

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 895

02/25/2013 Authored by Marquart
The bill was read for the first time and referred to the Committee on Education Finance
03/11/2013 Adoption of Report: Pass and re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to education finance; removing obsolete language from the calculation of
1.3 referendum equalization revenue; amending Minnesota Statutes 2012, section
1.4 126C.17, subdivision 5.

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

1.6 Section 1. Minnesota Statutes 2012, section 126C.17, subdivision 5, is amended to read:

1.7 Subd. 5. **Referendum equalization revenue.** (a) ~~For fiscal year 2003 and later,~~
1.8 A district's referendum equalization revenue equals the sum of the first tier referendum
1.9 equalization revenue and the second tier referendum equalization revenue.

1.10 (b) A district's first tier referendum equalization revenue equals the district's first
1.11 tier referendum equalization allowance times the district's resident marginal cost pupil
1.12 units for that year.

1.13 (c) ~~For fiscal year 2006, a district's first tier referendum equalization allowance~~
1.14 ~~equals the lesser of the district's referendum allowance under subdivision 1 or \$500. For~~
1.15 ~~fiscal year 2007, a district's first tier referendum equalization allowance equals the lesser~~
1.16 ~~of the district's referendum allowance under subdivision 1 or \$600.~~

1.17 ~~For fiscal year 2008 and later,~~ A district's first tier referendum equalization allowance
1.18 equals the lesser of the district's referendum allowance under subdivision 1 or \$700.

1.19 (d) A district's second tier referendum equalization revenue equals the district's
1.20 second tier referendum equalization allowance times the district's resident marginal cost
1.21 pupil units for that year.

1.22 (e) ~~For fiscal year 2006, a district's second tier referendum equalization allowance~~
1.23 ~~equals the lesser of the district's referendum allowance under subdivision 1 or 18.6 percent~~
1.24 ~~of the formula allowance, minus the district's first tier referendum equalization allowance.~~

2.1 ~~For fiscal year 2007 and later,~~ A district's second tier referendum equalization allowance
2.2 equals the lesser of the district's referendum allowance under subdivision 1 or 26 percent
2.3 of the formula allowance, minus the district's first tier referendum equalization allowance.

2.4 (f) Notwithstanding paragraph (e), the second tier referendum allowance for a
2.5 district qualifying for secondary sparsity revenue under section 126C.10, subdivision 7, or
2.6 elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's
2.7 referendum allowance under subdivision 1 minus the district's first tier referendum
2.8 equalization allowance.

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