means the aggregate of all funds maintained by a district which are appropriated to payment of principal of and interest on its debts as required by chapter 475.

Subd. 5. "Debt service levy" means the levy for all debt service fund purposes in accordance with chapter 475.

Subd. 6. "Required debt service levy" means the total dollar amount needed to be included in the taxes levied by the district in any year for payment of interest and principal falling due on its debts prior to collection of the next ensuing year's debt service levy.

Subd. 7. "Maximum effort debt service levy" means the lesser of:

(1) A levy in a total dollar amount computed as 20 mills on the adjusted assessed value; or

(2) A levy in whichever of the following amounts is applicable:

(a) In any school district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;

(b) In any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as 5 1/2 mills on

the market value in each year, until and unless the district receives an additional loan;

(c) In any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan; or

(d) In any school district which has an outstanding capital loan, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted; provided, that the school board in any district affected by the provisions of clause (2)(d) may elect instead to determine the amount of its levy according to the provisions of clause (1); provided further that if a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2)(d), the liability of the district for the amount of the difference between the amount it levied under clause (2)(d) and the amount it would have levied under clause (1), and for interest on the amount of that difference, shall not be satisfied and discharged pursuant to section 124.43, subdivision 4.

Subd. 8. "Adjusted assessed valuation" means, as of any date, the valuation of all taxable property most recently determined by the equalization aid review committee in accordance with the provisions of section 124.212. "Market value" means the value of all taxable property in the district on which its net debt limit is based as provided in section 475.53, subdivision 4.

Subd. 9. "Commissioner" means the commissioner of education.

Subd. 10. "Committee" means the equalization aid review committee.

Subd. 11. "Fund" means the "maximum effort school loan fund."

Subd. 12. "School loan bonds" means bonds issued by the state under section 124.46 to support the fund and to refund bonds or certificates of indebtedness previously issued for that purpose.

Subd. 13. "Net proceeds" of bonds means the amounts received upon their sale less expenses incident to their issuance, sale, and delivery and the amount required to pay and redeem any bonds or certificates of indebtedness refunded thereby.

Subd. 14. "Year" means the school year ending on and including June 30 in each calendar year.

[ *Ex 1959 c 27 s 3; 1961 c 562 s 4,5; 1963 c 601 s 1; 1965 c 875 s 1,2; 1967 c 583 s 1; 1969 c 6 s 21; 1969 c 1056 s 1,2; 1973 c 773 s 1; 1975 c 432 s 51-54; 1977 c 447 art 6 s 5; 1978 c 706 s 33; 1978 c 764 s 63* ]

**124.381 NET DEBT, DETERMINATION.** In computing "net debt" and in determining whether any school district is eligible for a state loan, no state loans to any such school district shall be considered, notwithstanding the provisions of any other general or special law.

[ *1967 c 583 s 7* ]

**124.39 FUND ESTABLISHED; DIVISION INTO ACCOUNTS.** Subdivision 1. There shall be maintained in the state treasury a "maximum effort school loan fund" for administration of moneys to be received and disbursed as authorized and required by sections 124.36 to 124.47, which fund shall be divided into three accounts for the purposes specified in subdivisions 2, 3, 4, and 5.

Subd. 2. There shall be a debt service loan account, out of which loans under section 124.42 shall be made. All moneys appropriated to the fund by section 124.40 shall be paid into this account initially.

Subd. 3. There shall be a capital loan account, out of which loans under section 124.43 shall be made. There shall be transferred to it from the debt service loan account on October 1 of each year all moneys therein in excess of those required for debt service loans then agreed to be made. There shall be transferred from it to the debt service loan account on July 1 of each year all moneys therein in excess of those required for capital loans theretofore agreed to be made.

Subd. 4. There shall be a loan repayment account, into which shall be paid all principal and interest paid by school districts on debt service loans and capital loans made under sections 124.42 or 124.43. The state's cost of administering the maximum

effort school aid law shall be paid out of this account, to an amount not exceeding \$10,000 in any year. As soon as possible in each year after the committee has determined the ratio existing between the correct market value of all taxable property in each school district in the state and the "market value in money" of such property as recorded in accordance with section 270.13, the commissioner of revenue shall cause a list of all such ratios to be prepared. The clerical costs of preparation of such list shall be paid as a cost of administration of the maximum effort school aid law. The documents division of the department of administration may publish and sell copies of such list. There shall be transferred out of the loan repayment account to the state bond fund the sums required to pay the principal of and interest on all school loan bonds as provided in section 124.46.

Subd. 5. All moneys deposited to the credit of the loan repayment account and not required for the payment of principal and interest and costs as prescribed in subdivision 4 shall be transferred to the credit of the debt service loan account on July 1 of each year, and such moneys are hereby annually appropriated in such account for the purposes prescribed by the maximum effort school aid law; except that the committee may retain in the loan repayment account any amount which it estimates will not be needed for loans in the fiscal year commencing July 1. Moneys deposited to the credit of the loan repayment account and not required for such transfers or for the payment of principal and interest due on school loan bonds may be invested and reinvested in securities which are general obligations of the United States or the state of Minnesota. When all school loan bonds have been fully paid with interest accrued thereon, the balance remaining in said account shall be transferred to the state bond fund.

[ *Ex1959 c 27 s 4; 1961 c 752 s 1,2; 1963 c 601 s 2; 1965 c 875 s 3; 1973 c 582 s 3; 1975 c 339 s 8* ]

**124.40 APPROPRIATION.** Subdivision 1. There is hereby appropriated to the fund, in addition to all sums which have been or may hereafter be appropriated thereto by any law, the net proceeds of sale of any state school loan bonds authorized to be issued under section 124.46, and all income received from the investment of said net proceeds, after deducting from the aggregate proceeds of sale the amount which is required by section 124.46, subdivision 3 to be credited and is hereby appropriated to the school loan bond account in the state bond fund.

Subd. 2. Any amounts remaining in the fund on July 1 of each year, including any unused portion of the appropriation made in subdivision 1, shall be available for use by the committee in making further debt service loans and capital loans.

Subd. 3. All payments of principal and interest on debt service notes or capital loan contracts, as received by the commissioner, are hereby appropriated to the loan repayment account.

[ *Ex1959 c 27 s 5; 1963 c 601 s 3; 1967 c 583 s 2* ]

**124.41 SCHOOL LOANS.** Subdivision 1. The members of the equalization aid review committee defined in section 124.212, subdivision 10, shall receive and consider applications for and grant or deny loans under sections 124.36 to 124.47.

Subd. 2. The committee, with the assistance of the attorney general or an assistant designated by him, shall prepare forms of applications for debt service loans and capital loans and instruments evidencing such loans, and shall promulgate regulations to facilitate its operations in compliance with sections 124.36 to 124.47, and such regulations shall be subject to the procedure set forth in sections 15.0411 to 15.0422.

Subd. 3. The committee may employ a clerk, who may be designated assistant secretary, to serve at its pleasure and to be in unclassified service of the state, and fix his compensation, which shall be paid out of the administration account of the fund.

[ *Ex1959 c 27 s 6; 1961 c 562 s 6; 1969 c 6 s 22; 1973 c 582 s 3; 1975 c 61 s 9; 1975 c 162 s 30; 1976 c 2 s 60; 1978 c 706 s 34* ]

**124.42 DEBT SERVICE LOANS.** Subdivision 1. Any school district in which the required levy for debt service in any year will exceed its maximum effort debt service levy by ten percent or by \$5,000, whichever is less, is qualified for a debt service loan hereunder in an amount not exceeding the amount applied for, and not exceeding one percent of the net debt of the district, and not exceeding the difference between the required and the maximum effort debt service levy in such year. Applications shall be filed with the committee in each calendar year up to and including September 15.

# MINNESOTA STATUTES 1978

## 124.43. SCHOOL TAXES, FUNDS, AIDS

2054

The committee shall determine whether the applicant is entitled to such loan and the amount thereof, and on or before October 1 shall certify to each applicant district the amount granted and its due date. A copy of each such certificate shall be filed with the commissioner. Upon receipt by the commissioner of a copy of the committee's certificate that the loan is granted, the commissioner shall notify the county auditor or county auditors in which the district is located that the amount so certified is available and appropriated for payment of principal and interest on its outstanding bonds and such auditors shall reduce by that amount the taxes otherwise leviable as the district's debt service levy on the tax rolls for such year. Each debt service loan shall bear interest from its date at a rate determined by the commissioner of finance annually, at the multiple of one-tenth of one percent per annum next higher than the average annual rate payable on Minnesota state school loan bonds from time to time outstanding, but in no event less than 3 1/2 percent per annum on the principal amount from time to time remaining unpaid, payable on December 15 of the year next following that in which the loan is received and annually thereafter.

Subd. 2. Each debt service loan shall be evidenced by a note which shall be executed in behalf of the district by the signatures of its chairman or vice chairman and the school district clerk, shall be dated November 1 of the year in which executed, and shall state its principal amount, interest rate, and that it is payable at the commissioner's office. It shall have printed thereon, or the commissioner shall attach thereto, a grill for entry of the date and amount of each payment and allocations of each payment to accrued interest or principal, and a certificate to be executed by the county auditor of each county in which any portion of the school district is situated, prior to the delivery of the note, stating that such county auditor has entered the debt service loan evidenced thereby in his bond register. Such notes shall be delivered to the committee not later than November 15 of the year in which executed. The secretary shall cause a record to be made and preserved showing the obligor district and the date and principal amount of each note, and shall then deliver it to the commissioner who shall make suitable record thereof.

