# Bond Case Briefs

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**BOND PROCEEDS - MINNESOTA**

## Douglas v. Stillwater Area Public Schools, Independent School District 834

**Court of Appeals of Minnesota - June 19, 2017 - N.W.2d - 2017 WL 2628047**

Petitioner sought writ of mandamus to compel school district to hold another bond referendum to obtain voter approval on planned changes to its use of bond proceeds.

The District Court dismissed petition. Petitioner appealed.

The Court of Appeals held that:

- Statutory provision, which permits a municipality to use bond proceeds for the purposes stated in the ballot language, unambiguously limits the scope of a bond referendum's purpose to the language on the ballot;
- School district's use of bond proceeds to make heating, ventilation, and air conditioning (HVAC) upgrades at elementary school was within bond referendum's broad purpose of using funds for the betterment of school facilities, and thus, district did not violate statute requiring it to spend bond proceeds for purposes stated in ballot language and did not need to hold another bond referendum;
- School district did not abandon bond referendum's broad purpose when it decided to close three elementary schools and cancel improvements scheduled at the schools, and thus, district's changes in plans for using bond proceeds did not require voter approval and did not violate statute requiring it to spend bond proceeds for purposes stated in ballot language; and
- District Court did not have the authority to issue writ of mandamus to compel school district to hold another bond referendum to obtain voter approval on planned changes to its use of bond proceeds.

School district's use of bond proceeds to make heating, ventilation, and air conditioning (HVAC) upgrades at elementary school was within bond referendum's broad purpose of using funds for the betterment of school facilities, and thus, district did not violate statute requiring it to spend bond proceeds for purposes stated in ballot language and did not need to hold another bond referendum to make the upgrades. Although district decided to convert the school into administrative facility after referendum was approved, ballot language provided for improvements to HVAC systems at existing elementary school sites and facilities, dependent clauses in the ballot question signified nonexclusive list, and HVAC upgrades fell within definition of the betterment of school sites and facilities.

School district did not abandon bond referendum's broad purpose of using funds for the betterment of school facilities when it decided to close three elementary schools and cancel improvements scheduled at the schools, and thus, district's changes in plans for using bond proceeds did not require voter approval and did not violate statute requiring it to spend bond proceeds for purposes stated in ballot language. Ballot language did not specifically require district to improve any of the three elementary schools that it planned to close, and project modifications were minor in scope.

District Court did not have the authority to issue writ of mandamus to compel school district to hold another bond referendum to obtain voter approval on planned changes to its use of bond proceeds. District Court could only prohibit school district from unauthorized statutory spending, and it could not order the district to hold a bond referendum as only a school district could submit a ballot question for the purpose of issuing bonds.

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