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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 134

01/22/2013 Authored by Woodard and Erickson, S.,  
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act  
1.2 relating to education finance; repaying the school aids shifts; restoring the school  
1.3 district current year aid payment shift percentage to 90; eliminating the property  
1.4 tax recognition shift; amending Minnesota Statutes 2012, sections 123B.75,  
1.5 subdivision 5; 127A.45, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2012, section 123B.75, subdivision 5, is amended to read:

1.8 Subd. 5. **Levy recognition.** ~~(a) For fiscal years 2009 and 2010, in June of each~~  
1.9 ~~year, the school district must recognize as revenue, in the fund for which the levy was~~  
1.10 ~~made, the lesser of:~~

1.11 ~~(1) the sum of May, June, and July school district tax settlement revenue received in~~  
1.12 ~~that calendar year, plus general education aid according to section 126C.13, subdivision~~  
1.13 ~~4, received in July and August of that calendar year; or~~

1.14 ~~(2) the sum of:~~

1.15 ~~(i) 31 percent of the referendum levy certified according to section 126C.17, in~~  
1.16 ~~calendar year 2000; and~~

1.17 ~~(ii) the entire amount of the levy certified in the prior calendar year according to~~  
1.18 ~~section 124D.86, subdivision 4, for school districts receiving revenue under sections~~  
1.19 ~~124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (a),~~  
1.20 ~~and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision 6; plus~~

1.21 ~~(iii) zero percent of the amount of the levy certified in the prior calendar year for the~~  
1.22 ~~school district's general and community service funds, plus or minus auditor's adjustments,~~  
1.23 ~~not including the levy portions that are assumed by the state, that remains after subtracting~~  
1.24 ~~the referendum levy certified according to section 126C.17 and the amount recognized~~  
1.25 ~~according to item (ii).~~

2.1 ~~(b)~~ (a) For fiscal year years 2011, 2012, and later years 2013, in June of each year,  
 2.2 the school district must recognize as revenue, in the fund for which the levy was made,  
 2.3 the lesser of:

2.4 (1) the sum of May, June, and July school district tax settlement revenue received in  
 2.5 that calendar year, plus general education aid according to section 126C.13, subdivision  
 2.6 4, received in July and August of that calendar year; or

2.7 (2) the sum of:

2.8 (i) the greater of 48.6 percent of the referendum levy certified according to section  
 2.9 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified  
 2.10 according to section 126C.17 in calendar year 2000; plus

2.11 (ii) the entire amount of the levy certified in the prior calendar year according to  
 2.12 section 124D.4531, 124D.86, subdivision 4, for school districts receiving revenue under  
 2.13 sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2,  
 2.14 paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48,  
 2.15 subdivision 6; plus

2.16 (iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the  
 2.17 school district's general and community service funds, plus or minus auditor's adjustments,  
 2.18 that remains after subtracting the referendum levy certified according to section 126C.17  
 2.19 and the amount recognized according to item (ii).

2.20 (b) For fiscal year 2014 and later years, in June of each year, the school district must  
 2.21 recognize as revenue, in the fund for which the levy was made, the lesser of:

2.22 (1) the sum of May, June, and July school district tax settlement revenue received in  
 2.23 that calendar year, plus general education aid according to section 126C.13, subdivision  
 2.24 4, received in July and August of that calendar year; or

2.25 (2) the sum of:

2.26 (i) 31 percent of the referendum levy certified according to section 126C.17 in  
 2.27 calendar year 2000;

2.28 (ii) the entire amount of the levy certified in the prior calendar year according to  
 2.29 section 124D.4531; 124D.86, subdivision 4, for school districts receiving revenue under  
 2.30 sections 124D.86, subdivision 3, clauses (1) to (3); 126C.41, subdivisions 1, 2, paragraph  
 2.31 (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision  
 2.32 6; and

2.33 (iii) zero percent of the amount of the levy certified in the prior calendar year for the  
 2.34 school district's general and community service funds, plus or minus auditor's adjustments,  
 2.35 that remains after subtracting the referendum levy certified according to section 126C.17  
 2.36 and the amount recognized according to item (ii).

3.1 **EFFECTIVE DATE.** This section is effective July 1, 2013.

3.2 Sec. 2. Minnesota Statutes 2012, section 127A.45, subdivision 2, is amended to read:

3.3 Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county  
3.4 treasurers pursuant to section 276.10, apportionments from the school endowment fund  
3.5 pursuant to section 127A.33, apportionments by the county auditor pursuant to section  
3.6 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue  
3.7 pursuant to chapter 298.

3.8 (b) "Cumulative amount guaranteed" means the product of

3.9 (1) the cumulative disbursement percentage shown in subdivision 3; times

3.10 (2) the sum of

3.11 (i) the current year aid payment percentage of the estimated aid and credit

3.12 entitlements paid according to subdivision 13; plus

3.13 (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

3.14 (iii) the other district receipts.

3.15 (c) "Payment date" means the date on which state payments to districts are made  
3.16 by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday,  
3.17 or a weekday which is a legal holiday, the payment shall be made on the immediately  
3.18 preceding business day. The commissioner may make payments on dates other than  
3.19 those listed in subdivision 3, but only for portions of payments from any preceding  
3.20 payment dates which could not be processed by the electronic funds transfer method due  
3.21 to documented extenuating circumstances.

3.22 (d) The current year aid payment percentage equals ~~73 in fiscal year 2010 and 70 in~~  
3.23 ~~fiscal year 2011, and 60~~ 90 in fiscal years ~~2012~~ 2014 and later.

3.24 **EFFECTIVE DATE.** This section is effective July 1, 2013.