

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 709

(SENATE AUTHORS: MILLER)

DATE	D-PG	OFFICIAL STATUS
02/06/2017	527	Introduction and first reading
		Referred to E-12 Finance
02/22/2017	723a	Comm report: To pass as amended and re-refer to Taxes

1.1 A bill for an act

1.2 relating to education finance; authorizing aid payments to certain districts with

1.3 maximum effort loan interest payments between December 1, 1990, and June 30,

1.4 2016; proposing coding for new law in Minnesota Statutes, chapter 477A.

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

1.6 Section 1. **[477A.09] MAXIMUM EFFORT LOAN AID.**

1.7 For fiscal years 2018 through 2022, each school district with a maximum effort loan

1.8 under sections 126C.61 to 126C.72, outstanding as of June 30, 2016, is eligible for an aid

1.9 payment equal to one-fifth of the amount of interest that was paid on the loan between

1.10 December 1, 1990, and June 30, 2016. Aid payments under this section must be used to

1.11 reduce current year property taxes levied on net tax capacity within the district, or to reduce

1.12 future years' tax levies by:

1.13 (1) retaining payments made under this section in the district's debt redemption fund for

1.14 up to 20 years, notwithstanding the two-year limit under section 475.61, subdivision 3; or

1.15 (2) financing a defeasance of any future payments on outstanding bonded debt.

1.16 Aid under this section must be paid in fiscal years 2018 through 2022. An amount

1.17 sufficient to make aid payments under this section is annually appropriated from the general

1.18 fund to the commissioner of education.

1.19 **EFFECTIVE DATE.** This section is effective for fiscal year 2018 and thereafter.