

126C.63 DEFINITIONS.

Subdivision 1. **Scope.** As used in sections 126C.63 to 126C.72, the terms defined in this section shall have the meanings given them.

Subd. 2. **District.** "District" means any school district defined in the Education Code.

Subd. 3. **Indebtedness; debt.** "Indebtedness" or "debt" means the net debt of any district computed according to section 475.51, subdivision 4, excluding loans made under sections 126C.61 to 126C.72.

Subd. 4. **Debt service fund.** "Debt service fund" means the aggregate of all funds maintained by a district which are appropriated to payment of principal of and interest on its debts as required by chapter 475.

Subd. 5. **Levy.** "Levy" means a district's net debt service levy after the reduction of debt service equalization aid under section 123B.53, subdivision 6. For taxes payable in 2003 and later, each district's maximum effort debt service levy for purposes of subdivision 8, must be reduced by an equal number of percentage points if the commissioner of management and budget determines that the levy reduction will not result in a payment from the general fund in the state treasury according to section 16A.641, as would be required under section 126C.72, subdivision 3. A district's levy that is adjusted under this section must not be reduced below 25 percent of the district's adjusted net tax capacity.

Subd. 6. **Debt service levy.** "Debt service levy" means the levy for all debt service fund purposes in accordance with chapter 475.

Subd. 7. **Required debt service levy.** "Required debt service levy" means the total dollar amount needed to be included in the taxes levied by the district in any year for payment of interest and principal falling due on its debts prior to collection of the next ensuing year's debt service levy.

Subd. 8. **Maximum effort debt service levy.** (a) "Maximum effort debt service levy" means the lesser of:

(1) a levy in whichever of the following amounts is applicable:

(i) in any district receiving a debt service loan for a debt service levy payable in 2002 and thereafter, or granted a capital loan after January 1, 2002, a levy in total dollar amount computed at a rate of 33.59 percent of adjusted net tax capacity for taxes payable in 2002 and thereafter;

(ii) in any district receiving a debt service loan for a debt service levy payable in 2001 or earlier, or granted a capital loan before January 2, 2002, a levy in a total dollar amount computed at a rate of 29.39 percent of adjusted net tax capacity for taxes payable in 2002 and thereafter; or

(2) a levy in any district for which a capital loan was approved prior to August 1, 1981, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted.

(b) The board in any district affected by the provisions of paragraph (a), clause (2), may elect instead to determine the amount of its levy according to the provisions of paragraph (a), clause (1). If a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of paragraph (a), clause (2), the liability of the district for the amount of the difference between the amount it levied under paragraph (a), clause (2), and the

amount it would have levied under paragraph (a), clause (1), and for interest on the amount of that difference, must not be satisfied and discharged pursuant to Minnesota Statutes 1988, or an earlier edition of Minnesota Statutes if applicable, section 124.43, subdivision 4.

Subd. 9. **Adjusted net tax capacity.** "Adjusted net tax capacity" means, as of any date, the net tax capacity of all taxable property most recently determined by the commissioner of revenue in accordance with the provisions of section 127A.48. "Market value" means the value of all taxable property in the district on which its net debt limit is based as provided in section 475.53, subdivision 4.

Subd. 10. **Fund.** "Fund" means the "maximum effort school loan fund."

Subd. 11. **School loan bonds.** "School loan bonds" means bonds issued by the state under section 126C.72 to support the fund and to refund bonds or certificates of indebtedness previously issued for that purpose.

Subd. 12. **Net proceeds.** "Net proceeds" of bonds means the amounts received upon their sale less expenses incident to their issuance, sale, and delivery and the amount required to pay and redeem any bonds or certificates of indebtedness refunded thereby.

Subd. 13. **Year.** "Year" means the school year ending on and including June 30 in each calendar year.

History: *Ex1959 c 27 s 3; 1961 c 562 s 4,5; 1963 c 601 s 1; 1965 c 875 s 1,2; 1967 c 583 s 1; 1969 c 6 s 21; 1969 c 1056 s 1,2; 1973 c 773 s 1; 1975 c 432 s 51-54; 1977 c 447 art 6 s 5; 1978 c 706 s 33; 1978 c 764 s 63; 1980 c 545 s 1; 1981 c 358 art 1 s 48; art 9 s 1; 1982 c 548 art 6 s 17; 1987 c 268 art 7 s 11; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 2,20; 1Sp1989 c 1 art 2 s 11; 1990 c 562 art 11 s 2; 1993 c 224 art 5 s 13; 1994 c 465 art 2 s 1; 1Sp1995 c 3 art 16 s 13; 1998 c 397 art 7 s 45-47,164; art 11 s 3; 1999 c 241 art 4 s 14,15; 1Sp2001 c 5 art 2 s 20; 1Sp2001 c 6 art 1 s 55 subd 2; art 4 s 16; 1Sp2003 c 9 art 4 s 18,19; 1Sp2005 c 5 art 4 s 16,17; 2009 c 101 art 2 s 109; 2012 c 292 art 1 s 11*