

As Reported by the House Education Committee

130th General Assembly

Regular Session

2013-2014

Am. H. B. No. 216

Representative Patterson

Cosponsors: Representatives Foley, Antonio, Strahorn, Bishoff, Driehaus

—

A B I L L

To amend sections 3311.24 and 3311.38 and to enact 1
section 3311.241 of the Revised Code to forgive a 2
school district's indebtedness to the Solvency 3
Assistance Fund upon its voluntary consolidation 4
with another district if specified conditions are 5
satisfied. 6

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

Section 1. That sections 3311.24 and 3311.38 be amended and 7
section 3311.241 of the Revised Code be enacted to read as 8
follows: 9

Sec. 3311.24. (A)(1) Except as provided in division (B) of 10
this section, the board of education of a city, exempted village, 11
or local school district shall file with the state board of 12
education a proposal to transfer territory from such district to 13
an adjoining city, exempted village, or local school district in 14
any of the following circumstances: 15

(a) The district board deems the transfer advisable and, if 16
the portion of the district proposed to be transferred is five 17
acres or more, the board has obtained written consent to the 18
transfer from seventy-five per cent of the owners of parcels of 19

real property on the tax duplicate within that portion of the 20
district; 21

(b) A petition, signed by seventy-five per cent of the 22
qualified electors residing within that portion of a city, 23
exempted village, or local school district proposed to be 24
transferred voting at the last general election, requests such a 25
transfer; 26

(c) If no qualified electors reside in that portion of the 27
district proposed to be transferred, a petition, signed by 28
seventy-five per cent of the owners of parcels of real property on 29
the tax duplicate within that portion of the district, requests 30
such a transfer. 31

(2) The board of education of the district in which such 32
proposal originates shall file such proposal, together with a map 33
showing the boundaries of the territory proposed to be 34
transferred, with the state board of education prior to the first 35
day of April in any even-numbered year. The state board of 36
education may, if it is advisable, provide for a hearing in any 37
suitable place in any of the school districts affected by such 38
proposed transfer of territory. The state board of education or 39
its representatives shall preside at any such hearing. 40

(3) A board of education of a city, exempted village, or 41
local school district that receives a petition of transfer signed 42
by electors of the district under division (A)(1)(b) of this 43
section shall cause the board of elections to check the 44
sufficiency of signatures on the petition. A board of education of 45
a city, exempted village, or local school district that receives 46
written consent or a petition of transfer signed by owners of 47
parcels of real property under division (A)(1)(a) or (c) of this 48
section shall cause the county auditor to check the sufficiency of 49
signatures on the consent or petition. 50

(4) Not later than the first day of September the state board of education shall either approve or disapprove a proposed transfer of territory filed with it as provided by this section and shall notify, in writing, the boards of education of the districts affected by such proposed transfer of territory of its decision.

If the decision of the state board of education is an approval of the proposed transfer of territory then the board of education of the district in which the territory is located shall, within thirty days after receiving the state board of education's decision, adopt a resolution transferring the territory and shall forthwith submit a copy of such resolution to the treasurer of the board of education of the city, exempted village, or local school district to which the territory is transferred. Such transfer shall not be complete however, until:

(a) A resolution accepting the transfer has been passed by a majority vote of the full membership of the board of education of the city, exempted village, or local school district to which the territory is transferred;

(b) An Subject to section 3311.241 of the Revised Code, if applicable, an equitable division of the funds and indebtedness between the districts involved has been made by the board of education making the transfer;

(c) A map showing the boundaries of the territory transferred has been filed, by the board of education accepting the transfer, with the county auditor of each county affected by the transfer.

When such transfer is complete the legal title of the school property in the territory transferred shall be vested in the board of education or governing board of the school district to which the territory is transferred.

