

A bill for an act
relating to education finance; expanding the tax levy for school district
judgments; amending Minnesota Statutes 2006, section 126C.43, subdivision 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 126C.43, subdivision 3, is amended to read:

Subd. 3. **Tax levy for judgment.** (a) A district may levy the amount necessary
to pay judgments against the district under section 123B.25 that became final after the
date the district certified its proposed levy in the previous year. A district may also levy
the amounts necessary to replace federal funds that have been disallowed because of a
federal audit of a state plan.

(b) With the approval of the commissioner, a district may spread this levy over a
period not to exceed three years.

(c) Upon approval through the adoption of a resolution by each of an intermediate
district's member school district boards, a member school district may include its
proportionate share of the costs of a judgment against an intermediate school district that
became final under section 123B.25 after the date that the earliest member school district
certified its proposed levy in the previous year. With the approval of the commissioner, an
intermediate school district member school district may spread this levy over a period
not to exceed three years.

EFFECTIVE DATE. This section is effective for taxes payable in 2009 and later.