

1.1 A bill for an act

1.2 relating to education finance; increasing the referendum equalizing factor;
1.3 eliminating the second tier of referendum equalization; amending Minnesota
1.4 Statutes 2008, section 126C.17, subdivisions 5, 6, 7.

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

1.6 Section 1. Minnesota Statutes 2008, section 126C.17, subdivision 5, is amended to read:

1.7 Subd. 5. **Referendum equalization revenue.** (a) For fiscal ~~year~~ years 2003 and
1.8 ~~later~~ through 2011, a district's referendum equalization revenue equals the sum of the
1.9 first tier referendum equalization revenue and the second tier referendum equalization
1.10 revenue. For fiscal year 2012 and later, a district's referendum equalization revenue equals
1.11 the referendum equalization allowance times the district's resident marginal cost pupil
1.12 units for that year.

1.13 (b) For fiscal years 2010 and 2011, a district's first tier referendum equalization
1.14 revenue equals the district's first tier referendum equalization allowance times the district's
1.15 resident marginal cost pupil units for that year.

1.16 (c) ~~For fiscal year 2006, a district's first tier referendum equalization allowance~~
1.17 ~~equals the lesser of the district's referendum allowance under subdivision 1 or \$500. For~~
1.18 ~~fiscal year 2007, a district's first tier referendum equalization allowance equals the lesser~~
1.19 ~~of the district's referendum allowance under subdivision 1 or \$600.~~

1.20 For fiscal ~~year~~ years 2008 and later through 2011, a district's first tier referendum
1.21 equalization allowance equals the lesser of the district's referendum allowance under
1.22 subdivision 1 or \$700.

S.F. No. 2384, as introduced - 86th Legislative Session (2009-2010) [10-4967]

2.1 (d) For fiscal years 2010 and 2011, a district's second tier referendum equalization
2.2 revenue equals the district's second tier referendum equalization allowance times the
2.3 district's resident marginal cost pupil units for that year.

2.4 (e) For fiscal year 2012 and later, the referendum equalization allowance equals \$700.

2.5 (f) For fiscal year 2006, a district's second tier referendum equalization allowance
2.6 equals the lesser of the district's referendum allowance under subdivision 1 or 18.6
2.7 percent of the formula allowance, minus the district's first tier referendum equalization
2.8 allowance. For fiscal year years 2007 and later through 2011, a district's second tier
2.9 referendum equalization allowance equals the lesser of the district's referendum allowance
2.10 under subdivision 1 or 26 percent of the formula allowance, minus the district's first tier
2.11 referendum equalization allowance. For fiscal year 2012 and later, a district's referendum
2.12 equalization allowance equals the lesser of the district's referendum allowance under
2.13 subdivision 1 or 26 percent of the formula allowance.

2.14 ~~(f)~~(g) Notwithstanding paragraph (e) (f), for fiscal years 2010 and 2011, the second
2.15 tier referendum allowance for a district qualifying for secondary sparsity revenue under
2.16 section 126C.10, subdivision 7, or elementary sparsity revenue under section 126C.10,
2.17 subdivision 8, equals the district's referendum allowance under subdivision 1 minus the
2.18 district's first tier referendum equalization allowance. Notwithstanding paragraph (f), for
2.19 fiscal year 2012 and later, the referendum equalization allowance for a district qualifying
2.20 for secondary sparsity revenue under section 126C.10, subdivision 7, or elementary
2.21 sparsity revenue under section 126C.10, subdivision 8, equals the district's referendum
2.22 allowance under subdivision 1.

2.23 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2012
2.24 and later.

2.25 Sec. 2. Minnesota Statutes 2008, section 126C.17, subdivision 6, is amended to read:

2.26 Subd. 6. **Referendum equalization levy.** (a) For fiscal ~~year~~ years 2003 and later
2.27 through 2011, a district's referendum equalization levy equals the sum of the first tier
2.28 referendum equalization levy and the second tier referendum equalization levy.

2.29 (b) A district's first tier referendum equalization levy equals the district's first tier
2.30 referendum equalization revenue times the lesser of one or the ratio of the district's
2.31 referendum market value per resident marginal cost pupil unit to \$476,000.

2.32 (c) A district's second tier referendum equalization levy equals the district's second
2.33 tier referendum equalization revenue times the lesser of one or the ratio of the district's
2.34 referendum market value per resident marginal cost pupil unit to \$270,000.

S.F. No. 2384, as introduced - 86th Legislative Session (2009-2010) [10-4967]

3.1 (d) For fiscal year 2012 and later, a district's referendum equalization levy equals
3.2 the district's referendum equalization revenue times the lesser of one or the ratio of the
3.3 district's referendum market value per resident marginal cost pupil unit to \$1,000,000.

3.4 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2012
3.5 and later.

3.6 Sec. 3. Minnesota Statutes 2008, section 126C.17, subdivision 7, is amended to read:

3.7 Subd. 7. **Referendum equalization aid.** (a) A district's referendum equalization aid
3.8 equals the difference between its referendum equalization revenue and levy.

3.9 (b) For fiscal years 2010 and 2011 only, if a district's actual levy for first or second
3.10 tier referendum equalization revenue is less than its maximum levy limit for that tier, aid
3.11 shall be proportionately reduced. For fiscal year 2012 and later, if a district's actual levy
3.12 for referendum equalization revenue is less than its maximum levy limit, aid shall be
3.13 proportionately reduced.

3.14 (c) Notwithstanding paragraph (a), the referendum equalization aid for a district,
3.15 where the referendum equalization aid under paragraph (a) exceeds 90 percent of the
3.16 referendum revenue, must not exceed 26 percent of the formula allowance times the
3.17 district's resident marginal cost pupil units. A district's referendum levy is increased by the
3.18 amount of any reduction in referendum aid under this paragraph.

3.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2012
3.20 and later.