(B) Whenever the transfer of territory pursuant to this

section is initiated by a board of education, the board shall, 82
before filing a proposal for transfer with the state board of 83
education under this section, make a good faith effort to 84
negotiate the terms of transfer with any other school district 85
whose territory would be affected by the transfer. Before the 86
state board may hold a hearing on the transfer, or approve or 87
disapprove any such transfer, it must receive the following: 88

(1) A resolution requesting approval of the transfer passed 89
by the school district submitting the proposal and, if applicable, 90
evidence of the consent of affected property owners to the 91
transfer; 92

(2) Evidence determined to be sufficient by the state board 93
to show that good faith negotiations have taken place or that the 94
district requesting the transfer has made a good faith effort to 95
hold such negotiations; 96

(3) If any negotiations took place, a statement signed by all 97
boards that participated in the negotiations, listing the terms 98
agreed on and the points on which no agreement could be reached. 99

Negotiations held pursuant to this section shall be governed 100
by the rules adopted by the state board under division (D) of 101
section 3311.06 of the Revised Code. Districts involved in a 102
transfer under division (B) of this section may agree to share 103
revenues from the property included in the territory to be 104
transferred, establish cooperative programs between the 105
participating districts, and establish mechanisms for the 106
settlement of any future boundary disputes. 107

Sec. 3311.241. (A) In the case of a voluntary transfer of the 108
territory of a school district in accordance with section 3311.38 109
or division (A)(1)(a) of section 3311.24 of the Revised Code, and 110
where the transfer results in the complete consolidation and 111
dissolution of the transferring district, the net indebtedness 112

owed to the solvency assistance fund created under section 3316.20 113
of the Revised Code by the transferring district shall be 114
 canceled, provided that all of the following conditions are 115
 satisfied: 116

(1) The amount owed by the transferring district to the 117
 solvency assistance fund is greater than or equal to thirty-three 118
 per cent of the transferring school district's operating budget 119
 for the current fiscal year, but does not exceed ten million 120
 dollars. 121

(2) The transferring district has remained in a state of 122
 fiscal emergency pursuant to section 3316.03 of the Revised Code 123
 during the previous two fiscal years. 124

(3) The acquiring district is in the same county or in a 125
 county contiguous to the county in which the transferring district 126
 is located. 127

(4) The acquiring district has voluntarily accepted the 128
 transfer. 129

(5) The acquiring district has submitted to the state board 130
 of education a five-year written projection of solvency which 131
 takes into account the fiscal effects of acquiring the 132
 transferring district. 133

(B) If the conditions in division (A) of this section are 134
 satisfied, the acquiring district shall acquire the transferring 135
 district's territory free and clear of any amount owed by the 136
 transferring district to the solvency assistance fund. However, 137
 the acquiring district shall assume the obligations of all other 138
 liens, encumbrances, and debts of the transferring district. 139

(C) Upon the making of a transfer pursuant to this section, 140
 the board of education of the transferring district is thereby 141
 abolished, and the district is thereby dissolved. 142

(D) The director of budget and management may transfer any 143
available moneys from the general revenue fund, appropriated for 144
operating payments to schools, into the solvency assistance fund 145
to replace the amount owed by a transferring school district 146
forgone under division (A) of this section. 147

Sec. 3311.38. The state board of education may conduct, or 148
may direct the superintendent of public instruction to conduct, 149
studies where there is evidence of need for transfer of local, 150
exempted village, or city school districts, or parts of any such 151
districts, to contiguous or noncontiguous local, exempted village, 152
or city school districts. Such studies shall include a study of 153
the effect of any proposal upon any portion of a school district 154
remaining after such proposed transfer. The state board, in 155
conducting such studies and in making recommendations as a result 156
thereof, shall consider the possibility of improving school 157
district organization as well as the desires of the residents of 158
the school districts which would be affected. 159

(A) After the adoption of recommendations growing out of any 160
such study, or upon receipt of a resolution adopted by majority 161
vote of the full membership of the board of any city, local, or 162
exempted village school district requesting that the entire 163
district be transferred to another city, local, or exempted 164
village school district, the state board may propose by resolution 165
the transfer of territory, which may consist of part or all of the 166
territory of a local, exempted village, or city school district to 167
a contiguous local, exempted village, or city school district. 168

The state board shall thereupon file a copy of such proposal 169
with the board of education of each school district whose 170
boundaries would be altered by the proposal and with the governing 171
board of any educational service center in which such school 172
district is located. 173

