

HOUSE RESEARCH

Bill Summary

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Authors: Goodwin and others

Subject: Adjusting school district borders for certain split residential properties

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Overview

H.F. 205 creates a process whereby an owner of a residential property may petition the auditor of the county where any part of the parcel is located to unite the "split parcel" into a single school district.

Not only do school district boundaries not follow municipal boundaries, but in some cases, school district boundaries split individual parcels of property into more than one school district. The assessor determines what portion of the total value is in each school district. Each school district taxes the portion that is within its jurisdiction. Although these splits can occur with any property type, H.F. 205 only addresses the issue for residential (homestead and nonhomestead) property.

Section

1 Realigning split residential property parcels.

Subd. 1. Definitions. Defines a "split residential property parcel" as a parcel of real estate that is located within the boundaries of more than one school district.

Subd. 2. Petition. Allows the owner of a split residential property parcel to petition the county auditor to unite the parcel in one school district. The petition must contain:

- ▶ description of property;
- ▶ which school districts the split parcel is located in;
- ▶ the school district in which the owner desires to have the whole parcel

Section

transferred into; and

- ▶ which school district any students residing on the property are attending.

A copy of the petition must also be filed with the county auditor of any other county where the split parcel is located.

Subd. 3. Auditor's duties. Requires the auditor to issue an order within 60 days of receipt of the petition to transfer the affected parcel to the school district as determined by the county board. The auditor must notify the affected school districts and the commissioner of children, families and learning (CFL).

Subd. 4. Commissioner. Requires the commissioner of CFL to modify the records of school district boundaries to conform to the auditors' orders.

Subd. 5. Taxable property. Unites the split residential property parcel into a single parcel in one school district. The property's total value is then subject to the taxes imposed by the school district where the entire property is now located. None of the property will pay any school district taxes to the other school district where the parcel had been partially located in.

NOTE: An existing statutory process called detachment and annexation allows a property owner to petition the county board to move the **entire** property from one school district to another. However, under that process, the taxpayer must continue to pay any existing debt from the former school district until it is paid off unless waived by both school districts.

Effective July 1, 2003.