

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 462

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DATE	D-PG	OFFICIAL STATUS
02/14/2013	232	Introduction and first reading Referred to Finance

1.1 A bill for an act
1.2 relating to education finance; adjusting levy reductions related to taconite
1.3 revenue; amending Minnesota Statutes 2012, section 126C.48, subdivision 8.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2012, section 126C.48, subdivision 8, is amended to read:

1.6 Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies
1.7 pursuant to subdivision 1 must be made prior to the reductions in clause (2).

1.8 (2) Notwithstanding any other law to the contrary, districts that have revenue
1.9 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed
1.10 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34
1.11 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon
1.12 severed mineral values must reduce the levies authorized by this chapter and chapters
1.13 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by 95 percent of the sum of the
1.14 previous year's revenue specified under this clause and the amount attributable to the same
1.15 production year distributed to the cities and townships within the school district under
1.16 section 298.28, subdivision 2, paragraph (c).

1.17 (3) The amount of any voter approved referendum, facilities down payment, and
1.18 debt levies shall not be reduced by more than 50 percent under this subdivision. In
1.19 administering this paragraph, the commissioner shall first reduce the nonvoter approved
1.20 levies of a district; then, if any payments, severed mineral value tax revenue or recognized
1.21 revenue under paragraph (2) remains, the commissioner shall reduce any voter approved
1.22 referendum levies authorized under section 126C.17; then, if any payments, severed
1.23 mineral value tax revenue or recognized revenue under paragraph (2) remains, the
1.24 commissioner shall reduce any voter approved facilities down payment levies authorized

2.1 under section 123B.63 and then, if any payments, severed mineral value tax revenue or
2.2 recognized revenue under paragraph (2) remains, the commissioner shall reduce any
2.3 voter approved debt levies.

2.4 (4) Before computing the reduction pursuant to this subdivision of the health and
2.5 safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner
2.6 shall ascertain from each affected school district the amount it proposes to levy under
2.7 each section or subdivision. The reduction shall be computed on the basis of the amount
2.8 so ascertained.

2.9 (5) To the extent the levy reduction calculated under paragraph (2) exceeds the
2.10 limitation in paragraph (3), an amount equal to the excess must be distributed from the
2.11 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following
2.12 year to the cities and townships within the school district in the proportion that their
2.13 taxable net tax capacity within the school district bears to the taxable net tax capacity of
2.14 the school district for property taxes payable in the year prior to distribution. No city or
2.15 township shall receive a distribution greater than its levy for taxes payable in the year prior
2.16 to distribution. The commissioner of revenue shall certify the distributions of cities and
2.17 towns under this paragraph to the county auditor by September 30 of the year preceding
2.18 distribution. The county auditor shall reduce the proposed and final levies of cities and
2.19 towns receiving distributions by the amount of their distribution. Distributions to the cities
2.20 and towns shall be made at the times provided under section 298.27.

2.21 **EFFECTIVE DATE.** This section is effective for levies certified in 2013 and later.