

HOUSE RESEARCH

Bill Summary

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Authors: FitzSimmons and others

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Analyst: Tim Strom

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Overview

The 2013 Legislature created a new category of general education revenue called location equity revenue. Location equity revenue is subtracted from a district's referendum revenue and is equalized at the same rate as the second tier of referendum revenue.

Under the law as passed, location equity revenue is equal to \$424 per pupil for districts located wholly or partially within the seven-county metro area, and is set at \$212 per pupil for school districts in greater Minnesota that serve more than 2,000 pupils. For some school districts, location equity revenue is additional revenue. For a second group of districts, location equity revenue provides additional equalization aid and tax relief. For a third group of districts, location equity revenue provides space under the referendum revenue cap.

This bill expands the definition of the metro area from the seven county metropolitan area to a federal definition of the 13 county metro area referred to as the Minneapolis-St. Paul-Bloomington Statistical Area (11 of the counties are in Minnesota—adding Chisago, Isanti, Sherburne and Wright counties to the seven county area).

Note: The recently enacted tax bill (Laws 2014, chapter 150) renames location equity revenue “local optional revenue” and extends the \$424 per pupil amount to all school districts.

Section

- 1 Location equity revenue.** Expands the metro region used for computing location equity revenue from the seven county metro area to the federally designated fourteen county Minneapolis-St. Paul-Bloomington statistical area.