

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 569

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| DATE | D-PG | OFFICIAL STATUS |
|------------|------|---|
| 02/18/2013 | 282 | Introduction and first reading Referred to Finance |
| 02/25/2013 | 398 | Withdrawn and re-referred to Taxes |
| 03/07/2013 | 736a | Comm report: To pass as amended and re-refer to Finance |

1.1 A bill for an act
 1.2 relating to education; providing property tax relief; increasing and indexing
 1.3 equalization levies; amending Minnesota Statutes 2012, sections 123B.53,
 1.4 subdivisions 4, 5; 126C.10, subdivisions 29, 32; 126C.17, subdivision 6, by
 1.5 adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2012, section 123B.53, subdivision 4, is amended to read:

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

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

1.15 (c) The second tier debt service equalization revenue of a district equals the greater
 1.16 of zero or the eligible debt service revenue, excluding alternative facilities levies under
 1.17 section 123B.59, subdivision 5, minus the amount raised by a levy of 26.24 percent times
 1.18 the adjusted net tax capacity of the district.

1.19 Sec. 2. Minnesota Statutes 2012, section 123B.53, subdivision 5, is amended to read:

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

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

2.1 adjusted net tax capacity per resident marginal cost pupil unit to state first tier debt service
 2.2 equalizing factor. The state first tier debt service equalizing factor equals 125 percent of
 2.3 the quotient derived by dividing the total adjusted net tax capacity of all school districts in
 2.4 the state for the year before the levy is certified by the total number of adjusted marginal
 2.5 cost pupil units in all school districts in the state in the year before the levy is certified.

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

2.9 ~~(2) \$3,049.~~

2.10 (c) A district's second tier equalized debt service levy equals the district's second
 2.11 tier debt service equalization revenue times the lesser of one or the ratio of: the district's
 2.12 adjusted net tax capacity per resident marginal cost pupil unit to state first tier debt service
 2.13 equalizing factor. The state first tier debt service equalizing factor equals 200 percent of
 2.14 the quotient derived by dividing the total adjusted net tax capacity of all school districts in
 2.15 the state for the year before the levy is certified by the total number of adjusted marginal
 2.16 cost pupil units in all school districts in the state in the year before the levy is certified.

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

2.20 ~~(2) \$7,622.~~

2.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 2.22 and later.

2.23 Sec. 3. Minnesota Statutes 2012, section 126C.10, subdivision 29, is amended to read:

2.24 Subd. 29. **Equity levy.** To obtain equity revenue for fiscal year ~~2005~~ 2015 and later,
 2.25 a district may levy an amount not more than the product of its equity revenue for the
 2.26 fiscal year times the lesser of one or the ratio of its referendum market value per resident
 2.27 marginal cost pupil unit to ~~\$476,000~~ the state first tier referendum equalizing factor as
 2.28 defined in section 126C.17, subdivision 6a.

2.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 2.30 and later.

2.31 Sec. 4. Minnesota Statutes 2012, section 126C.10, subdivision 32, is amended to read:

2.32 Subd. 32. **Transition levy.** To obtain transition revenue for fiscal year 2005 and
 2.33 later, a district may levy an amount not more than the product of its transition revenue

3.1 for the fiscal year times the lesser of one or the ratio of its referendum market value per
 3.2 resident marginal cost pupil unit to ~~\$476,000~~ the state first tier referendum equalizing
 3.3 factor as defined in section 126C.17, subdivision 6a.

3.4 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 3.5 and later.

3.6 Sec. 5. Minnesota Statutes 2012, section 126C.17, subdivision 6, is amended to read:

3.7 Subd. 6. **Referendum equalization levy.** ~~(a) For fiscal year 2003 and later,~~
 3.8 A district's referendum equalization levy equals the sum of the first tier referendum
 3.9 equalization levy and the second tier referendum equalization levy.

3.10 (b) A district's first tier referendum equalization levy equals the district's first tier
 3.11 referendum equalization revenue times the lesser of one or the ratio of the district's
 3.12 referendum market value per resident marginal cost pupil unit to ~~\$476,000~~ the state first
 3.13 tier referendum equalizing factor as derived in subdivision 6a.

3.14 (c) A district's second tier referendum equalization levy equals the district's second
 3.15 tier referendum equalization revenue times the lesser of one or the ratio of the district's
 3.16 referendum market value per resident marginal cost pupil unit to ~~\$270,000~~ the state second
 3.17 tier referendum equalizing factor as derived in subdivision 6a.

3.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 3.19 and later.

3.20 Sec. 6. Minnesota Statutes 2012, section 126C.17, is amended by adding a subdivision
 3.21 to read:

3.22 Subd. 6a. **State referendum equalizing factors.** (a) The state first tier referendum
 3.23 equalizing factor equals 150 percent of the quotient derived by dividing the total
 3.24 referendum market value of all school districts in the state for the year before the levy is
 3.25 certified by the total number of resident marginal cost pupil units in all school districts in
 3.26 the state for the school year ending in the year before the levy is certified.

3.27 (b) The state second tier referendum equalizing factor equals 100 percent of the
 3.28 quotient derived by dividing the total referendum market value of all school districts in
 3.29 the state for the year before the levy is certified by the total number of resident marginal
 3.30 cost pupil units in all school districts in the state for the school year ending in the year
 3.31 before the levy is certified.

3.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 3.33 and later.