Subd. 3. On or before December 1, the commissioner shall issue to each district whose note has been so received a warrant on the debt service loan account of the maximum effort school loan fund, payable on presentation to the state treasurer out of any moneys in such account. Interest shall accrue from the date such warrant is issued. The proceeds thereof shall be used by the district to pay principal or interest on its bonded debt falling due in the ensuing year.

Subd. 4. Each district receiving a debt service loan shall levy for debt service in that year and each year thereafter, until all its debts to the fund are paid, (a) the amount of its maximum effort debt service levy, or (b) the amount of its required debt service levy less the amount of any debt service loan in that year, whichever is greater. Whenever the maximum effort debt service levy is greater the district shall remit to the commissioner, within ten days after its receipt of the last regular tax distribution in the year in which it is collected, that portion of the maximum effort debt service tax collections, including penalties and interest, which exceeds the required debt service levy. On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the amount of the maximum effort debt service levy of the district for that year, and said county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified.

[ *Ex1959 c 27 s 7; 1961 c 752 s 3,4; 1965 c 875 s 4,5; 1969 c 1056 s 3,4; 1973 c 492 s 14; 1975 c 432 s 55-57* ]

**124.43 CAPITAL LOANS.** Subdivision 1. To the extent moneys are from time to time available hereunder, the committee is authorized, after review and recommendation by the state board of education, to effect capital loans to school districts. Proceeds of such loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings under contracts to be entered into within 12 months from and after the date on which each loan is granted. Applications with the accompanying data specified in subdivision 2 shall be filed between October 1 of any year and June 1 next following. No application shall be approved unless the state board of education certifies that the loan is needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist; that such facilities could not be made available by consolidating the

district with an adjacent district without substantially lowering the fiscal capacity of that district or so increasing its area that it would no longer be viable; and that existing institutions or facilities within the area could not be acquired or leased to provide the needed facilities safely and at a lower cost. The state board shall make recommendations to the committee. No loan shall be approved for any district exceeding an amount computed as follows:

- (1) The amount voted by the district under subdivision 2;
- (2) Plus the aggregate principal amount of general obligation bonds of the district outstanding on the date of approval, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or 30 percent of the adjusted assessed value, whichever is less;
- (3) Less the maximum net debt permissible for the district on the date of approval, under the limitation in section 475.53, subdivision 4, or 30 percent of the adjusted assessed value, whichever is less; and
- (4) Less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted, as estimated in accordance with subdivision 4, provided that the loan may be approved in an amount computed as provided in clauses (1) to (3), subject to subsequent reduction in accordance with this clause.

Subd. 2. The school board of any district desiring a loan shall adopt a resolution stating the amount proposed to be borrowed, the purpose for which the debt is to be incurred, and an estimate of the dates when the facilities for which the loan is requested will be contracted for and completed. The question of authorizing the borrowing shall then be submitted to the voters of the district at a regular or special election. The question submitted shall state the entire amount to be borrowed and that application will be made for a loan from the maximum effort school loan fund of such amount as may be available and allowable to the district and the remainder will be borrowed on bonds sold at a public sale within the limitations prescribed by law. A majority of those voting on the question shall be sufficient to authorize the district to effect the state loan and also to issue the bonds on public sale in accordance with chapter 475. Applications for loans shall be accompanied by (a) a copy of such resolution, (b) a certificate by the clerk showing the vote at the election, (c) a certificate by the clerk and treasurer showing the then outstanding indebtedness of the district, and (d) a certificate by the county auditor of each county in which a portion of the district lies showing the information in his official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4. The clerk's and treasurer's certificate shall show, as to each outstanding bond issue, the amount originally issued, the purpose for which issued, the date of issue, the amount remaining unpaid as of the date of the resolution, and the interest rates and due dates and amounts of principal thereon. Applications shall be in such form and accompanied by such additional data as the committee and state board of education shall prescribe, which may include a statement from the state department of education as to the district's need of the proposed schoolhouses in comparison with needs of other districts. When an application is received, the committee shall obtain from the commissioner of revenue, and from the public service commission when required, the information in their official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.

Subd. 3. The committee shall examine and consider all applications for capital loans which have been recommended by the state board of education, and if any applicant district is found not qualified it shall be promptly notified thereof. On January 1 and July 1 of each year, the committee shall make its determination on all pending applications which have been on file with it more than one month. If an applicant is qualified in the opinion of the committee and the aggregate of the amounts applied for does not exceed the amount available or which can be made available in the capital loan account, all loans so applied for shall be granted, subject to acceptance by the respective districts as specified below. If the aggregate exceeds the amount which is or can be made available, the committee shall allot the available amount among the qualified applicant districts, or any of them, according to the committee's judgment and discretion based upon their respective needs. The committee shall promptly certify to each qualified applicant district the amount, if any, of the capital loan granted to it, subject to adjustment under subdivision 1, clause (4).

Subd. 4. Each capital loan shall be evidenced by a contract between the school district and the state acting through the committee. It shall obligate the state to pay to

the district, out of the maximum effort school loan fund, an amount computed as provided in subdivision 1, upon receipt by the committee of a certified resolution of the school board reciting that contracts for construction of the facilities for which the loan is granted have been awarded and that bonds of the district have been issued and sold in the amount necessary to pay all costs thereof in excess of the amount of the loan, and estimating such costs. It shall obligate the district to repay the loan out of the excesses of its maximum effort debt service levy over its required debt service levy, including interest at a rate determined annually by the commissioner of finance, at the multiple of one-tenth of one percent per annum next higher than the average annual rate payable on Minnesota state school loan bonds, but in no event less than 3 1/2 percent per annum on the principal amount from time to time unpaid. The district shall each year, as long as it is indebted to the state, levy for debt service (a) the amount of its maximum effort debt service levy or (b) the amount of its required debt service levy, whichever is greater, except as such required debt service levy may be reduced by a loan under section 124.42. Whenever the maximum effort debt service levy is greater, the district shall remit to the commissioner within ten days after its receipt of the last regular tax distribution in each year, that portion of the debt service tax collections, including penalties and interest, which exceeded the required debt service levy. The commissioner shall supervise the collection of outstanding accounts due the fund and may, by notice to the proper county auditor require the maximum levy to be made as required hereunder. Interest on capital loans shall be paid on December 15 of the year next following that in which the loan is granted and annually thereafter. On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the amount of the maximum effort debt service levy of the district for that year, and said county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified. In the event that any capital loan is not paid within 30 years after it is granted from maximum effort debt service levies in excess of required debt service levies, the liability of the school district thereon shall be satisfied and discharged and interest thereon shall cease. After a district's capital loan has been outstanding for 20 years, the district shall not issue bonds on the public market except for the purpose of refunding such a loan.

Subd. 5. Before delivery of any capital loan contract, the school district shall file a copy thereof with the county auditor of each county in which any portion of the district is situated, and shall obtain from each such county auditor and furnish to the committee a certificate stating that such county auditor has entered the capital loan evidenced thereby in his bond register. As each executed contract is delivered to the committee, its secretary shall cause a record thereof to be made and preserved showing the name and address of the district, the date of the contract, and the amount of the loan initially approved in accordance with subdivision 1. Upon receipt of the resolution required in subdivision 4 the commissioner shall issue a warrant on the capital loan account for the amount which may be disbursed in accordance with subdivision 1, payable on presentation to the state treasurer. On presentation the treasurer shall remit the amount to the district and enter the date and amount in his account with the district. Interest thereon shall accrue from such date.

Subd. 6. No district having an outstanding state loan shall issue and sell any bonds on the public market, except for the purpose of refunding state loans, unless it agrees to make the maximum effort debt service levy in each year thereafter at the higher rate provided in section 124.38, subdivision 7, and unless it schedules the maturities of such bonds in accordance with section 475.54, subdivision 2. The district shall report each such sale to the commissioner of education.

[ *Ex1959 c 27 s 8; 1961 c 752 s 5,6; 1965 c 875 s 6-10; 1967 c 583 s 3; 1969 c 1056 s 5-9; 1973 c 492 s 14; 1973 c 582 s 3; 1975 c 432 s 58-61; 1976 c 271 s 53* ]

**124.44 PREPAYMENTS.** Any school district may at any time pay the entire principal or part thereof and interest then due on a note or contract held by the state, out of any moneys not needed for school purposes, and may issue and sell its refunding bonds in accordance with chapter 475, for such purpose, by actions of its school board and without the necessity of a vote by its electors, if such refunding bonds plus its net debt does not exceed the debt limit prescribed by said chapter 475. Any such refunding bonds may bear interest at a rate or rates higher or lower than the rate payable on the loan or loans refunded thereby.

[ *Ex1959 c 27 s 9; 1961 c 752 s 7* ]

**124.45 APPLICATIONS OF PAYMENT.** The commissioner shall apply payments received from collections of maximum effort debt service levies in excess of required debt service levies of a district on its debt service notes and capital loan contracts as follows: First, to payment of interest accrued on its notes, if any; second, to interest on its contracts, if any; third, toward principal of its notes, if any; and last, toward principal of its contracts, if any. While more than one note or more than one contract is held, priority of payment of interest shall be given to the one of earliest date, and after interest accrued on all notes is paid, similar priority shall be given in the application of any remaining amount to the payment of principal. In any year when the receipts from a district are not sufficient to pay the interest accrued on any of its notes or contracts, the deficiency shall be added to the principal, and the commissioner shall notify the district and each county auditor concerned of the new amount of principal of the note or contract.

[ *Ex1959 c 27 s 10; 1975 c 432 s 62* ]

**124.46 ISSUANCE AND SALE OF BONDS.** Subdivision 1. On or before October 1 in each year, the commissioner shall certify to the commissioner of finance the amount which he anticipates will be needed for debt service loans and capital loans to be made under the maximum effort school aid law prior to October 1 in the following year. Each such certification of the commissioner shall also state his estimate of the dates and amounts the certified amount will be needed in the maximum effort school loan fund and his estimate as to the years and amounts in which payments on debt service loans and capital loans will be received.

