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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-FIFTH  
SESSION

**HOUSE FILE No. 4209**

April 23, 2008

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

1.1 A bill for an act  
1.2 relating to education finance; expanding the tax levy for school district  
1.3 judgments; amending Minnesota Statutes 2006, section 126C.43, subdivision 3.

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

1.5 Section 1. Minnesota Statutes 2006, section 126C.43, subdivision 3, is amended to read:

1.6 Subd. 3. **Tax levy for judgment.** (a) A district may levy the amount necessary  
1.7 to pay judgments against the district under section 123B.25 that became final after the  
1.8 date the district certified its proposed levy in the previous year. A district may also levy  
1.9 the amounts necessary to replace federal funds that have been disallowed because of a  
1.10 federal audit of a state plan.

1.11 (b) With the approval of the commissioner, a district may spread this levy over a  
1.12 period not to exceed three years.

1.13 (c) Upon approval through the adoption of a resolution by each of an intermediate  
1.14 district's member school district boards, a member school district may include its  
1.15 proportionate share of the costs of a judgment against an intermediate school district that  
1.16 became final under section 123B.25 after the date that the earliest member school district  
1.17 certified its proposed levy in the previous year. With the approval of the commissioner, an  
1.18 intermediate school district member school district may spread this levy over a period  
1.19 not to exceed three years.

1.20 **EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and later.