

HB 1946 -- School District Bonded Indebtedness

Sponsor: Neth

This bill establishes a procedure by which a school district may increase its bonded indebtedness to 20% of the district's assessed valuation, rather than the current limit of 15%. A district initially qualifies by seeking funds for the construction of academic facilities, not being financially stressed or have been listed as financially stressed in the most recent five-year period, and holding a public hearing on the proposed bond issue at least seven days before the school board meeting at which the board will vote to place the question on the ballot.

If a district is growing with an annual increase in average daily attendance of 2% or more over the last 10 years, the growth rate will correspond with the percentage of allowable indebtedness in half percentage increments from 2% or more allowing a 16% bonded indebtedness level to 4% or more allowing a 20% bonded indebtedness level. If a district's most recent assessed valuation is less than \$100 million and the district's assessed valuation per average daily attendance is no greater than the median assessed valuation per average daily attendance, a district with less than \$20 million assessed valuation may bond up to 20% in \$20 million increments per percent of valuation to less than \$100 million assessed valuation at 16% bonded indebtedness. If a district's most recent assessed valuation is more than \$100 million and the district's assessed valuation per average daily attendance is no greater than the median assessed valuation per average daily attendance, a district with less than \$30,000 per average daily attendance assessed valuation may bond at 20% in \$10,000 increments to less than \$70,000 per average daily attendance at 16% bonded indebtedness.

For districts qualifying based on assessed valuation, verification from the district's bonding company is required to demonstrate that the district does not have the capacity to complete a major renovation to a facility at least 30 years old that is currently used for instructional purposes or to construct a replacement of a facility that is at least 30 years old or that has been severely damaged or destroyed by fire or other natural disaster.

The bill will become effective upon voter approval of a constitutional amendment raising the indebtedness level.