Subd. 2. Upon receipt of each such certification, subject to authorization as provided in subdivision 4, the commissioner of finance shall from time to time as needed issue and sell state of Minnesota school loan bonds in the aggregate principal amount stated in the commissioner's certificate, for the prompt and full payment of which, with the interest thereon, the full faith, credit, and taxing powers of the state are hereby irrevocably pledged, and shall credit the net proceeds of their sale to the purposes for which they are appropriated by section 124.40, subdivision 1. Such bonds shall be issued and sold at not less than their par value in such manner, in such number of series, at such times, and in such form and denominations, shall bear such dates of issue and of maturity, either without option of prior redemption or subject to prepayment upon such notice and at such times and prices, shall bear interest at such rate or rates and payable at such intervals, shall be payable at such bank or banks within or without the state, with such provisions for registration, conversion, and exchange, and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further regulations as the commissioner of finance shall determine subject to the limitations stated in this subdivision (but not subject to the provisions of sections 15.0411 to 15.0422). The maturity date shall in no case be less than ten or more than 20 years after the date of issue of any bond and the principal amounts and due dates shall conform as near as may be with the commissioner's estimates of dates and amounts of payments to be received on debt service and capital loans. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signature of one of these officers on the face of any bond, and their seals, and the signatures of both officers on the interest coupons appurtenant to any bond, may be printed, lithographed, stamped, or engraved thereon. The commissioner of finance is authorized and directed to ascertain and certify to purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms.

Subd. 3. The commissioner of finance shall maintain a separate school loan bond account in the state bond fund, showing all moneys transferred to that fund for the payment of school loan bonds and all income received from the investment of such moneys. Upon the issuance of each series of school loan bonds the commissioner of finance shall deduct from the proceeds thereof and credit to said bond account a sum sufficient, with the balance then on hand in said account, to pay all interest to become due on such bonds on and before July 1 in the second ensuing year. On the first day of November in each year there shall be transferred to the bond account all or so much of the moneys then on hand in the loan repayment account in the general fund as will be sufficient, with the balance then on hand in said bond account, to pay all principal and interest then and theretofore due and to become due within the next ensuing year and to and including July 1 in the second ensuing year on school loan bonds issued and sold pursuant to this section. In the event that moneys are not avail-

able for such transfer in the full amount required, the state auditor shall levy on all taxable property within the state a tax sufficient to meet the deficiency. Such tax shall be levied upon all real property used for the purposes of a homestead, as well as other taxable property, notwithstanding the provisions of section 273.13, subdivisions 6 and 7, and shall be and remain subject to no limitation of rate or amount until all school loan bonds and all interest thereon are fully paid. The proceeds of this tax are hereby irrevocably appropriated and shall be credited to the state bond fund, but the school loan bond account is appropriated as the primary source of payment of such bonds and interest, and only so much of said tax as may be necessary is appropriated for this purpose. If any principal or interest on school loan bonds should become due at any time when there is not on hand a sufficient amount from any of the sources herein appropriated for the payment thereof, it shall nevertheless be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated; but any such payments shall be reimbursed from the proceeds of taxes levied as required herein, and any such payments made from taxes shall be reimbursed from the loan repayment account in the maximum effort school loan fund, when the balance therein is sufficient.

Subd. 4. Bonds shall be issued pursuant to this section only when authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended for such purpose. Any act authorizing the issuance of bonds in the manner provided in this section shall, together with this section, constitute complete authority for such issue, and such bonds shall not be subject to the restrictions or limitations contained in any other law. Bonds issued pursuant hereto may be purchased by the state board of investment for the permanent school fund, swamp land fund, internal improvement land fund, or any other fund for which investments may be made by the state board of investment or may be sold elsewhere at public or private sale and shall be deemed "authorized securities" within the provisions of section 50.14 and acts amendatory thereof or supplemental thereto.

[ *Ex 1959 c 27 s 12; 1963 c 601 s 4; 1965 c 875 s 13; 1969 c 399 s 49; 1973 c 492 s 14* ]

**124.47 REPEALER AND SAVINGS CLAUSE.** Subdivision 1. Minnesota Statutes 1957, Sections 120.51 to 120.57 are hereby repealed; provided that nothing herein shall impair the validity of any bonds issued pursuant to said sections or of the appropriations therein made, or of any expenditures made pursuant to said appropriations prior to May 23, 1959, and all such bonds and expenditures are hereby legalized and validated; but the school construction loan fund created by Minnesota Statutes 1957, Section 120.57 shall be discontinued on May 23, 1959, and all moneys then remaining therein, and all subsequent collections of principal and interest on bonds purchased by said fund, are hereby appropriated to the fund created by sections 124.36 to 124.47.

Subd. 2. The committee is hereby authorized to purchase the bonds of any district which the state board of education had agreed to give aid through such purchase, under Minnesota Statutes 1957, Sections 120.51 to 120.57 referred to in subdivision 1 hereof, but the purchase of which bonds were not completed prior to the repeal of such sections. The amount of bonds authorized to be purchased under this section shall be limited to the amount previously approved under such laws. There is hereby appropriated from the fund sufficient moneys to make such purchase, but not in excess of the moneys which were remaining in the school construction fund created by said Minnesota Statutes 1957, Section 120.57 and appropriated to the fund created by sections 124.36 to 124.47. Such bonds shall be purchased without new application therefor but subject to the following provisions:

(a) Such bonds shall bear interest at three and one-half percent per annum payable semiannually. Bonds may be called for redemption in any amount at any time after three years from date of issue; first required payment on the principal shall be due 15 years from date of issue and the entire issue shall mature serially at equal intervals over a period of 38 years so that the entire principal of the loan is paid on or before 50 years from the date of its issue. Bonds shall be numbered and be in such denominations as the committee shall determine.

(b) The committee may require such loans authorized in this subdivision to be presently paid when such school district, whose bonds are purchased under this subdivision, is able to refund said bonds on the public market pursuant to Minnesota Statutes, Chapter 475; and the committee shall require as a condition of granting such aid that maximum effective use be made of such presently existing educational facilities.



# MINNESOTA STATUTES 1978

2059

SCHOOL TAXES, FUNDS, AIDS 124.473

(c) Such loans as are authorized in this subdivision shall be for the purpose of construction of school building classroom facilities only, and the bonds of such district shall be accepted by the committee as security for the loans.

[ Ex1959 c 27 s 13; 1978 c 706 s 35 ]

**124.471 BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1963.** Subdivision 1. For the purpose of refunding outstanding certificates of indebtedness authorized by the legislature prior to January 1, 1963, which are payable from the maximum effort school loan fund, the state auditor is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$3,900,000, which is appropriated and shall be expended by the state treasurer for the payment and redemption of each and all of such certificates of indebtedness at the par value thereof. The accrued interest on such certificates of indebtedness to the date of payment shall be paid from the loan repayment account (formerly the certificate of indebtedness account) of the maximum effort school loan fund created by section 124.39, and so much thereof as may be required is appropriated for that purpose.

Subd. 2. For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the state auditor is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$16,000,000, which is appropriated to the maximum effort school loan fund and shall be expended under the direction of the school loan committee for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47.

Subd. 3. The bonds authorized in subdivisions 1 and 2 shall be issued and sold and provision for the payment thereof shall be made in accordance with section 124.46. The accrued interest and any premium received upon the sale thereof shall be credited to the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary therefor are appropriated from such fund.

[ 1963 c 601 s 5-7 ]

**124.472 BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1965.** For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the state auditor is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$10,400,000, in addition to the bonds authorized by section 124.471, subdivisions 1 and 2, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the school loan committee for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for the payment thereof shall be made in accordance with section 124.46, and an amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school loan bond account in the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary therefor are appropriated from such fund.

[ 1965 c 875 s 14 ]

**124.473 BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1967.** For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the state auditor is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$2,800,000, in addition to the bonds heretofore authorized for this purpose, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the school loan committee for the making of debt service loans and capital

# MINNESOTA STATUTES 1978

## 124.474 SCHOOL TAXES, FUNDS, AIDS

2060

loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for the payment thereof shall be made in accordance with section 124.46, and an amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school loan bond account in the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary therefor are appropriated from such fund.

[ 1967 c 583 s 6 ]

**124.474 BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1969.** For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds heretofore authorized for this purpose, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the school loan committee for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for the payment thereof shall be made in accordance with section 124.46, and an amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school loan bond account in the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary therefor are appropriated from such fund.

[ 1969 c 1056 s 12; 1973 c 492 s 14 ]

**124.475** [ Repealed, 1975 c 432 s 97 ]

**124.48 INDIAN SCHOLARSHIPS.** The state board may award scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry and who, in the opinion of the board, has the capabilities to benefit from education. Scholarships shall be for advanced or specialized education in accredited or approved colleges or in business, technical or vocational schools. Scholarships shall be used to defray tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned. The amount and type of each such scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship committee.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year he is eligible for additional scholarships, if additional training is necessary to reach his educational and vocational objective. Scholarships may not be given to any Indian student for more than four years of study.

[ Ex1959 c 71 art 5 s 36; 1971 c 176 s 1; 1977 c 384 s 1 ]

**124.50** [ Repealed, 1975 c 432 s 98 ]

**124.51** [ Repealed, Ex1971 c 31 art 20 s 24 ]

**124.511 SURPLUS COUNTY SCHOOL TAX FUNDS; DISTRIBUTION.** When, by reason of reorganization of districts there is a surplus in the county treasury to the credit of the county school tax fund on account of an excessive tax levy heretofore made, and when there is no need therefor, the surplus shall be paid by the county treasurer to the reorganized district upon the order of the county board.

