State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE NO. 429

February 2, 2009
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The bill was read for the first time and referred to the Committee on Finance

A bill for an act relating to education finance; authorizing a levy for school districts in statutory operating debt; proposing coding for new law in Minnesota Statutes, chapter 126C.

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

Section 1. **[126C.425] STATUTORY OPERATING DEBT LEVY; 2008.**

(a) A school district with a net negative unreserved general fund balance greater than 2.5 percent as of June 20, 2008, may levy under this section to eliminate the deficit if the levy authority has been approved by the commissioner of education as a part of the district's special operating plan to eliminate the deficit under section 123B.53, subdivision 4.

(b) A district's annual levy under this section must not exceed the lesser of the amount raised by a levy of a net tax rate of eight percent times the district's adjusted net tax capacity or $800,000.

(c) A district's total levy under this section must not exceed the amount of the district's net negative unreserved general fund balance as of June 30, 2008.

(d) The proceeds of this levy must be used only for cash flow requirements and must not be used to supplement district revenue or income for the purpose of increasing the district's expenditures or budgets.

(e) The district must recognize the full amount of this levy as revenue for the fiscal year in which it is certified.

(f) The levy authority under this section is effective for taxes payable in 2010, 2011, and 2012 only.

EFFECTIVE DATE. This section is effective for taxes payable in 2010, 2011, and 2012 only.