

**As Introduced**

**131st General Assembly**

**Regular Session**

**2015-2016**

**H. B. No. 556**

**Representatives Duffey, Bishoff**

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**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