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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2100

03/10/2025 Authored by Myers and Wolgamott 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; reducing referendum allowances; increasing local
1.3 optional revenue authority; appropriating money; amending Minnesota Statutes
1.4 2024, sections 126C.10, subdivision 2e; 126C.17, subdivision 1.

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 tier local optional revenue and second tier local optional revenue.
1.9 For fiscal year 2025 and 2026, a district's first tier local optional revenue equals \$300 times
1.10 the adjusted pupil units of the district for that school year. For fiscal year 2027 and later, a
1.11 district's first tier local optional revenue equals \$400 times the adjusted pupil units of the
1.12 district for that school year. A district's second tier local optional revenue equals \$424 times
1.13 the adjusted pupil units of the district for that school year.

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

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

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

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

2.9 (e) The local optional levy must be spread on referendum market value. A district may
 2.10 levy less than the permitted amount.

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

2.14 Sec. 2. Minnesota Statutes 2024, section 126C.17, subdivision 1, is amended to read:

2.15 Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance for
 2.16 fiscal year ~~2024~~ 2027 and later equals the result of the following calculations:

2.17 ~~(1) subtract \$424 from the district's allowance under Minnesota Statutes 2018, section~~
 2.18 ~~126C.17, subdivision 1, paragraph (a), clause (5);~~

2.19 ~~(2) if the result of clause (1) is less than zero, set the allowance to zero;~~

2.20 ~~(3) add to the result in clause (2) any new referendum allowance authorized between~~
 2.21 ~~July 1, 2013, and December 31, 2013, under Minnesota Statutes 2013, section 126C.17,~~
 2.22 ~~subdivision 9a;~~

2.23 ~~(4) add to the result in clause (3) any additional referendum allowance per adjusted pupil~~
 2.24 ~~unit authorized between January 1, 2014, and June 30, 2019;~~

2.25 ~~(5) subtract from the result in clause (4) any allowances expiring in fiscal year 2016,~~
 2.26 ~~2017, 2018, 2019, or 2020;~~

2.27 ~~(6) subtract \$300 from the result in clause (5); and~~

2.28 ~~(7) if the result of clause (6) is less than zero, set the allowance to zero.~~

2.29 (1) subtract \$100 from the district's allowance for fiscal year 2026 calculated under
 2.30 Minnesota Statutes 2024, section 126C.17, subdivision 1, paragraph (a), clause (7); and

2.31 (2) if the result of clause (1) is less than zero, set the allowance to zero.

3.1 (b) A district's referendum allowance equals the sum of the district's initial referendum
 3.2 allowance, plus any new referendum allowance authorized after July 1, ~~2019~~ 2025, minus
 3.3 any allowances expiring in fiscal year ~~2021~~ 2027 or later, plus any inflation adjustments
 3.4 for fiscal year ~~2021~~ 2027 and later approved by the voters prior to July 1, ~~2019~~ 2025,
 3.5 provided that the allowance may not be less than zero. For a district with more than one
 3.6 allowance for fiscal year ~~2015 that expires in the same year~~ 2027, the reduction under
 3.7 paragraph (a), ~~clauses~~ clause (1) ~~and (6)~~, shall be made first from any allowances that do
 3.8 not have an inflation adjustment approved by the voters.

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

3.10 **Sec. 3. APPROPRIATIONS.**

3.11 Subdivision 1. **Department of Education.** The sums indicated in this section are
 3.12 appropriated from the general fund to the Department of Education for the fiscal years
 3.13 designated.

3.14 Subd. 2. **General education aid.** (a) For general education aid under Minnesota Statutes,
 3.15 section 126C.13, subdivision 4:

3.16	\$	<u>2026</u>
3.17	\$	<u>2027</u>

3.18 (b) The 2026 appropriation includes \$..... for 2025 and \$..... for 2026.

3.19 (c) The 2027 appropriation includes \$..... for 2026 and \$..... for 2027.