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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1550

02/26/2025 Authored by Virnig, Clardy, Youakim, Frazier, Greene and others
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; authorizing a school district to reauthorize a capital
1.3 projects referendum by board action; amending Minnesota Statutes 2024, section
1.4 123B.63, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2024, section 123B.63, subdivision 3, is amended to read:

1.7 Subd. 3. Capital project levy referendum. (a) A district may levy the local tax rate
1.8 approved by a majority of the electors voting on the question to provide funds for an approved
1.9 project. The election must take place no more than five years before the estimated date of
1.10 commencement of the project. The referendum must be held on a date authorized by section
1.11 205A.05, subdivision 1a. A district must meet the requirements of section 123B.71 for
1.12 projects funded under this section. If a review and comment is required under section
1.13 123B.71, subdivision 8, a referendum for a project not receiving a positive review and
1.14 comment by the commissioner must be approved by at least 60 percent of the voters at the
1.15 election.

1.16 (b) The referendum may be called by the school board and may be held:

1.17 (1) separately, before an election for the issuance of obligations for the project under
1.18 chapter 475; or

1.19 (2) in conjunction with an election for the issuance of obligations for the project under
1.20 chapter 475; or

2.1 (3) notwithstanding section 475.59, as a conjunctive question authorizing both the capital
2.2 project levy and the issuance of obligations for the project under chapter 475. Any obligations
2.3 authorized for a project may be issued within five years of the date of the election.

2.4 (c) The ballot must provide a general description of the proposed project, state the
2.5 estimated total cost of the project, state whether the project has received a positive or negative
2.6 review and comment from the commissioner, state the maximum amount of the capital
2.7 project levy as a percentage of net tax capacity, state the amount that will be raised by that
2.8 local tax rate in the first year it is to be levied, and state the maximum number of years that
2.9 the levy authorization will apply.

2.10 The ballot must contain a textual portion with the information required in this section
2.11 and a question stating substantially the following:

2.12 "Shall the capital project levy proposed by the board of School District No.
2.13 be approved?"

2.14 If approved, the amount provided by the approved local tax rate applied to the net tax
2.15 capacity for the year preceding the year the levy is certified may be certified for the number
2.16 of years, not to exceed ten, approved.

2.17 (d) If the district proposes a new capital project to begin at the time the existing capital
2.18 project expires and at the same maximum tax rate, the general description on the ballot may
2.19 state that the capital project levy is being renewed and that the tax rate is not being increased
2.20 from the previous year's rate. An election to renew authority under this paragraph may be
2.21 called at any time that is otherwise authorized by this subdivision. The ballot notice required
2.22 under section 275.60 may be modified to read:

2.23 "BY VOTING YES ON THIS BALLOT QUESTION, YOU ARE VOTING TO RENEW
2.24 AN EXISTING CAPITAL PROJECTS REFERENDUM THAT IS SCHEDULED TO
2.25 EXPIRE."

2.26 (e) In the event a conjunctive question proposes to authorize both the capital project
2.27 levy and the issuance of obligations for the project, appropriate language authorizing the
2.28 issuance of obligations must also be included in the question.

2.29 (f) Notwithstanding the election requirements of this subdivision, a school board may
2.30 renew an expiring capital projects referendum by board action if:

2.31 (1) the annual amount of the referendum is the same as the amount expiring;

2.32 (2) the term of the renewed capital projects referendum is no longer than the initial term
2.33 approved by the voters;

3.1 (3) the school board, having taken a recorded vote, has adopted a written resolution
3.2 authorizing the renewal after holding a meeting and allowing public testimony on the
3.3 proposed renewal; and

3.4 (4) the expiring capital projects referendum has not been previously renewed by board
3.5 action.

3.6 (g) The resolution authorized in paragraph (f) must be adopted by the school board no
3.7 later than June 15 of the year the renewed capital levy is first certified and becomes effective
3.8 60 days after its adoption. A referendum expires in the last fiscal year in which the
3.9 referendum generates revenue for the school district. A school board may renew an expiring
3.10 capital projects referendum under this subdivision not more than two fiscal years before the
3.11 referendum expires. A district renewing an expiring capital projects referendum under this
3.12 subdivision must submit a copy of the adopted resolution to the commissioner and to the
3.13 county auditor no later than September 1 of the calendar year in which the written resolution
3.14 is adopted.

3.15 ~~(f)~~ (h) The district must notify the commissioner of the results of the referendum.

3.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.