

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3371

02/17/2026 Authored by Rehrauer
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; increasing local optional revenue for school districts
1.3 with limited referendum revenue authority; appropriating money; amending
1.4 Minnesota Statutes 2024, section 126C.10, subdivision 2e.

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

1.6 Section 1. Minnesota Statutes 2024, section 126C.10, subdivision 2e, is amended to read:

1.7 Subd. 2e. Local optional revenue. (a) Local optional revenue for a school district equals
1.8 the sum of the district's first, second, and third tier of local optional revenue and second tier
1.9 local optional revenue. A district's first tier of local optional revenue equals \$300 times the
1.10 adjusted pupil units of the district for that school year. A district's second tier of local optional
1.11 revenue equals \$424 times the adjusted pupil units of the district for that school year. A
1.12 district's third tier of local optional revenue equals the greater of zero or the product of the
1.13 district's adjusted pupil units for that year times the difference between \$100 and the district's
1.14 operating referendum revenue per adjusted pupil unit for that year.

1.15 (b) A district's local optional levy equals the sum of the its first, second, and third tier
1.16 of local optional levy and the second tier local optional levy.

1.17 (c) A district's first tier of local optional levy equals the district's first tier of local optional
1.18 revenue times the lesser of one or the ratio of the district's referendum market value per
1.19 resident pupil unit to \$880,000.

1.20 (d) For fiscal year 2023, a district's second tier local optional levy equals the district's
1.21 second tier local optional revenue times the lesser of one or the ratio of the district's
1.22 referendum market value per resident pupil unit to \$548,842. For fiscal year 2024, a district's
1.23 second tier local optional levy equals the district's second tier local optional revenue times

2.1 ~~the lesser of one or the ratio of the district's referendum market value per resident pupil unit~~
 2.2 ~~to \$510,000.~~ For fiscal year 2025, a district's second tier of local optional levy equals the
 2.3 district's second tier of local optional revenue times the lesser of one or the ratio of the
 2.4 district's referendum market value per resident pupil unit to \$626,450. For fiscal year 2026,
 2.5 a district's second tier of local optional levy equals the district's second tier of local optional
 2.6 revenue times the lesser of one or the ratio of the district's referendum market value per
 2.7 resident pupil unit to \$642,038. For fiscal year 2027 and later, a district's second tier of local
 2.8 optional levy equals the district's second tier of local optional revenue times the lesser of
 2.9 one or the ratio of the district's referendum market value per resident pupil unit to \$671,345.

2.10 (e) A district's third tier of local optional levy equals the district's third tier of local
 2.11 optional revenue times the lesser of one or the ratio of the district's referendum market value
 2.12 per resident pupil unit to \$880,000.

2.13 ~~(e)~~ (f) The local optional levy must be spread on referendum market value. A district
 2.14 may levy less than the permitted amount.

2.15 ~~(f)~~ (g) A district's local optional aid equals its local optional revenue minus its local
 2.16 optional levy. If a district's actual levy for first ~~or~~, second, or third tier of local optional
 2.17 revenue is less than its maximum levy limit for that tier, its aid must be proportionately
 2.18 reduced.

2.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2027 and later.

2.20 Sec. 2. **APPROPRIATION.**

2.21 Subdivision 1. **Department of Education.** The sum indicated in this section is
 2.22 appropriated from the general fund to the Department of Education in the fiscal year
 2.23 designated.

2.24 Subd. 2. **Additional general education aid.** For additional general education aid required
 2.25 for increasing local optional revenue under section 1:

2.26 \$ 2027