

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 2095

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DATE
03/13/2017

D-PG
1372 Introduction and first reading
Referred to E-12 Finance

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education finance; increasing school district referendum equalization
1.3 aid; increasing school district debt service equalization aid; amending Minnesota
1.4 Statutes 2016, sections 123B.53, subdivision 4; 126C.17, subdivision 6.

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

1.6 Section 1. Minnesota Statutes 2016, section 123B.53, subdivision 4, is amended to read:

1.7 Subd. 4. **Debt service equalization revenue.** (a) The debt service equalization revenue
1.8 of a district equals the sum of the first tier debt service equalization revenue and the second
1.9 tier debt service equalization revenue.

1.10 (b) The first tier debt service equalization revenue of a district equals the greater of zero
1.11 or the eligible debt service revenue minus the amount raised by a levy of 15.74 percent
1.12 times the adjusted net tax capacity of the district minus the second tier debt service
1.13 equalization revenue of the district.

1.14 (c) The second tier debt service equalization revenue of a district equals the greater of
1.15 zero or the eligible debt service revenue, minus the amount raised by a levy of 26.24 percent
1.16 for fiscal years 2017 and 2018, and 16.5 percent for fiscal year 2019 and later, times the
1.17 adjusted net tax capacity of the district.

1.18 Sec. 2. Minnesota Statutes 2016, section 126C.17, subdivision 6, is amended to read:

1.19 Subd. 6. **Referendum equalization levy.** (a) A district's referendum equalization levy
1.20 equals the sum of the first tier referendum equalization levy, the second tier referendum
1.21 equalization levy, and the third tier referendum equalization levy.

2.1 (b) A district's first tier referendum equalization levy equals the district's first tier
2.2 referendum equalization revenue times the lesser of one or the ratio of the district's
2.3 referendum market value per resident pupil unit to \$880,000.

2.4 (c) A district's second tier referendum equalization levy equals the district's second tier
2.5 referendum equalization revenue times the lesser of one or the ratio of the district's
2.6 referendum market value per resident pupil unit to \$510,000 for fiscal years 2017 and 2018,
2.7 and \$600,000 for fiscal year 2019 and later.

2.8 (d) A district's third tier referendum equalization levy equals the district's third tier
2.9 referendum equalization revenue times the lesser of one or the ratio of the district's
2.10 referendum market value per resident pupil unit to \$290,000 for fiscal years 2017 and 2018,
2.11 and \$400,000 for fiscal year 2019 and later.