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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **2585**

03/03/2014 Authored by Norton and Liebling  
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; adjusting the location equity regional definition;  
1.3 amending Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2e.

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

1.5 Section 1. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2e,  
1.6 is amended to read:

1.7 Subd. 2e. **Location equity revenue.** (a) For a school district located partially  
1.8 or wholly within a city of the first class or a school district with any of its area located  
1.9 within the seven-county metropolitan area, location equity revenue equals \$424 times the  
1.10 adjusted pupil units of the district for that school year.

1.11 (b) For all other school districts with more than 2,000 pupils in adjusted average  
1.12 daily membership for the fiscal year ending in the year before the levy is certified, location  
1.13 equity revenue equals \$212 times the adjusted pupil units of the district for that year.

1.14 (c) A district's location equity levy equals its location equity revenue times the lesser  
1.15 of one or the ratio of its referendum market value per resident pupil unit to \$510,000. The  
1.16 location equity revenue levy must be spread on referendum market value.

1.17 (d) A district's location equity aid equals its location equity revenue less its location  
1.18 equity levy, times the ratio of the actual amount levied to the permitted levy.

1.19 (e) A school district may elect not to participate in the location equity revenue  
1.20 program by a board vote taken prior to September 1 of the fiscal year before the fiscal year  
1.21 for which the decision not to participate becomes effective. The board resolution must  
1.22 state which fiscal years the district will not participate. A copy of the board resolution  
1.23 to not participate must be submitted to the commissioner.

- 2.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
- 2.2 and later.