

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-SECOND SESSION**

**S.F. No. 4127**

(SENATE AUTHORS: CWODZINSKI)

DATE	D-PG	OFFICIAL STATUS
03/21/2022	5469	Introduction and first reading Referred to Education Finance and Policy

1.1 A bill for an act

1.2 relating to education finance; creating a third tier of local optional revenue;

1.3 appropriating money; amending Minnesota Statutes 2021 Supplement, section

1.4 126C.10, subdivision 2e.

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

1.6 Section 1. Minnesota Statutes 2021 Supplement, section 126C.10, subdivision 2e, is

1.7 amended to read:

1.8 Subd. 2e. **Local optional revenue.** ~~(a) For fiscal year 2021 and later,~~ Local optional

1.9 revenue for a school district equals the sum of the district's first tier, second tier, and third

1.10 tier of local optional revenue and second tier local optional revenue.

1.11 (b) A district's first tier local optional revenue equals \$300 times the adjusted pupil units

1.12 of the district for that school year.

1.13 (c) A district's second tier local optional revenue equals \$424 times the adjusted pupil

1.14 units of the district for that school year.

1.15 (d) A district's third tier local optional revenue equals the lesser of:

1.16 (1) \$362 times the adjusted pupil units for that year; or

1.17 (2) the greater of zero or the product of the district's adjusted pupil units for the current

1.18 year and the difference between the statewide average general fund aid per pupil unit for

1.19 the second previous year and the district's general fund state aid per pupil unit in the second

1.20 previous year.

1.21 ~~(b) For fiscal year 2021 and later,~~ (e) A district's local optional levy equals the sum of

1.22 the first tier local optional levy and the second tier local optional levy.

2.1 ~~(e)~~ (f) A district's first tier local optional levy equals the district's first tier local optional  
2.2 revenue times the lesser of one or the ratio of the district's referendum market value per  
2.3 resident pupil unit to \$880,000.

2.4 ~~(d)~~ For fiscal year 2022, a district's second tier local optional levy equals the district's  
2.5 second tier local optional revenue times the lesser of one or the ratio of the district's  
2.6 referendum market value per resident pupil unit to \$510,000.

2.7 (g) For fiscal year 2023, a district's second tier local optional levy equals the district's  
2.8 second tier local optional revenue times the lesser of one or the ratio of the district's  
2.9 referendum market value per resident pupil unit to \$548,842. For fiscal year 2024 and later,  
2.10 a district's second tier local optional levy equals the district's second tier local optional  
2.11 revenue times the lesser of one or the ratio of the district's referendum market value per  
2.12 resident pupil unit to \$510,000.

2.13 ~~(e)~~ (h) 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)~~ (i) 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 tier local optional revenue is less  
2.17 than its maximum levy limit for that tier, its aid must be proportionately reduced.

2.18 **EFFECTIVE DATE.** This section is effective for fiscal year 2023 and later.

2.19 Sec. 2. **APPROPRIATION; LOCAL OPTIONAL REVENUE.**

2.20 \$..... in fiscal year 2023 is appropriated from the general fund to the Department of  
2.21 Education for additional general education aid required under section 1.