

78.23

ARTICLE 8

78.24

SCHOOL FACILITIES

66.22

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FACILITIES

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

66.25 Subd. 8. **Review and comment.** A school district, a special education cooperative, or
66.26 a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not
66.27 ~~initiate~~ enter into an installment contract for purchase or a lease agreement, hold a referendum
66.28 for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational
66.29 facility that requires an expenditure in excess of \$500,000 per school site if it has a capital
66.30 loan outstanding, or \$2,000,000 per school site if it does not have a capital loan outstanding,
66.31 prior to review and comment by the commissioner. ~~A facility addition, maintenance project,
66.32 or remodeling project~~ New construction, expansion, or remodeling of an educational facility
67.1 funded only with general education revenue, lease levy proceeds from an additional capital
67.2 expenditure levy under section 126C.40, subdivision 1, capital facilities bond proceeds, or
67.3 long-term facilities maintenance revenue is exempt from this provision. A capital project
67.4 under section 123B.63 addressing only technology is exempt from this provision if the
67.5 district submits a school board resolution stating that funds approved by the voters will be
67.6 used only as authorized in section 126C.10, subdivision 14. A school board shall not separate
67.7 portions of a single project into components to avoid the requirements of this subdivision.

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

67.10 Subd. 12. **Publication.** (a) At least 48 days but not more than ~~60~~ 88 days before a
67.11 referendum for bonds under chapter 475 or solicitation of bids for a project that has received
67.12 a positive or unfavorable review and comment under section 123B.70, the school board
67.13 shall publish a summary of the commissioner's review and comment of that project in the
67.14 legal newspaper of the district. The school board must hold a public meeting to discuss the
67.15 commissioner's review and comment before ~~the~~ such a referendum for bonds. Supplementary
67.16 information shall be available to the public. ~~Where no such referendum for bonds is required,~~
67.17 ~~the publication and public meeting requirements of this subdivision shall not apply.~~

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

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

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

67.25 (1) purchase real or personal property under an installment contract or may lease real
67.26 or personal property with an option to purchase under a lease purchase agreement, by which

67.27 installment contract or lease purchase agreement title is kept by the seller or vendor or
67.28 assigned to a third party as security for the purchase price, including interest, if any; and

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

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

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

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

68.6 (1) Special School District No. 1, Minneapolis, Independent School District No. 625,
68.7 St. Paul, Independent School District No. 709, Duluth, or Independent School District No.
68.8 535, Rochester, if the district's desegregation plan has been determined by the commissioner
68.9 to be in compliance with Department of Education rules relating to equality of educational
68.10 opportunity and where the acquisition of property under this subdivision is determined by
68.11 the commissioner to contribute to the implementation of the desegregation plan; or

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

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

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

68.21 (g) Projects funded under this subdivision that require an expenditure in excess of
68.22 \$500,000 per school site if the school district has a capital loan outstanding, or \$2,000,000
68.23 per school site if the school district does not have a capital loan outstanding, are subject to
68.24 review and comment under section 123B.71, subdivision 8, in the same manner as other
68.25 school construction projects.

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

68.27 Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school
68.28 districts for remodeling, constructing, or repurposing space for gender-neutral single-user
68.29 restrooms:

78.25 Section 1. Laws 2023, chapter 55, article 8, section 19, subdivision 5, is amended to read:

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78.27 districts for remodeling, constructing, or repurposing space for gender-neutral single-user
78.28 restrooms:

78.29 \$ 1,000,000 2024

78.30 \$ 1,000,000 2025

79.1 (b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24,
79.2 subdivision 2, may apply for a grant of not more than \$75,000 per site under this subdivision
79.3 in the form and manner specified by the commissioner. The commissioner must award at
79.4 least one grant under this subdivision to Independent School District No. 709, Duluth, for
79.5 a demonstration grant for a project awaiting construction.

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

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

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

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

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

79.14 Sec. 2. Laws 2023, chapter 55, article 8, section 19, subdivision 6, as amended by Laws
79.15 2024, chapter 81, section 22, is amended to read:

79.16 Subd. 6. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities
79.17 maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

79.18 \$ 107,905,000 2024

79.19 ~~107,630,000~~

79.20 \$ 107,865,000 2025

79.21 (b) The 2024 appropriation includes \$10,821,000 for 2023 and \$97,084,000 for 2024.

79.22 (c) The 2025 appropriation includes \$10,787,000 for 2024 and ~~\$96,843,000~~ \$97,078,000
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