

As Introduced

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H. B. No. 502

Representative Grossman

Cosponsors: Representatives Boose, Lehner, Bacon

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A B I L L

To amend section 3311.06 of the Revised Code to 1
prohibit an urban school district that is a party 2
to an annexation agreement from declining to 3
extend the agreement. 4

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 3311.06 of the Revised Code be 5
amended to read as follows: 6

Sec. 3311.06. (A) As used in this section: 7

(1) "Annexation" and "annexed" mean annexation for municipal 8
purposes under sections 709.02 to 709.37 of the Revised Code. 9

(2) "Annexed territory" means territory that has been annexed 10
for municipal purposes to a city served by an urban school 11
district, but on September 24, 1986, has not been transferred to 12
the urban school district. 13

(3) "Urban school district" means a city school district with 14
an average daily membership for the 1985-1986 school year in 15
excess of twenty thousand that is the school district of a city 16
that contains annexed territory. 17

(4) "Annexation agreement" means an agreement entered into 18

under division (F) of this section that has been approved by the 19
state board of education or an agreement entered into prior to 20
September 24, 1986, that meets the requirements of division (F) of 21
this section and has been filed with the state board. 22

(B) The territory included within the boundaries of a city, 23
local, exempted village, or joint vocational school district shall 24
be contiguous except where a natural island forms an integral part 25
of the district, where the state board of education authorizes a 26
noncontiguous school district, as provided in division (E)(1) of 27
this section, or where a local school district is created pursuant 28
to section 3311.26 of the Revised Code from one or more local 29
school districts, one of which has entered into an agreement under 30
section 3313.42 of the Revised Code. 31

(C)(1) When all of the territory of a school district is 32
annexed to a city or village, such territory thereby becomes a 33
part of the city school district or the school district of which 34
the village is a part, and the legal title to school property in 35
such territory for school purposes shall be vested in the board of 36
education of the city school district or the school district of 37
which the village is a part. 38

(2) When the territory so annexed to a city or village 39
comprises part but not all of the territory of a school district, 40
the said territory becomes part of the city school district or the 41
school district of which the village is a part only upon approval 42
by the state board of education, unless the district in which the 43
territory is located is a party to an annexation agreement with 44
the city school district. 45

Any urban school district that has not entered into an 46
annexation agreement with any other school district whose 47
territory would be affected by any transfer under this division 48
and that desires to negotiate the terms of transfer with any such 49
district shall conduct any negotiations under division (F) of this 50

section as part of entering into an annexation agreement with such a district. 51
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Any school district, except an urban school district, 53
desiring state board approval of a transfer under this division 54
shall make a good faith effort to negotiate the terms of transfer 55
with any other school district whose territory would be affected 56
by the transfer. Before the state board may approve any transfer 57
of territory to a school district, except an urban school 58
district, under this section, it must receive the following: 59

(a) A resolution requesting approval of the transfer, passed 60
by at least one of the school districts whose territory would be 61
affected by the transfer; 62

(b) Evidence determined to be sufficient by the state board 63
to show that good faith negotiations have taken place or that the 64
district requesting the transfer has made a good faith effort to 65
hold such negotiations; 66

(c) If any negotiations took place, a statement signed by all 67
boards that participated in the negotiations, listing the terms 68
agreed on and the points on which no agreement could be reached. 69

(D) The state board of education shall adopt rules governing 70
negotiations held by any school district except an urban school 71
district pursuant to division (C)(2) of this section. The rules 72
shall encourage the realization of the following goals: 73

(1) A discussion by the negotiating districts of the present 74
and future educational needs of the pupils in each district; 75

(2) The educational, financial, and territorial stability of 76
each district affected by the transfer; 77

(3) The assurance of appropriate educational programs, 78
services, and opportunities for all the pupils in each 79
participating district, and adequate planning for the facilities 80

needed to provide these programs, services, and opportunities. 81

Districts involved in negotiations under such rules may agree 82
to share revenues from the property included in the territory to 83
be transferred, establish cooperative programs between the 84
participating districts, and establish mechanisms for the 85
settlement of any future boundary disputes. 86

(E)(1) If territory annexed after September 24, 1986, is part 87
of a school district that is a party to an annexation agreement 88
with the urban school district serving the annexing city, the 89
transfer of such territory shall be governed by the agreement. If 90
the agreement does not specify how the territory is to be dealt 91
with, the boards of education of the district in which the 92
territory is located and the urban school district shall negotiate 93
with regard to the transfer of the territory which shall be 94
transferred to the urban school district unless, not later than 95
ninety days after the effective date of municipal annexation, the 96
boards of education of both districts, by resolution adopted by a 97
majority of the members of each board, agree that the territory 98
will not be transferred and so inform the state board of 99
education. 100

If territory is transferred under this division the transfer 101
shall take effect on the first day of July occurring not sooner 102
than ninety-one days after the effective date of the municipal 103
annexation. Territory transferred under this division need not be 104
contiguous to the district to which it is transferred. 105