[ 1973 c 157 s 1 ]

**124.52 ACCEPTANCE OF FEDERAL AID.** The provisions of the act of congress entitled "An act to provide for the promotion of vocational education; to provide cooperation with the states in the promotion of such education in agriculture and in the trades and industries; to provide cooperation with the states in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditures," and approved February 23, 1917, and acts amendatory thereto, be and the

same are hereby accepted, and the benefits of all funds appropriated under the provisions of such acts are hereby accepted as provided in such acts.

[ *Ex1959 c 71 art 5 s 40* ]

**124.53 VOCATIONAL EDUCATION.** The state board is hereby designated the state board for vocational education and has the duty of cooperating with the United States office of education or other federal agency in the administration of the program of vocational education and is given all power necessary to such cooperation. The state board is authorized to make such expenditures as it may deem necessary to carry out the provisions hereof from money available for the purposes.

The state board shall appoint such officials or assistants as may be necessary, fix the salaries of such persons appointed, and make expenditures from the state funds appropriated for the salaries and necessary expenses of such officials and assistants, or use a portion of such funds in matching federal funds available for the same purpose.

[ *Ex1959 c 71 art 5 s 41* ]

**124.54 FUNDS, TREASURER'S DUTIES.** The state treasurer is appointed custodian of all funds for vocational education, and is charged with the duty and responsibility of receiving and providing for the proper custody and proper disbursement of money paid to the state and the appropriations made for such purpose.

[ *Ex1959 c 71 art 5 s 42* ]

**124.55 FEDERAL AID, REPORTS TO THE LEGISLATURE.** The state treasurer, as custodian for vocational educational funds, shall make to the legislature at each biennial session a report of the receipts and disbursements of money received by him under the provisions of federal and state acts relating to vocational education and the state board shall make to the legislature at each biennial session a report of its administration of such acts and the expenditure of money allotted to the state under the provisions of such acts.

[ *Ex1959 c 71 art 5 s 43* ]

**124.56 APPROPRIATION ACCOUNT.** There shall be appropriated biennially a sum of not less than the amount to which the state of Minnesota is entitled under sections 3 and 4 of an act of congress of the United States, approved February 23, 1917, and acts amendatory thereto, relating to the promotion of vocational education and for appropriations to the states for instruction in agriculture, trade and industrial education, home economics and distributive education, and for the training of teachers of vocational subjects.

[ *Ex1959 c 71 art 5 s 44* ]

**124.561 POST-SECONDARY VOCATIONAL-TECHNICAL EDUCATION FUNDING.** Subdivision 1. **Purpose.** The purpose of sections 124.561 to 124.565 is to change the funding of post-secondary vocational-technical education from reimbursement of past expenditures to a current funding process.

Subd. 2. **Current aid.** Beginning July 1, 1975, the state board for vocational education shall not enter into agreements to pay reimbursements but shall be obligated for reimbursement payments incurred in fiscal year 1975. Beginning July 1, 1976, all post-secondary vocational foundation aid and post-secondary vocational categorical, capital expenditure and debt service aid shall be paid for the current fiscal year in accordance with sections 124.561 to 124.565.

Subd. 3. **Budgets.** Before January 1 of each year, post-secondary vocational-technical school budgets for the following fiscal year shall be submitted to the state board for vocational education. The state board for vocational education shall approve the budgets for each district prior to June 1 of each year after a consolidated public hearing held pursuant to subdivision 3a. No district shall increase its operating deficit during any fiscal year unless authorized to do so by the state board for vocational education. The state board for vocational education shall promulgate rules which establish the approval criteria for budgets, including responsiveness to current and projected manpower needs of population groups to be served in the various geographic areas and communities of the state, particularly disadvantaged and handicapped persons; adequacy of evaluation of programs; and other criteria set forth in the state plan for vocational education. The commissioner, in cooperation with the department of fi-

nance, shall establish program budget standards by which post-secondary vocational-technical schools shall submit financial requests.

**Subd. 3a. Hearing.** The consolidated public hearing held by the state board pursuant to subdivision 3 shall take place with at least six board members present and shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. Notice of intention to hold the hearing shall be given at least 20 days prior to the date set for the hearing by United States mail to each district submitting a post-secondary vocational school budget, to other interested persons, representatives, and organizations who register their names with the commissioner of education for that purpose, and in the state register. The department of education shall make available at least one free copy of the proposed disposition of budgets to any person requesting it. Unless the commissioner determines that the use of an audio magnetic recording device is more appropriate, a court reporter shall keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, provided that the request is in writing and the cost of preparing the transcript is borne by the requesting person. After allowing written material to be submitted and added to the hearing record for five days after the public hearing ends, the commissioner of education shall proceed as promptly as possible to write a report containing the proposed final disposition of budgets. This report shall contain findings and conclusions based on substantial evidence from the hearing record to support the proposed final disposition. The report shall be available to all affected school districts upon request for at least 15 days before the state board takes final action on the budgets. Any district which is adversely affected by the proposed final disposition of budgets may demand and shall be given an opportunity to be heard in support of modification of the proposed disposition at the meeting at which the state board takes final action on the budgets; provided, the state board may place reasonable restrictions on the length of time allowed for testimony.

**Subd. 4. Local deficits.** The commissioner with the approval of the state board for vocational education shall establish a uniform auditing procedure for post-secondary vocational-technical education. This procedure shall be used to determine the local operating deficit or surplus in each district as of July 1, 1975 and as of July 1 for each year thereafter. This deficit or surplus shall be certified to the commissioner before September 1, 1975 and September 1 of each year thereafter.

[ 1975 c 432 s 63; 1976 c 271 s 54,55; 1978 c 706 s 36 ]

**124.562 POST-SECONDARY VOCATIONAL FOUNDATION AID.** Subdivision 1. A district shall receive post-secondary vocational foundation aid in the amount of \$2,120 for fiscal year 1978 and \$2,240 for fiscal year 1979, times the number of post-secondary vocational-technical pupils in average daily membership, as defined in subdivision 2, less the sum of (1) any amounts received as tuition and fees for post-secondary vocational-technical pupils, including application fees but not including student activity fees allowed pursuant to section 121.216, (2) the amount raised by the discretionary levy allowed by section 275.125, subdivision 13, for collection in the calendar year ending in that fiscal year.

**Subd. 2.** Membership for pupils in post-secondary vocational-technical schools shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that he has left or has been legally excused; provided that any pupil, regardless of age, who has been absent from school without a legally justifiable excuse for 15 consecutive school days shall be dropped from the roll and classified as withdrawn. No pupil who is counted in average daily membership pursuant to this section shall be counted in average daily membership in any district pursuant to section 124.17, subdivision 2, unless he is eligible to earn foundation aid pursuant to section 120.80 or is attending a post-secondary vocational-technical school course on a part time basis in addition to spending six hours per day in a secondary program. Average daily membership for pupils who are enrolled in post-secondary vocational-technical schools, but not including adult vocational pupils, shall equal (a) the sum for all pupils of the number of days of the school year each pupil is enrolled in a post-secondary vocational-technical school in the district times the number of hours per day each student is enrolled divided by six (b) divided by 175; provided the number of hours which are counted for average daily membership for any pupil in any one program shall in no event exceed the number of hours approved by the state board for completion of the program. For a post-

secondary vocational-technical school, the normal school year shall be at least the number of session days required by section 124.19, subdivision 1. In all post-secondary vocational-technical schools, the minimum length of the school day for each pupil, exclusive of the noon intermission, shall be six hours. Exceptions may be made by the local school administration for approved programs to meet individual student needs.

Subd. 3. All funds, whether state, federal, or from other sources, which may be made available to the department of education for carrying out the purposes of post-secondary vocational-technical education shall be apportioned by the state board for vocational education to the various school districts in accordance with law and shall be distributed by the state aids, statistics and research section of the state department of education. All post-secondary vocational foundation and categorical aids shall be paid to the school district where the pupil is in attendance.

Subd. 4. Each district providing post-secondary vocational-technical education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these post-secondary vocational-technical education programs. All post-secondary vocational foundation and categorical aids and all funds received pursuant to the levy authorized by section 275.125, subdivision 13, shall be utilized solely for the purposes of post-secondary vocational-technical education programs.

Subd. 5. [ Repealed, 1977 c.447 art 5 s 16 ]

Subd. 6. [ Repealed, 1977 c.447 art 5 s 16 ]

[ 1975 c.432 s 64; 1976 c.271 s 56; 1977 c.447 art 5 s 3; 1978 c.764 s 64 ]

**124.563 POST-SECONDARY VOCATIONAL CATEGORICAL AND CAPITAL EXPENDITURE AID.** Subdivision 1. "Post-secondary vocational categorical aid" means all state and federal funds, exclusive of post-secondary vocational foundation, capital expenditure and debt service aid, apportioned by the state board for vocational education to local school districts for the purpose of assisting in the conduct of post-secondary vocational-technical training. This aid shall be given to districts conducting high cost programs which require funds in addition to the post-secondary vocational foundation aid provided, including vocational education programs for handicapped or disadvantaged persons and support services necessary to provide vocational education in the least restrictive setting possible. Post-secondary vocational categorical aid shall not be allocated by the state board or expended by a district for any of the purposes for which post-secondary vocational capital expenditure aid is allocated or expended.

