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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 720

02/09/2015 Authored by Loon

The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act  
1.2 relating to education finance; repealing the student achievement levy; amending  
1.3 Minnesota Statutes 2014, section 126C.13, subdivision 4; repealing Minnesota  
1.4 Statutes 2014, section 126C.13, subdivisions 3a, 3b, 3c.

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

1.6 Section 1. Minnesota Statutes 2014, section 126C.13, subdivision 4, is amended to read:

1.7 Subd. 4. **General education aid.** ~~(a) For fiscal years 2013 and 2014 only, a district's~~  
1.8 ~~general education aid is the sum of the following amounts:~~

1.9 ~~(1) general education revenue, excluding equity revenue, total operating capital~~  
1.10 ~~revenue, alternative teacher compensation revenue, and transition revenue;~~

1.11 ~~(2) operating capital aid under section 126C.10, subdivision 13b;~~

1.12 ~~(3) equity aid under section 126C.10, subdivision 30;~~

1.13 ~~(4) alternative teacher compensation aid under section 126C.10, subdivision 36;~~

1.14 ~~(5) transition aid under section 126C.10, subdivision 33;~~

1.15 ~~(6) shared time aid under section 126C.01, subdivision 7;~~

1.16 ~~(7) referendum aid under section 126C.17, subdivisions 7 and 7a; and~~

1.17 ~~(8) online learning aid according to section 124D.096.~~

1.18 ~~(b) For fiscal year 2015 and later, A district's general education aid equals:~~

1.19 (1) general education revenue, excluding operating capital revenue, equity revenue,  
1.20 local optional revenue, and transition revenue, ~~minus the student achievement levy,~~  
1.21 ~~multiplied times the ratio of the actual amount of student achievement levy levied to the~~  
1.22 ~~permitted student achievement levy; plus~~

1.23 (2) equity aid under section 126C.10, subdivision 30; plus

1.24 (3) transition aid under section 126C.10, subdivision 33; plus

- 2.1 (4) shared time aid under section 126C.10, subdivision 7; plus  
2.2 (5) referendum aid under section 126C.17, subdivisions 7 and 7a; plus  
2.3 (6) online learning aid under section 124D.096; plus  
2.4 (7) local optional aid according to section 126C.10, subdivision 2d, paragraph (d).

2.5 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2017  
2.6 and later.

2.7 Sec. 2. **REPEALER.**

2.8 Minnesota Statutes 2014, section 126C.13, subdivisions 3a, 3b, and 3c, are repealed  
2.9 for taxes payable in 2016 and later.

**126C.13 GENERAL EDUCATION AID.**

Subd. 3a. **Student achievement rate.** The commissioner must establish the student achievement rate by July 1 of each year for levies payable in the following year. The student achievement rate must be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The student achievement rate must be the rate that raises \$20,000,000 for fiscal year 2015 and later years. The student achievement rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the rate has been established.

Subd. 3b. **Student achievement levy.** To obtain general education revenue, a district may levy an amount not to exceed the student achievement rate times the adjusted net tax capacity of the district for the preceding year. If the amount of the student achievement levy would exceed the general education revenue, the student achievement levy must be determined according to subdivision 3c.

Subd. 3c. **Student achievement levy; districts off the formula.** (a) If the amount of the student achievement levy for a district exceeds the district's general education revenue, excluding operating capital revenue, equity revenue, and transition revenue, the amount of the student achievement levy must be limited to the district's general education revenue, excluding operating capital revenue, equity revenue, and transition revenue.

(b) A levy made according to this subdivision shall also be construed to be the levy made according to subdivision 3b.