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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2547

03/03/2014 Authored by Radinovich and Falk  
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; expanding eligibility for the location equity revenue  
1.3 program; making technical changes to the calculation of location equity revenue  
1.4 and referendum revenue; amending Minnesota Statutes 2013 Supplement,  
1.5 sections 126C.10, subdivision 2e; 126C.17, subdivision 1.

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

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

1.9 Subd. 2e. **Location equity revenue.** (a) ~~For a school district with any of its area~~  
1.10 ~~located within the seven-county metropolitan area,~~ Location equity revenue for a school  
1.11 district equals \$424 times the adjusted pupil units of the district for that school year.

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

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

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

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

2.1 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2016 and  
 2.2 later.

2.3 Sec. 2. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 1, is  
 2.4 amended to read:

2.5 Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance  
 2.6 ~~for fiscal year 2015~~ equals the result of the following calculations:

2.7 (1) multiply the referendum allowance the district would have received for fiscal  
 2.8 year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on  
 2.9 elections held before July 1, 2013, by the resident marginal cost pupil units the district  
 2.10 would have counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;

2.11 (2) add to the result of clause (1) the adjustment the district would have received  
 2.12 under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and  
 2.13 (c), based on elections held before July 1, 2013;

2.14 (3) divide the result of clause (2) by the district's adjusted pupil units for fiscal  
 2.15 year 2015; ~~and~~

2.16 (4) add to the result of clause (3) any additional referendum allowance per adjusted  
 2.17 pupil unit authorized by elections held between July 1, 2013, and December 31, 2013;

2.18 (5) add to the result in clause (4) any additional referendum allowance resulting from  
 2.19 inflation adjustments approved by the voters prior to January 1, 2014;

2.20 (6) subtract from the result of clause (5), the sum of a district's actual location  
 2.21 equity levy and location equity aid under section 126C.10, subdivision 2e, divided by the  
 2.22 adjusted pupil units of the district for that school year; and

2.23 ~~(4) (7)~~ if the result of clause ~~(3)~~ (6) is less than zero, set the allowance to zero.

2.24 (b) A district's referendum allowance equals the sum of the district's initial  
 2.25 referendum allowance ~~for fiscal year 2015~~, plus any additional referendum allowance per  
 2.26 adjusted pupil unit authorized after ~~June 30~~ December 31, 2013, minus ~~(i) the location~~  
 2.27 ~~equity revenue subtraction, and (ii) any allowances expiring in fiscal year 2016 or later,~~  
 2.28 provided that the allowance may not be less than zero. For a district with more than one  
 2.29 referendum allowance for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17,  
 2.30 the allowance calculated under paragraph (a), clause (3), must be divided into components  
 2.31 such that the same percentage of the district's allowance expires at the same time as the old  
 2.32 allowances would have expired under Minnesota Statutes 2012, section 126C.17. For a  
 2.33 district with more than one allowance for fiscal year 2015 that expires in the same year, the  
 2.34 reduction under paragraph (a), clause (6), to offset location equity revenue shall be made  
 2.35 first from any allowances that do not have an inflation adjustment approved by the voters.

3.1           ~~(e) For purposes of this subdivision, a district's location equity revenue subtraction~~  
3.2           ~~equals \$424 for a district receiving location equity revenue under section 126C.10,~~  
3.3           ~~subdivision 2d, paragraph (a), \$212 for a district receiving location equity revenue under~~  
3.4           ~~section 126C.10, subdivision 2d, paragraph (b), and zero for all other school districts.~~

3.5           **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016  
3.6           and later.