Subd. 2. "Post-secondary vocational capital expenditure aid" means state and federal funds exclusive of post-secondary vocational foundation, categorical and debt service aid, apportioned by the state board for vocational education to local school districts for the purpose of improving or repairing school sites or equipping, re-equipping, repairing or improving buildings and permanent attached fixtures, as necessary for the conduct of post-secondary vocational-technical training. Post-secondary vocational capital expenditure aid shall be utilized solely for the purposes enumerated in this subdivision.

Subd. 3. Post-secondary vocational categorical and capital expenditure aid shall be apportioned by the state board for vocational education at the consolidated public hearing held pursuant to section 124.561, subdivision 3. All post-secondary vocational categorical and capital expenditure aid approved at this public hearing shall be distributed to the districts on or before August 1, December 1, March 1 and June 1 of each year. Additional post-secondary vocational categorical and capital expenditure aid may be distributed on or before March 1 and June 1 of each year if it is apportioned at a consolidated public hearing held before February 15 of that year in the manner specified in section 124.561, subdivision 3a. On the date of each post-secondary vocational categorical and capital expenditure aid payment, the state board shall report to the appropriate committees of the legislature on the distribution of post-secondary vocational categorical and capital expenditure aid. A separate report shall be submitted for each distribution of each aid. The report shall include (a) the recipients of the aid; (b) the amounts distributed, and (c) the specific reasons for these distributions to each district.

Subd. 4. [ Repealed, 1977 c.447 art 5 s 16 ]

[ 1975 c.432 s 65; 1976 c.271 s 57; 1977 c.447 art 5 s 4,5; 1978 c.764 s 65,66 ]

**124.564 POST-SECONDARY VOCATIONAL DEBT SERVICE AID.** Subdivision 1. The state board for vocational education shall provide, for credit against the debt service levy of qualifying districts, post-secondary vocational debt service aid equal to the state portion of debt service costs. The state portion of debt service costs shall equal the amount necessary to make payments due in each school year ending June 30 with respect to qualifying bonds issued to finance post-secondary vocational facilities and interest thereon, multiplied by the average of the district's nonresident reimbursement percentage pursuant to Minnesota Statutes 1974, Section 121.21, Subdivision 5, in fiscal years ended June 30, 1973, 1974, and 1975. For purposes of the computation of debt service aid, qualifying bonds shall include only:

(a) bonds issued prior to January 1, 1978;

(b) bonds issued after January 1, 1978, to finance post-secondary vocational facilities projects which receive funds appropriated in Laws 1978, Chapter 792, Section 8; and

(c) bonds issued at any time to refund the bonds described in (a) and (b). No district shall qualify for this post-secondary vocational debt service aid unless it has certified a levy in the total amount required by section 475.61, for collection in the calendar year in which the aid credit is to be given.

Subd. 2. There shall be no post-secondary vocational debt service aid for the state portion of debt service costs for bonds issued on or after January 1, 1978 to finance post-secondary vocational facilities and interest thereon, unless these bonds are issued to finance post-secondary vocational facilities projects which receive funds appropriated in Laws 1978, Chapter 792, Section 8.

Subd. 3. Post-secondary vocational debt service aid shall be computed each year before October 1 by the state board for vocational education as the percentage specified in subdivision 1 of the sum of the principal and interest on qualifying bonds which will become due in the school year commencing on the following July 1.

Subd. 4. The amount for each school district shall be certified by the board on or before October 1 to the school district, and to the county auditors of all counties containing taxable property within the school district, and to the state commissioner of finance. This amount shall be deducted by the county auditors from the amount of the debt service levies of the school district to be assessed and extended against the taxable property therein for collection in the following year, and shall be payable instead from the appropriation made by this section.

Subd. 5. The commissioner of finance shall issue to the state treasurer warrants for payment of one-half of the amount to the treasurer of the school district on or before July 15 and one-half thereof on or before November 15 in the following year, in lieu of the distributions of this amount otherwise payable by county treasurers at these times under the provisions of section 276.11.

Subd. 6. The amount necessary is annually appropriated from the general fund to the respective districts entitled to these payments, for expenditure in fiscal years beginning with fiscal year 1978. This appropriation shall not lapse until and unless otherwise provided by law, but shall be reduced by the amount of any funds specifically appropriated for the same purpose in any year from any state fund. In the event that the appropriation is revoked in any future year, the state board for vocational education shall certify this fact to each school district theretofore entitled to an aid credit under this subdivision.

Subd. 7. The appropriation heretofore made for post-secondary vocational debt service aid payable in the school year ending June 30, 1977, is confirmed, and the board shall continue to provide for the payment of debt service aids therefrom at or before the due dates of school district bonds and interest in that school year. In addition, the state board for vocational education shall pay to districts which expended cash balances to finance the construction of new post-secondary vocational facilities and which the state board prior to May 15, 1975 agreed to repay for these expenditures the amount of the repayment specified in the agreement. Funds received in repayment shall revert to the fund of origin in the district.

[ 1975 c 432 s 66; 1976 c 271 s 58; 1978 c 792 s 28 ]

**124.565 POST-SECONDARY VOCATIONAL EDUCATION TUITION.** Subdivision 1. Any Minnesota resident who is under 21 years of age may attend a post-secondary vocational-technical school, provided that the individual meets the entrance

# MINNESOTA STATUTES 1978

2065

SCHOOL TAXES, FUNDS, AIDS 124.57

requirements for the training course in which enrollment is sought and the school has the room and the facility to receive him.

NOTE: This subdivision, as amended by Laws 1977, Chapter 447, Article 5, Section 6, is effective July 1, 1978, pursuant to Laws 1977, Chapter 447, Article 5, Section 21.

Subd. 2. [ Repealed, 1977 c 447 art 5 s 17 ]

NOTE: This subdivision is repealed effective July 1, 1978.

Subd. 3. Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil shall be two dollars per day for each school day the pupil is enrolled.

NOTE: This subdivision, as amended by Laws 1977, Chapter 447, Article 5, Section 7, is effective July 1, 1978, pursuant to Laws 1977, Chapter 447, Article 5, Section 21.

Subd. 4. Unless covered by a higher education reciprocity agreement relating to nonresident tuition, entered into by the Minnesota higher education coordinating board and approved by the state board for vocational education, tuition at a post-secondary vocational-technical school for a pupil who is not a resident of Minnesota shall be five dollars per day for each school day the pupil is enrolled.

Subd. 5. [ Repealed, 1977 c 447 art 5 s 16 ]

[ 1975 c 271 s 6; 1975 c 432 s 67; 1976 c 271 s 59; 1977 c 447 art 5 s 6,7 ]

**124.566 USE OF POST-SECONDARY VOCATIONAL CATEGORICAL AID APPROPRIATION.** Notwithstanding the provisions of section 16.16 or 16A.57 or any other law to the contrary, the state board for vocational education may expend amounts appropriated by the legislature for post-secondary vocational categorical aid to pay post-secondary vocational foundation aid in any year when the appropriation for post-secondary vocational foundation aid is insufficient because of an increase in average daily membership. On the date of any expenditure pursuant to this section, the state board shall report the expenditure to the appropriate committees of the legislature.

[ 1976 c 271 s 60 ]

**124.57 AID FOR VOCATIONAL EDUCATION.** Subdivision 1. Whenever any district shall have established a vocational school, department, or classes in accordance with the rules and regulations established by the state board adopted by that board, the state board shall reimburse such district or state tax supported institution for its expenditures for salaries and necessary travel of vocational teachers or other reimbursable expenditures from federal funds and may supplement such federal funds with such state aid as it may deem desirable under such rules as it may adopt, provided, however, that in the event of such funds not being sufficient to make such reimbursement in full, the state board shall prorate the respective amounts available to the various districts entitled to receive reimbursement. All instruction may be given at the place of the abode of the pupils. There shall be no reimbursement pursuant to this section for the salary or necessary travel of any vocational teacher who does not meet the work experience requirements for licensure pursuant to the state plan for vocational education.

Subd. 2. When local districts desire but cannot provide vocational instruction for the related training required by apprentices and other learners in the trade, industrial, and distributive fields, the state board is empowered upon request of such local district or districts to employ itinerant vocational teachers to provide this service and pay the salary and necessary travel expense from authorized federal and state vocational aid funds under such rules as it may adopt. An itinerant vocational teacher in this section is defined as a vocational teacher employed to give part-time or periodic vocational instruction in one or more districts.

Subd. 3. Subdivision 1 shall apply only to secondary vocational education programs in the 1977-1978 school year. Sections 124.561 to 124.565 shall not apply to secondary and adult vocational education programs.

[ Ex1959 c 71 art 5 s 45; 1975 c 432 s 68; 1977 c 447 art 5 s 8 ]

NOTE: Subdivisions 1 and 3, as added by Laws 1977, Chapter 447, Article 5, Section 8, are repealed effective July 1, 1978.

**124.571 VOCATIONAL REIMBURSEMENT CEILING.** Notwithstanding any reimbursement formula which is inconsistent with this section, for secondary, post-secondary and adult vocational programs, with the exception of obligations for veteran farmer cooperative training programs for which a separate appropriation is made, provided in fiscal year 1974 to be reimbursed in fiscal year 1975, the state shall not be obligated to reimburse in fiscal year 1975, or any other fiscal year, any amounts in excess of the appropriations made for fiscal year 1975 in Laws 1973, Chapter 683 for those purposes.

[ 1973 c 683 s 24 ]

**124.572 CURRENT FUNDING FOR ADULT VOCATIONAL EDUCATION.** Subdivision 1. The purpose of this section is to change the method of funding adult vocational programs from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1977, the state shall not reimburse expenditures from the 1976-1977 school year programs, but shall pay aids for the 1977-1978 school year programs and for each year thereafter on a current funding basis.

