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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1642

03/09/2015 Authored by Selcer, Slocum and Marquart  
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; implementing the school facilities working group  
1.3 recommendation number four; appropriating money; amending Minnesota  
1.4 Statutes 2014, section 126C.40, by adding a subdivision; proposing coding for  
1.5 new law in Minnesota Statutes, chapter 123B.

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

1.7 Section 1. [123B.635] SCHOOL FACILITIES IMPROVEMENT REVENUE.

1.8 Subdivision 1. School facilities improvement revenue uses. (a) A school district  
1.9 may use its school facilities improvement revenue for:

- 1.10 (1) lease agreements for school facilities;
- 1.11 (2) facility modifications designed to enhance student and staff safety;
- 1.12 (3) facilities improvements;
- 1.13 (4) long-term facilities maintenance; and
- 1.14 (5) new construction of instructional space, not to exceed in size 20 percent of the  
1.15 square footage of the previously existing building.

1.16 (b) A school district qualifies for revenue under this section only if the district is not  
1.17 levying for building lease revenue under section 126C.40 for the same year.

1.18 Subd. 2. School facilities improvement revenue. (a) A school district's facilities  
1.19 improvement revenue equals \$212 times the district's adjusted pupil units for that year.

1.20 (b) A school district that is a member of an intermediate school district may include  
1.21 in its revenue under this section an additional amount not to exceed \$65 times the adjusted  
1.22 pupil units of the member districts for school facilities improvement projects according to  
1.23 subdivision 1.

1.24 Subd. 3. School facilities improvement levy. A district's school facilities  
1.25 improvement levy equals its school facilities improvement revenue times the lesser of one

2.1 or the ratio of its adjusted net tax capacity per adjusted pupil unit in the year preceding the  
 2.2 year the levy is certified to 125 percent of the state average adjusted net tax capacity per  
 2.3 adjusted pupil unit for the current school year.

2.4 Subd. 4. **School facilities improvement aid.** A district's school facilities  
 2.5 improvement aid equals the difference between its school facilities improvement revenue  
 2.6 and levy.

2.7 Subd. 5. **Choice of revenue.** A school district that receives revenue under this  
 2.8 section may not levy under section 126C.40 for the same school year.

2.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017.

2.10 Sec. 2. Minnesota Statutes 2014, section 126C.40, is amended by adding a subdivision  
 2.11 to read:

2.12 Subd. 7. **Choice of revenue.** A school district that levies under this section is  
 2.13 not eligible for school facilities improvement revenue under section 123B.635 for that  
 2.14 school year.

2.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017.

2.16 Sec. 3. **APPROPRIATIONS.**

2.17 Subdivision 1. **Department of Education.** The sums indicated in this section are  
 2.18 appropriated from the general fund to the Department of Education for the fiscal years  
 2.19 designated.

2.20 Subd. 2. **School facilities improvement revenue.** For school facilities improvement  
 2.21 revenue under Minnesota Statutes, section 123B.635:

2.22	\$	-0-	.....	<u>2016</u>
2.23	\$	.....	.....	<u>2017</u>