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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1182

1.1 A bill for an act  
1.2 relating to education finance; increasing state aid for local optional revenue;  
1.3 appropriating money; amending Minnesota Statutes 2020, 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 2020, section 126C.10, subdivision 2e, is amended to read:

1.7 Subd. 2e. **Local optional revenue.** ~~(a) For fiscal year 2020, local optional revenue for~~  
1.8 ~~a school district equals \$424 times the adjusted pupil units of the district for that school~~  
1.9 ~~year. For fiscal year years 2021 and later 2022, local optional revenue for a school district~~  
1.10 equals the sum of the district's first tier local optional revenue and second tier local optional  
1.11 revenue. A district's first tier local optional revenue equals \$300 times the adjusted pupil  
1.12 units of the district for that school year. A district's second tier local optional revenue equals  
1.13 \$424 times the adjusted pupil units of the district for that school year.

1.14 ~~(b) For fiscal year 2020, a district's local optional levy equals its local optional revenue~~  
1.15 ~~times the lesser of one or the ratio of its referendum market value per resident pupil unit to~~  
1.16 ~~\$510,000.~~

1.17 (b) For fiscal year 2023 and later, local optional revenue for a school district equals \$724  
1.18 times the adjusted pupil units of the district for that school year.

1.19 (c) For fiscal year years 2021 and later 2022, a district's local optional levy equals the  
1.20 sum of the first tier local optional levy and the second tier local optional levy. A district's  
1.21 first tier local optional levy equals the district's first tier local optional revenue times the  
1.22 lesser of one or the ratio of the district's referendum market value per resident pupil unit to  
1.23 \$880,000. A district's second tier local optional levy equals the district's second tier local

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

2.3 (d) For fiscal year 2023 and later, a district's local optional levy equals the district's local  
2.4 optional revenue times the lesser of one, or the ratio of:

2.5 (1) the district's referendum market value divided by the district's residential pupil units  
2.6 for the third preceding year; to

2.7 (2) 123 percent of the statewide referendum market value per pupil unit for that year.

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

2.10 ~~(e)~~ (f) A district's local optional aid equals its local optional revenue minus its local  
2.11 optional levy. For fiscal years 2021 and 2022, if a district's actual levy for first or second  
2.12 tier local optional revenue is less than its maximum levy limit for that tier, its aid must be  
2.13 proportionately reduced. For fiscal year 2023 and later, if a district's actual levy for local  
2.14 optional revenue is less than its maximum levy limit for that year, its aid must be  
2.15 proportionately reduced.

2.16 **EFFECTIVE DATE.** This section is effective for fiscal year 2023 and later.

2.17 Sec. 2. **APPROPRIATION; DEPARTMENT OF EDUCATION.**

2.18 Subdivision 1. Department of Education. The sums indicated in this section are  
2.19 appropriated from the general fund to the Department of Education in the fiscal years  
2.20 designated.

2.21 Subd. 2. General education aid. For general education aid for local optional aid  
2.22 according to Minnesota Statutes, section 126C.10, subdivision 2e:

2.23 \$ ..... 2022

2.24 \$ ..... 2023