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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 769

02/21/2013 Authored by Faust, Barrett, Newton, Radinovich, Savick and others
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; increasing equalization aid levels for the operating
1.3 referendum and debt service equalization aid programs; amending Minnesota
1.4 Statutes 2012, sections 123B.53, subdivision 5; 126C.01, by adding subdivisions;
1.5 126C.17, subdivision 6.

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

1.7 Section 1. Minnesota Statutes 2012, section 123B.53, subdivision 5, is amended to read:

1.8 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a
1.9 district equals the sum of the first tier equalized debt service levy and the second tier
1.10 equalized debt service levy.

1.11 (b) A district's first tier equalized debt service levy equals the district's first tier debt
1.12 service equalization revenue times the lesser of one or the ratio of:

1.13 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
1.14 the year before the year the levy is certified by the adjusted pupil units in the district for
1.15 the school year ending in the year prior to the year the levy is certified; to

1.16 (2) ~~\$3,049~~ the product of \$6,098 and the ratio of the current year adjusted net tax
1.17 capacity equalizing factor to the adjusted net tax capacity equalizing factor as calculated
1.18 for revenue in fiscal year 2015.

1.19 (c) A district's second tier equalized debt service levy equals the district's second tier
1.20 debt service equalization revenue times the lesser of one or the ratio of:

1.21 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
1.22 the year before the year the levy is certified by the adjusted pupil units in the district for
1.23 the school year ending in the year prior to the year the levy is certified; to

2.1 (2) ~~\$7,622~~ the product of \$15,244 and the ratio of the current year adjusted net tax
 2.2 capacity equalizing factor to the adjusted net tax capacity equalizing factor as calculated
 2.3 for revenue in fiscal year 2015.

2.4 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 2.5 and later.

2.6 Sec. 2. Minnesota Statutes 2012, section 126C.01, is amended by adding a subdivision
 2.7 to read:

2.8 **Subd. 2a. Adjusted net tax capacity equalizing factor.** The adjusted net tax
 2.9 capacity equalizing factor equals the quotient derived by dividing the total adjusted net tax
 2.10 capacity of all school districts in the state for the year before the year the levy is certified by
 2.11 the total number of adjusted marginal cost pupil units in the state for the current school year.

2.12 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014 and later.

2.13 Sec. 3. Minnesota Statutes 2012, section 126C.01, is amended by adding a subdivision
 2.14 to read:

2.15 **Subd. 3a. Referendum market value equalizing factor.** The referendum market
 2.16 value equalizing factor equals the quotient derived by dividing the total referendum market
 2.17 value of all school districts in the state for the year before the year the levy is certified by
 2.18 the total number of resident marginal cost pupil units in the state for the current school year.

2.19 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014 and later.

2.20 Sec. 4. Minnesota Statutes 2012, section 126C.17, subdivision 6, is amended to read:

2.21 **Subd. 6. Referendum equalization levy.** (a) ~~For fiscal year 2003 and later,~~
 2.22 A district's referendum equalization levy equals the sum of the first tier referendum
 2.23 equalization levy and the second tier referendum equalization levy.

2.24 (b) A district's first tier referendum equalization levy equals the district's first tier
 2.25 referendum equalization revenue times the lesser of one or the ratio of the district's
 2.26 referendum market value per resident marginal cost pupil unit to ~~\$476,000~~ the product of
 2.27 \$952,000 and the ratio of the current year referendum market value equalizing factor to the
 2.28 referendum market value equalizing factor as calculated for revenue in fiscal year 2015.

2.29 (c) A district's second tier referendum equalization levy equals the district's second
 2.30 tier referendum equalization revenue times the lesser of one or the ratio of the district's
 2.31 referendum market value per resident marginal cost pupil unit to ~~\$270,000~~ the product of

3.1 \$540,000 and the ratio of the current year referendum market value equalizing factor to the
3.2 referendum market value equalizing factor as calculated for revenue in fiscal year 2015.

3.3 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
3.4 and later.