

A bill for an act
relating to education; removing the inflationary adjustment limitation; amending
Minnesota Statutes 2008, section 126C.17, subdivision 2.

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

Section 1. Minnesota Statutes 2008, section 126C.17, subdivision 2, is amended to read:

Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for
fiscal year 2007 and later, a district's referendum allowance must not exceed the greater of:

(1) the sum of: (i) a district's referendum allowance for fiscal year 1994 times 1.177
times the annual inflationary increase as calculated under paragraph (b) plus (ii) its
referendum conversion allowance for fiscal year 2003, minus (iii) \$215;

(2) the greater of (i): 26 percent of the formula allowance or (ii) \$1,294 times the
annual inflationary increase as calculated under paragraph (b); or

(3) for a newly reorganized district created after July 1, 2006, the referendum
revenue authority for each reorganizing district in the year preceding reorganization
divided by its resident marginal cost pupil units for the year preceding reorganization.

(b) For purposes of this subdivision, ~~for fiscal year 2005 and later, "inflationary
increase" means one plus the percentage change in the Consumer Price Index for urban
consumers, as prepared by the United States Bureau of Labor Standards, for the current
fiscal year to fiscal year 2004. For fiscal years 2009 and later, for purposes of paragraph
(a), clause (1), the inflationary increase equals the inflationary increase for fiscal year
2008 plus one-fourth of the percentage increase in the formula allowance for that year
compared with the formula allowance for fiscal year 2008.~~

EFFECTIVE DATE. This section is effective for fiscal years 2010 and later.