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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4312

03/16/2026 Authored by Lawrence, Greene and Virnig
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; expanding the uses of operating capital revenue to

1.3 include utility costs; amending Minnesota Statutes 2024, section 126C.10,

1.4 subdivision 14.

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

1.6 Section 1. Minnesota Statutes 2024, section 126C.10, subdivision 14, is amended to read:

1.7 Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue may

1.8 be used only for the following purposes:

1.9 (1) to acquire land for school purposes;

1.10 (2) to acquire or construct buildings for school purposes;

1.11 (3) to rent or lease buildings, including the costs of building repair or improvement that

1.12 are part of a lease agreement;

1.13 (4) to improve and repair school sites and buildings, and equip or reequip school buildings

1.14 with permanent attached fixtures, including library media centers and gender-neutral

1.15 single-user restrooms, locker room privacy stalls, or other spaces with privacy features,

1.16 including single-user shower stalls, changing stalls, or other single-user facilities;

1.17 (5) for a surplus school building that is used substantially for a public nonschool purpose;

1.18 (6) to eliminate barriers or increase access to school buildings by individuals with a

1.19 disability;

1.20 (7) to bring school buildings into compliance with the State Fire Code adopted according

1.21 to chapter 299F;

- 2.1 (8) to remove asbestos from school buildings, encapsulate asbestos, or make
2.2 asbestos-related repairs;
- 2.3 (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- 2.4 (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or
2.5 transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section
2.6 296A.01;
- 2.7 (11) for energy audits for school buildings and to modify buildings if the audit indicates
2.8 the cost of the modification can be recovered within ten years;
- 2.9 (12) to improve buildings that are leased according to section 123B.51, subdivision 4;
- 2.10 (13) to pay special assessments levied against school property but not to pay assessments
2.11 for service charges;
- 2.12 (14) to pay principal and interest on state loans for energy conservation according to
2.13 section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust
2.14 Fund Act according to sections 298.292 to 298.297;
- 2.15 (15) to purchase or lease interactive telecommunications equipment;
- 2.16 (16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the
2.17 amounts needed to meet, when due, principal and interest payments on certain obligations
2.18 issued according to chapter 475; or (ii) pay principal and interest on debt service loans or
2.19 capital loans according to section 126C.70;
- 2.20 (17) to pay operating capital-related assessments of any entity formed under a cooperative
2.21 agreement between two or more districts;
- 2.22 (18) to purchase or lease computers and related hardware, software, and annual licensing
2.23 fees, copying machines, telecommunications equipment, and other noninstructional
2.24 equipment;
- 2.25 (19) to purchase or lease assistive technology or equipment for instructional programs;
- 2.26 (20) to purchase textbooks as defined in section 123B.41, subdivision 2;
- 2.27 (21) to purchase new and replacement library media resources or technology;
- 2.28 (22) to lease or purchase vehicles;
- 2.29 (23) to purchase or lease telecommunications equipment, computers, and related
2.30 equipment for integrated information management systems for:

3.1 (i) managing and reporting learner outcome information for all students under a
3.2 results-oriented graduation rule;

3.3 (ii) managing student assessment, services, and achievement information required for
3.4 students with individualized education programs; and

3.5 (iii) other classroom information management needs;

3.6 (24) to pay personnel costs directly related to the acquisition, operation, and maintenance
3.7 of telecommunications systems, computers, related equipment, and network and applications
3.8 software;

3.9 (25) to pay the costs directly associated with closing a school facility, including moving
3.10 and storage costs;

3.11 (26) to pay the costs of supplies and equipment necessary to provide access to menstrual
3.12 products at no charge to students in restrooms and as otherwise needed in school facilities;

3.13 ~~and~~

3.14 (27) to pay the costs of the opiate antagonists required under section 121A.224-; and

3.15 (28) to pay utility service costs.

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