Subd. 2. In the 1977-1978 school year and thereafter, the state shall pay to any district or cooperative vocational center 75 percent of the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's adult vocational education programs. In addition, the state shall pay 50 percent of the costs of necessary travel between instructional sites by adult vocational education teachers. The commissioner may withhold all or any portion of this aid for an adult vocational education program which receives funds from any other source, and in no event shall a district or center receive a total amount of state aid for salaries and travel pursuant to this section which, when added to funds from other sources, will provide the program an amount for salaries and travel which exceeds 100 percent of the amount of its expenditures for salaries and travel in the program.

Subd. 3. This aid shall be paid only for services rendered or for travel costs incurred in adult vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board; provided, in 1977-1978 the department may pay this aid for programs operated in accordance with the state plan for vocational education and current state board rules. By 1978-1979, these rules shall provide minimum student-staff ratios required for an adult vocational education program to qualify for this aid. By 1978-1979, rules relating to adult vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference.

Subd. 4. Boards may charge tuition for participation in adult vocational education programs. Nothing in this section shall prohibit the charging of differential tuition rates for residents or nonresidents of a district. If adult vocational education is provided by another district or a cooperative center by contract pursuant to subdivision 5, the contract shall provide for this issue.

Subd. 5. Any board may contract with the board of a district containing a post-secondary vocational-technical school or the board of a cooperative center for the provision of adult vocational education services. The board providing these services may also act as fiscal agent for the other contracting district if so agreed. Information copies of all contracts shall be provided to the state department.

Subd. 6. All adult vocational education aid shall be paid to the district or cooperative center providing the services. The district providing the services may bill the contracting district for any unpaid costs incurred in providing these services if so agreed in the contract.

Subd. 7. Each district providing adult vocational education shall establish and maintain separate accounts for the receipt and disbursement of all funds related to these adult vocational education programs. All adult vocational education aid received by the district from any source shall be utilized solely for the purposes of adult vocational education programs.

Subd. 8. The state shall pay to each school district 30 percent of its estimated adult vocational education aid for the school year on or before the following dates: August 31, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All adult vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.



Subd. 9. Effective July 1, 1978, any individual enrolled in an adult farm management program for longer than six years shall be charged a tuition rate equal to the full cost of the program attributable to that individual.

[ 1976 c 271 s 61; 1977 c 447 art 5 s 9; 1978 c 764 s 67,68 ]

**124.573 CURRENT FUNDING FOR SECONDARY VOCATIONAL EDUCATION.** Subdivision 1. The purpose of this section is to change the method of funding secondary vocational programs from reimbursement based on past expenditures to a current funding basis. Beginning July 1, 1978, the state shall not reimburse expenditures from the 1977-1978 school year programs, but shall pay aids for the 1978-1979 school year programs and for each year thereafter on a current funding basis.

Subd. 2. In the 1978-1979 school year and thereafter, the state shall pay to any district or cooperative center 50 percent of the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs. In addition, the state shall pay 50 percent of the costs of necessary equipment for these programs, 50 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers and 50 percent of the costs of necessary travel by secondary vocational education teachers accompanying students to and from vocational student organization meetings held within the state for educational purposes. The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source, and in no event shall a district or center receive a total amount of state aid pursuant to this section which, when added to funds from other sources, will provide the program an amount for salaries, equipment and travel which exceeds 100 percent of the amount of its expenditures for salaries, equipment and travel in the program.

Subd. 3. This aid shall be paid only for services rendered or for the costs designated in subdivision 2 which are incurred in secondary vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center to qualify for this aid, but shall not require any minimum number of program offerings or administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. No rules promulgated by the state board pursuant to any statute shall require a district to offer secondary vocational education. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for travel costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the state board for vocational education.

Subd. 3a. In addition to the provisions of subdivisions 2 and 3, a school district or cooperative center may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education services. In the 1978-1979 school year and thereafter, the state shall pay each district or cooperative center 40 percent of the amount of a contract entered into pursuant to this subdivision. The state board shall promulgate rules relating to program approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 4, the district or cooperative center contracting for these services shall be construed to be providing the services. For the purposes of subdivision 5, aid for these contracts shall be distributed on the same basis as aids for salaries and travel.

Subd. 4. All secondary vocational education aid shall be paid to the district or cooperative center providing the services. All secondary vocational education aid received by a district or center from any source shall be utilized solely for the purposes of secondary vocational education programs.

# MINNESOTA STATUTES 1978

## 124.574 SCHOOL TAXES, FUNDS, AIDS

2068

Subd. 5. The state shall pay to each school district and center 30 percent of its estimated secondary vocational education aid for salaries and travel for the school year on or before the following dates: August 31, December 31 and March 31. The state shall pay 90 percent of a district's estimated secondary vocational education aid for equipment for the school year on or before August 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All secondary vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.

[ 1976 c 271 s 62; 1977 c 447 art 5 s 10; 1978 c 764 s 69-71 ]

**124.574 SECONDARY VOCATIONAL EDUCATION FOR HANDICAPPED CHILDREN.** Subdivision 1. The purpose of this section is to provide a method to fund programs for secondary vocational education for handicapped children. As used in this section, the term "handicapped children" shall have the meaning ascribed to it in section 120.03.

Subd. 2. In the 1978-1979 school year and thereafter, the state shall pay to any district or cooperative center the greater of:

(a) 50 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district or center's secondary vocational education programs for handicapped children; or

(b) 69 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district or center's secondary vocational education programs for handicapped children, but not to exceed \$12,000 for the normal school year for each such full time person employed, or a pro rata amount for a part time person or a person employed for a limited time; plus an additional five percent of the salaries paid such essential licensed personnel.

Subd. 3. In addition to the provisions of subdivision 2, the state shall pay:

(a) 50 percent of the costs of necessary equipment for these secondary vocational education programs for handicapped children;

(b) 50 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers of handicapped children, but not including travel to and from local, regional, district, state or national vocational student organization meetings; and

(c) 50 percent of the costs of necessary supplies for these secondary vocational education programs for handicapped children, but not to exceed an average of \$50 in any one school year for each handicapped child receiving these services.

Subd. 4. In addition to the provisions of subdivisions 2 and 3, a school district may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education programs for handicapped children. The formula for payment of aids for these contracts in the 1978-1979 school year and thereafter shall be that provided in section 124.32, subdivision 1b. The state board shall promulgate rules relating to approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 6, the district or cooperative center contracting for these services shall be construed to be providing these services. For the purposes of subdivision 8, aid for these contracts shall be distributed on the same basis as aids for salaries, supplies and travel.

Subd. 5. The aid provided pursuant to this section shall be paid only for services rendered as designated in subdivision 2 or for the costs designated in subdivision 3 which are incurred in secondary vocational education programs for handicapped children which are approved by the commissioner of education and operated in accordance with rules promulgated by the state board. These rules shall be subject to the restrictions provided in section 124.573, subdivision 3. The procedure for application for approval of these programs shall be as provided in section 124.32, subdivisions 7 and 10 and the application review process shall be conducted jointly by the division of special and compensatory education and the division of vocational-technical education of the state department.

Subd. 6. All aid pursuant to this section shall be paid to the district or cooperative center providing the services. All aid received by a district or center from any source for secondary vocational education for handicapped children shall be utilized solely for that purpose.

# MINNESOTA STATUTES 1978

2069

SCHOOL TAXES, FUNDS, AIDS 124.611

Subd. 7. A district shall not receive aid pursuant to section 124.32 or 124.573 for salaries, supplies, travel or equipment for which the district receives aid pursuant to this section.

Subd. 8. All aid pursuant to this section shall be distributed at the same times and in the same manner as provided in section 124.573, subdivision 5. Aid for supplies shall be distributed at the same time as aid for salaries and travel.

[ 1978 c 764 s 72 ]

**124.58 MATCHING AID.** When aid is received from the United States conditioned upon the state meeting requirements specified by the government of the United States the state board shall allot the necessary funds to be paid by the state out of the general fund.

[ Ex1959 c 71 art 5 s 46; 1969 c 399 s 20 ]

**124.59 FEDERAL AID.** Any district or any other governmental agency designated by the state board which maintains a vocational school, department, or class shall be entitled to federal money under such acts for the salaries and necessary travel expenses of teachers of agriculture, trade and industrial education, home economics, and distributive education by meeting the requirements fixed by the state board and approved by the United States.

[ Ex1959 c 71 art 5 s 47 ]

**124.60 TEACHER TRAINING AID.** Teacher training schools and departments shall be entitled to federal money for the preparation or vocational-technical education teachers by meeting the requirements fixed by the state board and approved by the United States for the preparation of such teachers. The state board shall reimburse institutions selected by it to train teachers of vocational subjects to an amount of not to exceed one-half of the expenditures made for such training by these institutions, provided that no federal funds may be applied directly or indirectly to the purchase, erection, preservation, or repair of any building or equipment, or for the purchase or rental of lands or for the support of any religious or privately owned school or college.

[ Ex1959 c 71 art 5 s 48; 1969 c 261 s 1 ]

**124.61 TEACHERS' TRAINING, FEDERAL AID.** All disbursements of federal money for the benefit of teacher training schools or departments shall be made on the requisition of the state board by the state treasurer to the legally constituted authorities having custody of the money of such training schools or departments. All disbursements of federal and state money for the benefit of vocational schools, departments, or classes shall be made on the requisition of the state board by the state treasurer to the treasurers legally qualified to receive and disburse the funds for the districts or governmental agencies establishing and maintaining such schools, departments, and classes as herein provided.