The state board may, not less than thirty days following the 174
adoption of the resolution proposing the transfer of territory, 175
certify the proposal to the board of elections of the county or 176
counties in which any of the territory of the proposed district is 177
located, for the purpose of having the proposal placed on the 178
ballot at the next general election or at a primary election 179
occurring not less than ninety days after the adoption of such 180
resolution. 181

If any proposal has been previously initiated pursuant to 182
section 3311.22, 3311.231, or 3311.26 of the Revised Code which 183
affects any of the territory affected by the proposal of the state 184
board, the proposal of the state board shall not be placed on the 185
ballot while the previously initiated proposal is subject to an 186
election. 187

Upon certification of a proposal to the board of elections of 188
any county pursuant to this section, the board of elections of 189
such county shall make the necessary arrangements for the 190
submission of such question to the electors of the county 191
qualified to vote thereon, and the election shall be counted and 192
canvassed and the results shall be certified in the same manner as 193
in regular elections for the election of members of a board of 194
education. 195

The electors qualified to vote upon a proposal are the 196
electors residing in the local, exempted village, or city school 197
districts, containing territory proposed to be transferred. 198

If the proposed transfer be approved by a majority of the 199
electors voting on the proposal, the state board, subject to the 200
approval of the board of education of the district to which the 201
territory would be transferred, shall make such transfer prior to 202
the next succeeding July 1. 203

(B) If a study conducted in accordance with this section 204

involves a school district with less than four thousand dollars of 205
assessed value for each pupil in the total student count 206
determined under section 3317.03 of the Revised Code, the state 207
board of education, with the approval of the educational service 208
center governing board, and upon recommendation by the state 209
superintendent of public instruction, may by resolution transfer 210
all or any part of such a school district to any city, exempted 211
village, or local school district which has more than twenty-five 212
thousand pupils in average daily membership. Such resolution of 213
transfer shall be adopted only after the board of education of the 214
receiving school district has adopted a resolution approving the 215
proposed transfer. For the purposes of this division, the assessed 216
value shall be as certified in accordance with section 3317.021 of 217
the Revised Code. 218

(C) ~~Upon~~ Subject to section 3311.241 of the Revised Code, if 219
applicable, upon the making of a transfer of an entire school 220
district pursuant to this section, the indebtedness of the 221
district transferred shall be assumed in full by the acquiring 222
district and the funds of the district transferred shall be paid 223
over in full to the acquiring district, except that any 224
indebtedness of the transferred district incurred as a result of a 225
loan made under section 3317.64 of the Revised Code is hereby 226
canceled and shall not be assumed by the acquiring district. 227

(D) Upon the making of a transfer pursuant to this section, 228
when only part of a district is transferred, the net indebtedness 229
of each original district of which only a part is taken by the 230
acquiring district shall be apportioned between the acquiring 231
district and the original district in the ratio which the assessed 232
valuation of the part taken by the acquiring district bears to the 233
assessed valuation of the original district as of the effective 234
date of the transfer. As used in this section "net indebtedness" 235
means the difference between the par value of the outstanding and 236

unpaid bonds and notes of the school district and the amount held 237
in the sinking fund and other indebtedness retirement funds for 238
their redemption. 239

(E) Upon the making of a transfer pursuant to this section, 240
when only part of a district is transferred, the funds of the 241
district from which territory was transferred shall be divided 242
equitably by the state board between the acquiring district and 243
that part of the former district remaining after the transfer. 244

(F) If an entire school district is transferred, the board of 245
education of such district is thereby abolished. If part of a 246
school district is transferred, any member of the board of 247
education who is a legal resident of that part which is 248
transferred shall thereby cease to be a member of that board. 249

If an entire school district is transferred, foundation 250
program moneys accruing to a district accepting school territory 251
under the provisions of this section shall not be less, in any 252
year during the next succeeding three years following the 253
transfer, than the sum of the amounts received by the districts 254
separately in the year in which the transfer became effective. 255

Section 2. That existing sections 3311.24 and 3311.38 of the 256
Revised Code are hereby repealed. 257