

As Introduced

131st General Assembly

Regular Session

2015-2016

H. B. No. 556

Representatives Duffey, Bishoff

A BILL

To amend section 3311.06 of the Revised Code to 1
make boundaries of certain school districts that 2
are parties to an annexation agreement permanent 3
under state law. 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 8
municipal purposes under sections 709.02 to 709.37 of the 9
Revised Code. 10

(2) "Annexed territory" means territory that has been 11
annexed for municipal purposes to a city served by an urban 12
school district, but on September 24, 1986, has not been 13
transferred to the urban school district. 14

(3) "Urban school district" means a city school district 15
with an average daily membership for the 1985-1986 school year 16
in excess of twenty thousand that is the school district of a 17
city that contains annexed territory. 18

(4) "Annexation agreement" means an agreement entered into 19
under division (F) of this section that has been approved by the 20
state board of education or an agreement entered into prior to 21
September 24, 1986, that meets the requirements of division (F) 22
of this section and has been filed with the state board. 23

(B) The territory included within the boundaries of a 24
city, local, exempted village, or joint vocational school 25
district shall be contiguous except where a natural island forms 26
an integral part of the district, where the state board of 27
education authorizes a noncontiguous school district, as 28
provided in division (E)(1) of this section, or where a local 29
school district is created pursuant to section 3311.26 of the 30
Revised Code from one or more local school districts, one of 31
which has entered into an agreement under section 3313.42 of the 32
Revised Code. 33

(C) (1) When all of the territory of a school district is 34
annexed to a city or village, such territory thereby becomes a 35
part of the city school district or the school district of which 36
the village is a part, and the legal title to school property in 37
such territory for school purposes shall be vested in the board 38
of education of the city school district or the school district 39
of which the village is a part. 40

(2) When the territory so annexed to a city or village 41
comprises part but not all of the territory of a school 42
district, the said territory becomes part of the city school 43
district or the school district of which the village is a part 44
only upon approval by the state board of education, unless the 45
district in which the territory is located is a party to an 46
annexation agreement with the city school district. 47

Any urban school district that has not entered into an 48

annexation agreement with any other school district whose 49
territory would be affected by any transfer under this division 50
and that desires to negotiate the terms of transfer with any 51
such district shall conduct any negotiations under division (F) 52
of this section as part of entering into an annexation agreement 53
with such a district. 54

Any school district, except an urban school district, 55
desiring state board approval of a transfer under this division 56
shall make a good faith effort to negotiate the terms of 57
transfer with any other school district whose territory would be 58
affected by the transfer. Before the state board may approve any 59
transfer of territory to a school district, except an urban 60
school district, under this section, it must receive the 61
following: 62

(a) A resolution requesting approval of the transfer, 63
passed by at least one of the school districts whose territory 64
would be affected by the transfer; 65

(b) Evidence determined to be sufficient by the state 66
board to show that good faith negotiations have taken place or 67
that the district requesting the transfer has made a good faith 68
effort to hold such negotiations; 69

(c) If any negotiations took place, a statement signed by 70
all boards that participated in the negotiations, listing the 71
terms agreed on and the points on which no agreement could be 72
reached. 73

(D) The state board of education shall adopt rules 74
governing negotiations held by any school district except an 75
urban school district pursuant to division (C)(2) of this 76
section. The rules shall encourage the realization of the 77

following goals:	78
(1) A discussion by the negotiating districts of the present and future educational needs of the pupils in each district;	79 80 81
(2) The educational, financial, and territorial stability of each district affected by the transfer;	82 83
(3) The assurance of appropriate educational programs, services, and opportunities for all the pupils in each participating district, and adequate planning for the facilities needed to provide these programs, services, and opportunities.	84 85 86 87
Districts involved in negotiations under such rules may agree to share revenues from the property included in the territory to be transferred, establish cooperative programs between the participating districts, and establish mechanisms for the settlement of any future boundary disputes.	88 89 90 91 92
(E) (1) If territory annexed after September 24, 1986, is part of a school district that is a party to an annexation agreement with the urban school district serving the annexing city, the transfer of such territory shall be governed by the agreement. If the agreement does not specify how the territory is to be dealt with, the boards of education of the district in which the territory is located and the urban school district shall negotiate with regard to the transfer of the territory which shall be transferred to the urban school district unless, not later than ninety days after the effective date of municipal annexation, the boards of education of both districts, by resolution adopted by a majority of the members of each board, agree that the territory will not be transferred and so inform the state board of education.	93 94 95 96 97 98 99 100 101 102 103 104 105 106

If territory is transferred under this division the 107
transfer shall take effect on the first day of July occurring 108
not sooner than ninety-one days after the effective date of the 109
municipal annexation. Territory transferred under this division 110
need not be contiguous to the district to which it is 111
transferred. 112

