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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 844

01/25/2023 Authored by Daniels
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; requiring local optional revenue to be renewed by
1.3 voters every ten years; amending Minnesota Statutes 2022, section 126C.10,
1.4 subdivision 2e.

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

1.6 Section 1. Minnesota Statutes 2022, section 126C.10, subdivision 2e, is amended to read:

1.7 Subd. 2e. Local optional revenue. (a) For fiscal year 2021 and later, local optional
1.8 revenue for a school district equals the sum of the district's first tier local optional revenue
1.9 and second tier local optional revenue. A district's first tier local optional revenue equals
1.10 \$300 times the adjusted pupil units of the district for that school year. A district's second
1.11 tier local optional revenue equals \$424 times the adjusted pupil units of the district for that
1.12 school year.

1.13 (b) For fiscal year 2021 and later, a district's local optional levy equals the sum of the
1.14 first tier local optional levy and the second tier local optional levy.

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

1.18 (d) For fiscal year 2022, a district's second tier local optional levy equals the district's
1.19 second tier local optional revenue times the lesser of one or the ratio of the district's
1.20 referendum market value per resident pupil unit to \$510,000. For fiscal year 2023, a district's
1.21 second tier local optional levy equals the district's second tier local optional revenue times
1.22 the lesser of one or the ratio of the district's referendum market value per resident pupil unit
1.23 to \$548,842. For fiscal year 2024 and later, a district's second tier local optional levy equals

2.1 the district's second tier local optional revenue times the lesser of one or the ratio of the  
2.2 district's referendum market value per resident pupil unit to \$510,000.

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

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

2.8 (g) A school district's existing local optional revenue expires at the end of fiscal year  
2.9 2024. A school board may conduct an election to restore its local optional revenue. The  
2.10 board must adopt a resolution no later than June 1 of the year of the election. The election  
2.11 must be held on the first Tuesday after the first Monday in November. The ballot must state  
2.12 the maximum amount of revenue to be restored, not to exceed \$724 per pupil unit. The  
2.13 ballot must designate the specific number of years, not to exceed ten, for which the local  
2.14 optional revenue authority applies. The ballot must contain a textual portion stating  
2.15 substantially the following:

2.16 "Shall the local optional revenue of ....., School District No. ..., be restored?"

2.17 (h) A school district's local optional revenue authority may be renewed more than once.

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.