

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 720  
**Version:** As introduced

**DATE:** March 16, 2015

**Authors:** Loon

**Subject:** Student Achievement Levy Repealed

**Analyst:** Tim Strom

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd/](http://www.house.mn/hrd/).

---

### Overview

Minnesota's main school funding formula, called the general education aid program, provides revenue to school districts through a series of equalized aids and levies.

The 2001 Legislature replaced the largest levy component of general education revenue, called the general education levy, with state aid as a part of a number of changes to the school finance and property tax systems. Prior to this time, the general education levy raised \$1.33 billion per year through a uniform tax rate based on adjusted net tax capacity, and general education equalization aid equaled the difference between each district's general education revenue and its general education levy.

The 2013 Legislature reinstated the general education levy, named it the student achievement levy, and set the levy at the amount that raises \$20 million per year. The student achievement levy is calculated on adjusted net tax capacity and required a tax rate of .0033 for taxes payable in 2015 to raise \$20 million.

H.F. 720 repeals the student achievement levy effective for taxes payable in 2016 and later (fiscal year 2017).

#### Section

- 1 General education aid.** Eliminates the student achievement levy reduction to general education aid.

**Section**

**2**        **Repealer.** Repeals the three subdivisions that implemented the student achievement levy beginning with fiscal year 2017 (taxes payable in 2016).