(2) Territory annexed prior to September 24, 1986, by a city 106
served by an urban school district shall not be subject to 107
transfer under this section if the district in which the territory 108
is located is a party to an annexation agreement or becomes a 109
party to such an agreement not later than ninety days after 110
September 24, 1986. If the district does not become a party to an 111
annexation agreement within the ninety-day period, transfer of 112

territory shall be governed by division (C)(2) of this section. If 113
the district subsequently becomes a party to an agreement, 114
territory annexed prior to September 24, 1986, other than 115
territory annexed under division (C)(2) of this section prior to 116
the effective date of the agreement, shall not be subject to 117
transfer under this section. 118

(F) An urban school district may enter into a comprehensive 119
agreement with one or more school districts under which transfers 120
of territory annexed by the city served by the urban school 121
district after September 24, 1986, shall be governed by the 122
agreement. Such agreement must provide for the establishment of a 123
cooperative education program under section 3313.842 of the 124
Revised Code in which all the parties to the agreement are 125
participants and must be approved by resolution of the majority of 126
the members of each of the boards of education of the school 127
districts that are parties to it. An agreement may provide for 128
interdistrict payments based on local revenue growth resulting 129
from development in any territory annexed by the city served by 130
the urban school district. 131

An agreement entered into under this division may be altered, 132
modified, or terminated only by agreement, by resolution approved 133
by the majority of the members of each board of education, of all 134
school districts that are parties to the agreement, except that 135
with regard to any provision that affects only the urban school 136
district and one of the other districts that is a party, that 137
district and the urban district may modify or alter the agreement 138
by resolution approved by the majority of the members of the board 139
of that district and the urban district. Alterations, 140
modifications, terminations, and extensions of an agreement 141
entered into under this division do not require approval of the 142
state board of education, but shall be filed with the board after 143
approval and execution by the parties. 144

If an agreement provides for interdistrict payments, each party to the agreement, except any school district specifically exempted by the agreement, shall agree to make an annual payment to the urban school district with respect to any of its territory that is annexed territory in an amount not to exceed the amount certified for that year under former section 3317.029 of the Revised Code as that section existed prior to July 1, 1998; except that such limitation of annual payments to amounts certified under former section 3317.029 of the Revised Code does not apply to agreements or extensions of agreements entered into on or after June 1, 1992, unless such limitation is expressly agreed to by the parties. The agreement may provide that all or any part of the payment shall be waived if the urban school district receives its payment with respect to such annexed territory under former section 3317.029 of the Revised Code and that all or any part of such payment may be waived if the urban school district does not receive its payment with respect to such annexed territory under such section.

With respect to territory that is transferred to the urban school district after September 24, 1986, the agreement may provide for annual payments by the urban school district to the school district whose territory is transferred to the urban school district subsequent to annexation by the city served by the urban school district.

In the case of an agreement entered into under this division that was in effect on January 1, 2010, the urban school district shall not decline to extend that agreement upon the expiration of its term, as long as at least one other district that is a party to the agreement desires to extend the agreement.

(G) In the event territory is transferred from one school district to another under this section, an equitable division of the funds and indebtedness between the districts involved shall be

made under the supervision of the state board of education and 177
that board's decision shall be final. Such division shall not 178
include funds payable to or received by a school district under 179
Chapter 3306. or 3317. of the Revised Code or payable to or 180
received by a school district from the United States or any 181
department or agency thereof. In the event such transferred 182
territory includes real property owned by a school district, the 183
state board of education, as part of such division of funds and 184
indebtedness, shall determine the true value in money of such real 185
property and all buildings or other improvements thereon. The 186
board of education of the school district receiving such territory 187
shall forthwith pay to the board of education of the school 188
district losing such territory such true value in money of such 189
real property, buildings, and improvements less such percentage of 190
the true value in money of each school building located on such 191
real property as is represented by the ratio of the total 192
enrollment in day classes of the pupils residing in the territory 193
transferred enrolled at such school building in the school year in 194
which such annexation proceedings were commenced to the total 195
enrollment in day classes of all pupils residing in the school 196
district losing such territory enrolled at such school building in 197
such school year. The school district receiving such payment shall 198
place the proceeds thereof in its sinking fund or bond retirement 199
fund. 200

(H) The state board of education, before approving such 201
transfer of territory, shall determine that such payment has been 202
made and shall apportion to the acquiring school district such 203
percentage of the indebtedness of the school district losing the 204
territory as is represented by the ratio that the assessed 205
valuation of the territory transferred bears to the total assessed 206
valuation of the entire school district losing the territory as of 207
the effective date of the transfer, provided that in ascertaining 208
the indebtedness of the school district losing the territory the 209

state board of education shall disregard such percentage of the 210
par value of the outstanding and unpaid bonds and notes of said 211
school district issued for construction or improvement of the 212
school building or buildings for which payment was made by the 213
acquiring district as is equal to the percentage by which the true 214
value in money of such building or buildings was reduced in fixing 215
the amount of said payment. 216

(I) No transfer of school district territory or division of 217
funds and indebtedness incident thereto, pursuant to the 218
annexation of territory to a city or village shall be completed in 219
any other manner than that prescribed by this section regardless 220
of the date of the commencement of such annexation proceedings, 221
and this section applies to all proceedings for such transfers and 222
divisions of funds and indebtedness pending or commenced on or 223
after October 2, 1959. 224

Section 2. That existing section 3311.06 of the Revised Code 225
is hereby repealed. 226