

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 2712

(SENATE AUTHORS: KENT, Dahle, Kiffmeyer, Stumpf and Jensen)

DATE	D-PG	OFFICIAL STATUS
03/14/2016	5036	Introduction and first reading Referred to Finance
03/23/2016	5239	Author added Jensen

A bill for an act  
relating to education finance; increasing debt service equalization aid for school  
districts; amending Minnesota Statutes 2014, section 123B.53, subdivisions 5, 6;  
Minnesota Statutes 2015 Supplement, section 123B.53, subdivision 4.

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

Section 1. Minnesota Statutes 2015 Supplement, section 123B.53, subdivision 4, is  
amended to read:

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

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

~~(c) The second tier debt service equalization revenue of a district equals the greater  
of zero or the eligible debt service revenue, minus the amount raised by a levy of 26.24  
percent times the adjusted net tax capacity of the district.~~

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018  
and later.

Sec. 2. Minnesota Statutes 2014, section 123B.53, subdivision 5, is amended to read:

Subd. 5. **Equalized debt service levy.** ~~(a) The equalized debt service levy of a  
district equals the sum of the first tier equalized debt service levy and the second tier  
equalized debt service levy.~~

~~(b) A district's first tier equalized debt service levy equals the district's first tier debt service equalization revenue times the lesser of one or the ratio of:~~

~~(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to~~

~~(2) \$3,400 in fiscal year 2016 and \$4,430 in fiscal year 2017 and later.~~

~~(c) A district's second tier equalized debt service levy equals the district's second tier debt service equalization revenue times the lesser of one or the ratio of:~~

~~(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to~~

~~(2) \$8,000 100 percent of the statewide adjusted net tax capacity equalizing factor under section 123B.535, subdivision 1, paragraph (b).~~

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

Sec. 3. Minnesota Statutes 2014, section 123B.53, subdivision 6, is amended to read:

Subd. 6. **Debt service equalization aid.** ~~(a) A district's debt service equalization aid is the sum of the district's first tier debt service equalization aid and the district's second tier debt service equalization aid.~~

~~(b) A district's first tier debt service equalization aid equals the difference between the district's first tier debt service equalization revenue and the district's first tier equalized debt service levy.~~

~~(c) A district's second tier debt service equalization aid equals the difference between the district's second tier debt service equalization revenue and the district's second tier equalized debt service levy.~~

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.