

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 4144

(SENATE AUTHORS: PHA and Mann)			
DATE	D-PG		OFFICIAL STATUS
02/22/2024	11718	Introduction and first reading	
		Referred to Education Finance	
03/04/2024	11921	Author added Mann	

1.1

A bill for an act

1.2

relating to education finance; increasing school district local optional revenue;

1.3

indexing the local optional revenue program to the formula allowance; amending

1.4

Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 2e.

1.5

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

1.6

Section 1. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 2e, is

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amended to read:

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Subd. 2e. **Local optional revenue.** (a) For fiscal years 2024 and 2025, the total local

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optional revenue allowance equals \$724. For fiscal year 2026 and later, the total local

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optional revenue allowance equals the product of:

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(1) \$920; and

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(2) the greater of one or the ratio of (i) the formula allowance under subdivision 2 for

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that fiscal year to (ii) the formula allowance under subdivision 2 for fiscal year 2026, rounded

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to the nearest whole dollar.

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The first tier local optional revenue allowance equals \$300. The second tier local optional

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revenue allowance equals the total local optional revenue allowance minus the first tier

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local optional revenue allowance.

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(b) Local optional revenue for a school district equals the sum of the district's first tier

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local optional revenue and second tier local optional revenue. A district's first tier local

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optional revenue equals ~~\$300~~ the first tier local optional revenue allowance times the adjusted

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pupil units of the district for that school year. A district's second tier local optional revenue

2.1 equals ~~\$424~~ the second tier local optional revenue allowance times the adjusted pupil units
2.2 of the district for that school year.

2.3 ~~(b)~~ (c) A district's local optional levy equals the sum of the first tier local optional levy
2.4 and the second tier local optional levy.

2.5 ~~(e)~~ (d) A district's first tier local optional levy equals the district's first tier 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 \$880,000.

2.8 ~~(d)~~ (e) For fiscal year 2023, a district's second tier local optional levy equals the district's
2.9 second tier local optional revenue times the lesser of one or the ratio of the district's
2.10 referendum market value per resident pupil unit to \$548,842. For fiscal year 2024, a district's
2.11 second tier local optional levy equals the district's second tier local optional revenue times
2.12 the lesser of one or the ratio of the district's referendum market value per resident pupil unit
2.13 to \$510,000. For fiscal year 2025, a district's second tier local optional levy equals the
2.14 district's second tier local optional revenue times the lesser of one or the ratio of the district's
2.15 referendum market value per resident pupil unit to \$587,244. For fiscal year 2026, a district's
2.16 second tier local optional levy equals the district's second tier local optional revenue times
2.17 the lesser of one or the ratio of the district's referendum market value per resident pupil unit
2.18 to \$642,038. For fiscal year 2027 and later, a district's second tier local optional levy equals
2.19 the district's second tier local optional revenue times the lesser of one or the ratio of the
2.20 district's referendum market value per resident pupil unit to \$671,345.

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

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

2.26 **EFFECTIVE DATE.** This section is effective July 1, 2024.