Section 1. Minnesota Statutes 2022, section 123B.71, subdivision 8, is amended to read:

Subd. 8. Review and comment. A school district, a special education cooperative, or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not enter into an installment contract for purchase or a lease agreement, hold a referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of $500,000 per school site if it has a capital loan outstanding, or $2,000,000 per school site if it does not have a capital loan outstanding, prior to review and comment by the commissioner. A facility addition, maintenance project, or remodeling project is exempt from this provision. A capital project under section 123B.63 addressing only technology is exempt from this provision if the district submits a school board resolution stating that funds approved by the voters will be used only as authorized in section 126C.10, subdivision 14. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Sec. 2. Minnesota Statutes 2023 Supplement, section 123B.71, subdivision 12, is amended to read:

Subd. 12. Publication. (a) At least 48 days but not more than 60 days before a referendum for bonds under chapter 475 or solicitation of bids for a project that has received a positive or unfavorable review and comment under section 123B.70, the school board shall publish a summary of the commissioner's review and comment of that project in the legal newspaper of the district. The school board must hold a public meeting to discuss the commissioner's review and comment before the referendum for bonds. Supplementary information shall be available to the public. Where no such referendum for bonds is required, the publication and public meeting requirements of this subdivision shall not apply.

(b) The publication requirement in paragraph (a) does not apply to alternative facilities projects approved under section 123B.595.

Sec. 3. Minnesota Statutes 2023 Supplement, section 126C.40, subdivision 6, is amended to read:

Subd. 6. Lease purchase; installment buys. (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs (a) and (b), a district, as defined in this subdivision; may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which
installment contract or lease purchase agreement title is kept by the seller or vendor or
assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the
installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement
must not be included in the calculation of net debt for purposes of section 475.53; and does
not constitute debt under other law. An election is not required in connection with the
execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire
a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) Special School District No. 1, Minneapolis, Independent School District No. 625; St.
Paul; Independent School District No. 709, Duluth, or Independent School District No.
535, Rochester, if the district's desegregation plan has been determined by the commissioner
to be in compliance with Department of Education rules relating to equality of educational
opportunity and where the acquisition of property under this subdivision is determined by
the commissioner to contribute to the implementation of the desegregation plan; or

(2) other districts eligible for revenue under section 124D.862 if the facility acquired
under this subdivision is to be primarily used for a joint program for interdistrict
desegregation and the commissioner determines that the joint programs are being undertaken
to implement the districts' desegregation plan.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease
or rent a district-owned building to itself does not apply to levies otherwise authorized by
this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or
land shall include personal property.

(g) Projects funded under this subdivision that require an expenditure in excess of
$500,000 per school site if the school district has a capital loan outstanding, or $2,000,000
per school site if the school district does not have a capital loan outstanding, are subject to
review and comment under section 123B.71, subdivision 8, in the same manner as other
school construction projects.

Sec. 4. Laws 2023, chapter 55, article 8, section 19, subdivision 5, is amended to read:

Subd. 5. Grants for gender-neutral single-user restrooms. (a) For grants to school
districts for remodeling, constructing, or repurposing space for gender-neutral single-user
restrooms:
(b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant of not more than $75,000 per site under this subdivision in the form and manner specified by the commissioner. The commissioner must award at least one grant under this subdivision to Independent School District No. 709, Duluth, for a demonstration grant for a project awaiting construction.

(c) The commissioner must ensure that grants are awarded to schools to reflect the geographic diversity of the state.

(d) Up to $75,000 each year is available for grant administration and monitoring.

(e) By February 1 of each year, the commissioner must annually report to the committees of the legislature with jurisdiction over education on the number of grants that were awarded each year and the number of grant applications that were unfunded during that year.

(f) Any balance in the first year does not cancel but is available in the second year.

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

Sec. 6. Long-term facilities maintenance equalized aid.

(a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>$107,905,000</td>
</tr>
<tr>
<td>2025</td>
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</tbody>
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(b) The 2024 appropriation includes $10,821,000 for 2023 and $97,084,000 for 2024.

(c) The 2025 appropriation includes $10,787,000 for 2024 and $96,843,000 for 2025.

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

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