275.29 Division of assets and liabilities after reorganization.

1. Between July 1 and July 20, or on a date determined by agreement of the initial board and the boards of districts receiving territory of the school districts affected, but not later than August 30, the initial board shall meet with the boards of districts receiving territory of the school districts affected, for the purpose of reaching joint agreement on an equitable division of the assets and an equitable distribution of the liabilities of the school districts affected. In addition, if outstanding general obligation indebtedness is in existence in any district, the initial board of directors of the newly formed school district shall meet with the boards of all school districts affected prior to April 30 prior to the school year the reorganization is effective to determine the distribution of liability for payment of the general obligation bonded indebtedness between the districts so that the newly formed district may certify its budget under the procedures specified in chapter 24. The boards shall consider the mandatory levy required in section 76.2 and shall assure the satisfaction of outstanding obligations. If a school district affected by the reorganization has outstanding bonds issued under section 423E.5* or 423F.4, the joint agreement shall assure that the estimated revenue under section 423F.2 for each district to which liability for payment of such bonds is assigned is sufficient for the payment of principal and interest on the outstanding bonds required to be paid in the budget year following reorganization.

2. For bonds issued under section 423E.5* or 423F.4, the approval of the joint agreement creates a lien on the revenues from the secure an advanced vision for education fund received by the school district to which liability is assigned, subject to the same priority as provided by the affected school district that issued the bonds.

[C73, §1715; C97, §2802; S13, §2802, 2820-g; C24, 27, 31, 35, 39, §**4137;** C46, 50, §274.19; C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §275.29]

84 Acts, ch 1078, §12; 85 Acts, ch 221, §6; 93 Acts, ch 1, §6; 93 Acts, ch 160, §9; 2015 Acts, ch 93, §3, 8; 2023 Acts, ch 71, §71, 98

Referred to in §256.11, 275.1, 275.12, 275.28

2023 amendment to subsection 1 applies to political subdivision budgets for fiscal years beginning on or after July 1, 2024; 2023 Acts, ch 71, §98

*Chapter 423E repealed effective June 30, 2023, pursuant to terms of former §423E.7; corrective legislation is pending