(2) Territory annexed prior to September 24, 1986, by a 113
city served by an urban school district shall not be subject to 114
transfer under this section if the district in which the 115
territory is located is a party to an annexation agreement or 116
becomes a party to such an agreement not later than ninety days 117
after September 24, 1986. If the district does not become a 118
party to an annexation agreement within the ninety-day period, 119
transfer of territory shall be governed by division (C) (2) of 120
this section. If the district subsequently becomes a party to an 121
agreement, territory annexed prior to September 24, 1986, other 122
than territory annexed under division (C) (2) of this section 123
prior to the effective date of the agreement, shall not be 124
subject to transfer under this section. 125

(F) An urban school district may enter into a 126
comprehensive agreement with one or more school districts under 127
which transfers of territory annexed by the city served by the 128
urban school district after September 24, 1986, shall be 129
governed by the agreement. Such agreement must provide for the 130
establishment of a cooperative education program under section 131
3313.842 of the Revised Code in which all the parties to the 132
agreement are participants and must be approved by resolution of 133
the majority of the members of each of the boards of education 134
of the school districts that are parties to it. An agreement may 135
provide for interdistrict payments based on local revenue growth 136
resulting from development in any territory annexed by the city 137

served by the urban school district. 138

An agreement entered into under this division may be 139
altered, modified, or terminated only by agreement, by 140
resolution approved by the majority of the members of each board 141
of education, of all school districts that are parties to the 142
agreement, except that with regard to any provision that affects 143
only the urban school district and one of the other districts 144
that is a party, that district and the urban district may modify 145
or alter the agreement by resolution approved by the majority of 146
the members of the board of that district and the urban 147
district. Alterations, modifications, terminations, and 148
extensions of an agreement entered into under this division do 149
not require approval of the state board of education, but shall 150
be filed with the board after approval and execution by the 151
parties. 152

If an agreement provides for interdistrict payments, each 153
party to the agreement, except any school district specifically 154
exempted by the agreement, shall agree to make an annual payment 155
to the urban school district with respect to any of its 156
territory that is annexed territory in an amount not to exceed 157
the amount certified for that year under former section 3317.029 158
of the Revised Code as that section existed prior to July 1, 159
1998; except that such limitation of annual payments to amounts 160
certified under former section 3317.029 of the Revised Code does 161
not apply to agreements or extensions of agreements entered into 162
on or after June 1, 1992, unless such limitation is expressly 163
agreed to by the parties. The agreement may provide that all or 164
any part of the payment shall be waived if the urban school 165
district receives its payment with respect to such annexed 166
territory under former section 3317.029 of the Revised Code and 167
that all or any part of such payment may be waived if the urban 168

school district does not receive its payment with respect to 169
such annexed territory under such section. 170

With respect to territory that is transferred to the urban 171
school district after September 24, 1986, the agreement may 172
provide for annual payments by the urban school district to the 173
school district whose territory is transferred to the urban 174
school district subsequent to annexation by the city served by 175
the urban school district. 176

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

residing in the school district losing such territory enrolled 200
at such school building in such school year. The school district 201
receiving such payment shall place the proceeds thereof in its 202
sinking fund or bond retirement fund. 203

(H) The state board of education, before approving such 204
transfer of territory, shall determine that such payment has 205
been made and shall apportion to the acquiring school district 206
such percentage of the indebtedness of the school district 207
losing the territory as is represented by the ratio that the 208
assessed valuation of the territory transferred bears to the 209
total assessed valuation of the entire school district losing 210
the territory as of the effective date of the transfer, provided 211
that in ascertaining the indebtedness of the school district 212
losing the territory the state board of education shall 213
disregard such percentage of the par value of the outstanding 214
and unpaid bonds and notes of said school district issued for 215
construction or improvement of the school building or buildings 216
for which payment was made by the acquiring district as is equal 217
to the percentage by which the true value in money of such 218
building or buildings was reduced in fixing the amount of said 219
payment. 220

(I) No transfer of school district territory or division 221
of funds and indebtedness incident thereto, pursuant to the 222
annexation of territory to a city or village shall be completed 223
in any other manner than that prescribed by this section 224
regardless of the date of the commencement of such annexation 225
proceedings, and this section applies to all proceedings for 226
such transfers and divisions of funds and indebtedness pending 227
or commenced on or after October 2, 1959. 228

(J) Notwithstanding anything to the contrary in the 229

Revised Code, on and after the effective date of this amendment, 230
the boundaries of any school district that is a party to an 231
annexation agreement as of the effective date of this amendment 232
shall not be changed if the district board passes a resolution 233
specifying that the district is subject to this division. 234

Section 2. That existing section 3311.06 of the Revised 235
Code is hereby repealed. 236