

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 2712

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

DATE	D-PG	OFFICIAL STATUS
03/14/2016		Introduction and first reading Referred to Finance

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

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

1.6 Section 1. Minnesota Statutes 2015 Supplement, section 123B.53, subdivision 4, is
 1.7 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, minus the amount raised by a levy of ~~26.24~~
 1.17 percent times the adjusted net tax capacity of the district.

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

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

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

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

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

2.6 ~~(2) \$3,400 in fiscal year 2016 and \$4,430 in fiscal year 2017 and later.~~

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

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

2.12 ~~(2) \$8,000~~ 100 percent of the statewide adjusted net tax capacity equalizing factor
 2.13 under section 123B.535, subdivision 1, paragraph (b).

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

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

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

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

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

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