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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3693

02/13/2024 Authored by Myers and Edelson
03/07/2024 The bill was read for the first time and referred to the Committee on Education Finance
By motion, returned to Author

1.1 A bill for an act
1.2 relating to education; creating a third tier of local optional revenue; amending
1.3 Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 2e.

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

1.5 Section 1. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 2e, is
1.6 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
1.9 revenue, and third tier local optional revenue. A district's first tier local optional revenue
1.10 equals \$300 times the adjusted pupil units of the district for that school year. A district's
1.11 second tier local optional revenue equals \$424 times the adjusted pupil units of the district
1.12 for that school year. A district's third tier local optional revenue equals a maximum of \$362
1.13 times the adjusted pupil units of the district for that school year. A district may elect to levy
1.14 any amount up to the maximum, at the discretion of the local school board.

1.15 (b) A district's local optional levy equals the sum of the first tier local optional levy and
1.16 the second tier local optional levy, plus the third tier local optional levy if the local school
1.17 board has opted to levy.

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

1.21 (d) For fiscal year 2023, a district's second tier local optional levy equals the district's
1.22 second tier local optional revenue times the lesser of one or the ratio of the district's

2.1 ~~referendum market value per resident pupil unit to \$548,842.~~ For fiscal year 2024, a district's
2.2 second tier local optional levy equals the district's second tier local optional revenue times
2.3 the lesser of one or the ratio of the district's referendum market value per resident pupil unit
2.4 to \$510,000. For fiscal year 2025, a district's second tier local optional levy equals the
2.5 district's second tier local optional revenue times the lesser of one or the ratio of the district's
2.6 referendum market value per resident pupil unit to \$587,244. For fiscal year 2026, a district's
2.7 second tier local optional levy equals the district's second tier local optional revenue times
2.8 the lesser of one or the ratio of the district's referendum market value per resident pupil unit
2.9 to \$642,038. For fiscal year 2027 and later, a district's second tier local optional levy equals
2.10 the district's second tier local optional revenue times the lesser of one or the ratio of the
2.11 district's referendum market value per resident pupil unit to \$671,345.

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

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