[ Ex1959 c 71 art 5 s 49 ]

**124.611 ELIGIBLE TEACHER PROGRAM.** Subdivision 1. Any teacher who has been placed on unrequested leave of absence pursuant to section 125.12, subdivision 6a or 6b, or has been discharged pursuant to section 125.12, subdivision 3, or section 125.17, subdivision 2 or 3, as a result of a discontinued position, lack of pupils or financial limitations, may apply to the state board of education to be classified as an eligible teacher. The state board shall approve applications of teachers on unrequested leave of absence and teachers discharged pursuant to section 125.12, subdivision 3, or section 125.17, subdivision 2 or 3. By June 1, 1976, the state board shall issue a list of approved eligible teachers for the purpose of informing districts of the availability of these teachers; provided that nothing in this subdivision shall be construed to prohibit the state board from approving teacher applications received after publication of the list, but prior to December 31, 1976.

Subd. 2. Any district which has not placed any teachers on unrequested leave of absence pursuant to section 125.12, subdivision 6a or 6b, or has not discharged any teachers pursuant to section 125.12, subdivision 3, or section 125.17, subdivision 2 or 3, may petition the state board of education to be eligible to receive aid for hiring an eligible teacher.

Eligible teacher aid shall be paid according to the following schedule:

# MINNESOTA STATUTES 1978

## 124.615 SCHOOL TAXES, FUNDS, AIDS

2070

(1) In the 1976-1977 school year, the hiring school district shall receive an amount equal to 80 percent of the difference between the B.A. minimum salary in the hiring district and the salary which the teacher would receive in that year in the hiring district based upon his training, credits and experience;

(2) In the 1977-1978 school year, the hiring district shall receive aid equal to 60 percent of the salary difference in clause (1);

(3) In the 1978-1979 school year the hiring district shall receive aid equal to 40 percent of the salary difference in clause (1); and

(4) In the 1979-1980 school year and thereafter such aids shall terminate.

Subd. 3. The state board shall approve petitions and pay aid pursuant to this section only to the extent that funds are available. The amount appropriated for this purpose shall not be pro-rated.

[ 1975 c 432 s 69; 1976 c 271 s 63,64 ]

**124.615 SHORTAGE OF EDUCATIONAL PERSONNEL, ACCEPTANCE OF FEDERAL AID.** Subdivision 1. **Acceptance.** The Minnesota state board of education is herewith authorized to accept and administer federal funds available under Public Law 90-35, the Higher Education Act, Title V, Part B, Subpart 2, which are provided to meet the critical shortage of adequately trained education personnel in public schools with a concentration of disadvantaged pupils.

Subd. 2. **State plan.** The Minnesota state board of education shall adopt a state plan in conformity with the federal regulations and guidelines so that the funds may be utilized to the fullest extent.

Subd. 3. **Staff.** Available federal funds for the state administration of this section may be used for employment of necessary personnel in the department of education through classified or unclassified state service by contract for the period of time that the federal funds continue to be available therefor.

[ 1971 c 692 s 1-3 ]

**124.62 FEDERAL AID TO EDUCATION, ACCEPTANCE BY THE STATE.** Subdivision 1. In the event that the United States enacts legislation providing educational assistance to the states for the purpose of

- (1) General improvement of public elementary and secondary schools,
- (2) Improvement of school library service,
- (3) Improvement of health, welfare, and recreational service in the public schools,
- (4) Improvement of nursery schools and kindergartens,
- (5) Improvement of services for handicapped pupils,
- (6) Improvement of educational and vocational guidance activities,
- (7) Improvement of vocational education,
- (8) Improvement of rehabilitation and placement services,
- (9) Improvement of technical and vocational institutes of secondary grade,
- (10) Stimulation and improvement of parttime, civic, vocational and general adult education and recreational activities conducted by school systems,
- (11) Transportation of pupils,
- (12) Purchase of books and instructional material,
- (13) Provision of scholarships,
- (14) Improvement of teacher preparation,
- (15) Construction of school buildings,
- (16) Facilitating administration in state department of education,
- (17) Stimulating and facilitating adequate library services,
- (18) Stimulating and improving school lunch and milk programs, breakfast programs and other school oriented food programs,
- (19) Providing donated foods for schools, institutions, summer camps and welfare programs,

(20) Providing for the initiation, maintenance, or expansion of nonprofit food service programs for children in service institutions. Service institutions means private, nonprofit institutions or public institutions, such as child day-care centers, settlement houses, or recreation centers, which provide day care, or other child care where children are not maintained in residence, for children from areas in which poor economic conditions exist and from areas in which there are high concentrations of working mothers, and includes public and private nonprofit institutions providing day care services for handicapped children, and

(21) Making provision for educational research, planning and demonstrations, or for one or any combination of the above purposes.

At a time when the legislature is not in session, the governor shall have power to accept the provisions of such act or acts of congress of the United States, or to accept such parts or provisions as may be separately acceptable, by executive order, upon recommendation of the state board and pending further action by the legislature.

Subd. 2. Pursuant to such acceptance, the state board shall have authority to make and secure approval of plans to carry out the purposes of the provisions accepted.

Subd. 3. The state treasurer shall be the custodian of all funds received from the United States on account of such acceptance, and he shall disburse such funds on requisition of the state board for purposes consistent with the acts of congress and in accordance with the provisions of this section and of the order of acceptance.

[ Ex1959 c 71 art 5 s 50; 1969 c 872 s 1 ]

NOTE: For on the job training revolving fund, see Laws 1947, Chapter 599, Section 7, clause (8).

#### **124.63 NATIONAL FOREST LAND FUNDS, HANDLING AND DISPOSITION.**

Any county board may place the money, or any part thereof, received by such county from the federal government for and on account of any national forest lands situated therein into a special fund to be disbursed and paid over to any district now or hereafter maintaining and operating any school wholly or partly within an area now or hereafter constituting a part of any auxiliary or state forest. Such action shall be taken by the board by resolution duly adopted by it, which resolution shall specify the terms and conditions under which this money shall be so paid over and disbursed to any district.

[ Ex1959 c 71 art 5 s 51 ]

**124.64 FEDERAL AID TO INDIANS, POWER OF STATE BOARD.** The state board is hereby authorized to enter into contracts with the United States for the education of Indians in Minnesota, to receive grants of money from the United States and to disburse the same in accordance with the terms of the contract and such rules and standards as the state board may establish.

[ Ex1959 c 71 art 5 s 52 ]

**124.645 FEDERAL AID TO SERVICE INSTITUTIONS; FOOD SERVICE PROGRAMS.** Subdivision 1. **Acceptance.** The Minnesota state board of education is authorized to accept the provisions of Public Law 90-302, section 13 of the National School Lunch Act (42 U.S.C. 1761) so that it may administer federal funds designed to provide nonprofit food service programs for children in service institutions.

Subd. 2. **Contract.** The Minnesota state board of education may enter into a contract with the United States department of agriculture so that the available federal funds may be used to the fullest extent possible by the state of Minnesota.

Subd. 3. **Staff.** Available federal funds for the state administration of this section shall be used for the employment of necessary personnel in the department of education through classified or unclassified state service or by contract subject to approval by the commissioner of personnel for that period of time for which federal funds continue to be available.

[ 1971 c 117 s 1-3; 1973 c 507 s 45 ]

**124.646 SCHOOL LUNCH AID.** Subdivision 1. School districts shall be paid by the state in the amount of four cents for each full paid student type "A" lunch served to students in the district.

# MINNESOTA STATUTES 1978

## 124.65 SCHOOL TAXES, FUNDS, AIDS

2072

Subd. 2. School districts shall not be paid by the state for free or reduced price type "A" lunches served by the district.

Subd. 3. School districts shall apply to the state department of education for this payment on forms provided by the department.

[ 1977 c 447 art 6 s 6 ]

**124.65 TYPES OF SCHOOL AID.** Appropriations made for special state aid are for the following purposes:

Foundation program aid; emergency aid; transportation aid; aid for special classes of handicapped children; school lunch; county tuition equalization aid; gross earnings tax refund, and vocational aid.

[ Ex1959 c 71 art 5 s 53; 1961 c 551 s 1; 1963 c 20 s 1 ]

**124.66 PURPOSES OF SCHOOL AID.** State aid shall be for the following purposes:

(1) To assist in providing equal educational opportunities for all the school children of the state;

(2) To assist in establishing certain generally accepted minimum standards for all the public schools of the state;

(3) To assist districts whose tax levies for maintenance are exceptionally high; and

(4) To stimulate educational progress by grants of state aid for superior efficiency and high standards and for desirable educational undertakings not yet generally established.

[ Ex1959 c 71 art 5 s 54; 1963 c 19 s 1; 1969 c 399 s 21 ]

**124.67 NATIONAL DEFENSE EDUCATION ACT, ACCEPTANCE.** The provisions and benefits of Public Law 85-864, an act of the 85th Congress of the United States entitled "An act to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs; and for other purposes," cited as the "national defense education act of 1958," approved September 2, 1958, be and the same are hereby accepted, and the benefits of all funds appropriated under the provisions of such act are hereby accepted as provided in such act.

[ Ex1959 c 71 art 5 s 55 ]

**124.68 FEDERAL AID, COOPERATIVE RESEARCH.** The provisions of Public Law 531, an act of the 83rd Congress of the United States entitled "An act to authorize cooperative research in education", and approved July 26, 1954, be and the same are hereby accepted, and the benefits of all funds appropriated under the provisions of such act are hereby accepted as provided in such act.

[ Ex1959 c 71 art 5 s 56 ]

**124.69 FEDERAL AID, REDEVELOPMENT, VOCATIONAL TRAINING AND RETRAINING.** Subdivision 1. The state board of education of the state of Minnesota is authorized to (a) enter into such agreements as may be necessary with agencies of the federal government as provided by such public laws as may be passed by the 87th Congress of the United States relating to area redevelopment, and providing for vocational training and retraining, subsistence payments during retraining, and placement after retraining; and (b) to cooperate with such federal agencies to the end that residents of this state shall obtain all benefits and advantages available to them and intended by such act of Congress to be so available.

