

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FIRST SESSION**

**S.F. No. 31**

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DATE  
01/10/2019

D-PG

50 Introduction and first reading  
Referred to E-12 Finance and Policy

OFFICIAL STATUS

- 1.1 A bill for an act
- 1.2 relating to education finance; increasing equalization levels for school district debt
- 1.3 service levies; amending Minnesota Statutes 2018, section 123B.53, subdivision
- 1.4 5.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2018, section 123B.53, subdivision 5, is amended to read:
- 1.7 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a district
- 1.8 equals the sum of the first tier equalized debt service levy and the second tier equalized debt
- 1.9 service levy.
- 1.10 (b) A district's first tier equalized debt service levy equals the district's first tier debt
- 1.11 service equalization revenue times the lesser of one or the ratio of:
- 1.12 (1) the quotient derived by dividing the adjusted net tax capacity of the district for the
- 1.13 year before the year the levy is certified by the adjusted pupil units in the district for the
- 1.14 school year ending in the year prior to the year the levy is certified; to
- 1.15 (2) ~~\$3,400 in fiscal year 2016, \$4,430 in fiscal year 2017, and~~ the greater of \$4,430 or
- 1.16 55.33 percent of the initial equalizing factor in fiscal ~~year 2018~~ years 2019 and 2020, and
- 1.17 ... percent of the initial equalizing factor in fiscal year 2021 and later.
- 1.18 (c) A district's second tier equalized debt service levy equals the district's second tier
- 1.19 debt service equalization revenue times the lesser of one or the ratio of:
- 1.20 (1) the quotient derived by dividing the adjusted net tax capacity of the district for the
- 1.21 year before the year the levy is certified by the adjusted pupil units in the district for the
- 1.22 school year ending in the year prior to the year the levy is certified; to

2.1 (2) ~~(\$8,000 in fiscal years 2016 and 2017, and the greater of \$8,000 or 100 percent of~~  
2.2 ~~the initial equalizing factor in fiscal year 2018 and years 2019 and 2020, and ... percent of~~  
2.3 ~~the initial equalizing factor in fiscal year 2021 and later.~~

2.4 (d) For the purposes of this subdivision, the initial equalizing factor equals the quotient  
2.5 derived by dividing the total adjusted net tax capacity of all school districts in the state for  
2.6 the year before the year the levy is certified by the total number of adjusted pupil units in  
2.7 all school districts in the state in the year before the year the levy is certified.

2.8 **EFFECTIVE DATE.** This section is effective for levies payable in 2020 and later.