Subd. 2. All agencies of the state and its political subdivisions may cooperate in the efforts of such federal agencies to extend the benefits of this program to unemployed or underemployed individuals residing in redevelopment areas. Consistent with the requirements of such federal agencies administering such program, and the provisions of state or federal laws, agencies of the state and its political subdivisions shall promote means of retraining and placement which will preserve the stability of population and communities within the state of Minnesota and protect, to the extent permitted by law, the rights of individuals resident in redevelopment areas which have accrued by reason of their pre-existing employment.

Subd. 3. All public educational institutions are hereby authorized to cooperate with such federal agencies through the services and facilities available at such institutions which may be utilized as a result of said act of Congress.

[ 1961 c 719 s 1-3 ]

#### TAX ANTICIPATION BORROWING

**124.71 TAX AND AID ANTICIPATION BORROWING; DEFINITIONS.** Subdivision 1. School district as used in sections 124.71 to 124.78 means any school district in the state of Minnesota, however organized and wherever located.

Subd. 2. Commissioner as used in sections 124.71 to 124.78 means the commissioner of education of the state of Minnesota.

[ 1963 c 371 s 1 ]

**124.72 APPLICATION OF LIMITING TAX LEGISLATION.** Notwithstanding the provisions of section 471.69 or section 471.75, or of any other provision of law which by per capita limitation, mill rate limitation, or otherwise, limits the power of a school district to incur any debt or to issue any warrant or order, a school district has the powers in sections 124.71 to 124.78 specifically conferred upon it and all powers incident and necessary to carrying out the purposes of sections 124.71 to 124.78.

[ 1963 c 371 s 2 ]

**124.73 AUTHORITY TO BORROW MONEY, LIMITATIONS.** Subdivision 1. The board of any school district may borrow money upon negotiable tax anticipation certificates of indebtedness, in the manner and subject to the limitations set forth in sections 124.71 to 124.78, for the purpose of anticipating general taxes theretofore levied by the district for school purposes, but the aggregate of such borrowing under this subdivision shall never exceed 50 percent of such taxes which are due and payable in the calendar year, and as to which taxes no penalty for nonpayment or delinquency has attached.

Subd. 2. The board may also borrow money in the manner and subject to the limitations set forth in sections 124.71 to 124.78 in anticipation of receipt of state aids for schools as defined in Minnesota Statutes and of federal school aids to be distributed by or through the state department of education. The aggregate of such borrowings under this subdivision shall never exceed 75 percent of such aids which are receivable by said school district in the school year (from July 1 to June 30) in which the money is borrowed, as estimated and certified by the commissioner.

[ 1963 c 371 s 3 ]

**124.74 ENABLING RESOLUTION; FORM OF CERTIFICATES OF INDEBTEDNESS.** The board may authorize and effect such borrowing, and may issue such certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems such borrowing is necessary, which resolution shall be adopted by a vote of at least two thirds of its members. The board shall fix the amount, date, maturity, form, denomination, and other details thereof, not inconsistent herewith, and shall fix the date and place for receipt of bids for the purchase thereof when bids are required and direct the clerk to give notice thereof.

[ 1963 c 371 s 4; 1978 c 764 s 73 ]

**124.75 REPAYMENT; MATURITY DATE OF CERTIFICATES; INTEREST.** The proceeds of the current tax levies and future state aid receipts or other school funds which may become available shall be applied to the extent necessary to repay such certificates and the full faith and credit of the school district shall be pledged to their payment. Certificates issued in anticipation of receipt of aids shall mature not later than the anticipated date of receipt of the aids so anticipated as estimated by the commissioner, but in no event later than three months after the close of the school year in which issued. Certificates issued in anticipation of receipt of taxes shall mature not later than the anticipated date of receipt in full of the taxes so anticipated, but in no event later than three months after the close of the calendar year in which issued. The certificates shall be sold at not less than par. The certificates shall bear interest after maturity until paid at the rate they bore before maturity and any interest accruing before or after maturity shall be paid from any available school funds.

[ 1963 c 371 s 5; 1969 c 874 s 1 ]

# MINNESOTA STATUTES 1978

## 124.76 SCHOOL TAXES, FUNDS, AIDS

2074

**124.76 SALE OF CERTIFICATES; DISBURSEMENT OF PROCEEDS.** Subdivision 1. The clerk of the board shall give notice of the proposed sale as required by chapter 475. At the time and place so fixed, such certificates may be sold by the board, or its officers if authorized by the board, to the bidder who will agree to purchase the same on terms deemed most favorable to the district. Such certificates shall be executed and delivered as required by chapter 475. The money so received shall be disbursed solely for the purposes for which such taxes are levied or aids are receivable. The purchaser of such certificates shall not be obligated to see to such application of the proceeds.

Subd. 2. Public sale of tax and aid anticipation certificates of indebtedness according to subdivision 1 shall not be required if the proposed borrowing is in an amount less than \$400,000, and if the sum of all outstanding tax and aid anticipation certificates issued by the board within the preceding six months does not exceed \$400,000. If no public sale is held, the certificates of indebtedness must be sold in accordance with the most favorable of two or more proposals solicited privately.

[ 1963 c 371 s 6; 1974 c 406 s 15; 1978 c 764 s 74 ]

**124.77 PAYMENT OF AIDS; CERTIFICATION OF UNPAID AMOUNTS.** Upon the determination of the several amounts of school aids and reimbursements to be paid to the respective school districts in the manner and at the times as otherwise provided by law, the commissioner shall forthwith determine whether there are sufficient moneys available in the appropriate funds to make such payments. If the moneys available are sufficient to pay such amounts in full, the commissioner shall make such payments in full in the manner otherwise provided by law. If the moneys so available are not sufficient to pay such amounts in full but are sufficient to pay 25 percent or more of the amounts, the commissioner shall make pro rata payments to the several school districts of the amounts of moneys available therefor in the manner provided by law for payments thereof in full. If pro rata payment is so made, or if no payment is made of the amount due to each school district, the commissioner shall forthwith certify to each school district the unpaid amount which will be paid by the state to such school district when moneys are available in the state treasury so to do. The document on which such certification is made is hereinafter referred to as the certificate.

[ 1963 c 371 s 7 ]

**124.78 BORROWING AGAINST CERTIFIED UNPAID AIDS.** Upon receipt of the certificate, a school district may, by resolution of its school board, borrow money in an amount not exceeding the total amount which is shown on the certificate as the amount of moneys which is to be paid to the school district by the state as school aids or reimbursements. Such borrowing shall not be subject to the limit stated in section 124.73, subdivision 2. The school district may provide in the resolution (1) that it will pay interest on the moneys so borrowed at a rate not exceeding five percent per annum and assign the certificate and the moneys due thereunder as collateral to secure the payment of the moneys borrowed and that the full faith and credit of the school district is pledged to the payment of the moneys so borrowed, or (2) that it will assign the certificate and the moneys due thereunder at a discount which does not exceed an annual rate of five percent per annum on the total amount of the moneys assigned. Such assignment is effective only upon the registration thereof by the commissioner and thereafter the commissioner shall pay the moneys due and so assigned to the assignee. The commissioner shall pay such moneys due as school aids or reimbursement whether unassigned, assigned as collateral, or assigned at a discount, as soon as funds are available for the payment thereof. Such assignment of the certificate and the moneys at a discount shall be made only after calling for bids thereon when it is in the public interest so to do.

[ 1963 c 371 s 8 ]

**124.781 LIMITATION ON TAX ANTICIPATION BORROWING.** Except as approved by the commissioner, a district may not issue certificates of indebtedness pursuant to sections 124.71 to 124.78, for a larger proportion of its total anticipated tax or aid revenues than it borrowed against such revenues which were received in calendar 1973 with respect to tax revenues and in the 1972-1973 school year with respect to aid revenues.

[ 1973 c 683 s 17 ]



# MINNESOTA STATUTES 1978

2075

SCHOOL TAXES, FUNDS, AIDS 124.79

**124.79 ELEMENTARY AND SECONDARY EDUCATION, ACCEPTANCE OF FEDERAL FUNDS.** The state board of education is designated as the state agency to apply for, receive, accept, and administer federal funds which are made available under Public Law 89-10, an act of the 89th Congress entitled "An Act to strengthen and improve educational quality and educational opportunities in the nation's elementary and secondary schools," cited as the "Elementary and Secondary Education Act of 1965," and it shall comply with all requirements of such federal law or regulations to enable it to apply for, receive, and accept such funds.

The state board shall prescribe rules and regulations under which contracts, agreements, or arrangements may be made with agencies of the federal government for funds, services, commodities, or equipment to be made available to the schools, school systems, and educational institutions under the supervision or control of the state board, and such contracts, agreements, or arrangements shall be entered into in no other manner.

All arrangements under the Elementary and Secondary Education Act of 1965, and amendments thereto, for assignment of officers and employees of the state of Minnesota to the office of education of the federal government shall be made in accordance with the rules and regulations of the state board.

[ 1965 c 879 s 1 ]

**124.801** [ Repealed, 1975 c 432 s 98 ]

**124.802** [ Repealed, 1975 c 432 s 98 ]

**124.803** [ Repealed, 1975 c 432 s 98 ]

**124.804** [ Repealed, 1975 c 432 s 98 ]

**124.805** [ Repealed, 1975 c 432 s 98 ]

**124.806** [ Repealed, 1975 c 432 s 98 ]