

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 1416

(SENATE AUTHORS: CHAMBERLAIN)

DATE
02/25/2021

D-PG

Introduction and first reading
Referred to Education Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education finance; clarifying local optional revenue; removing obsolete
1.3 language; amending Minnesota Statutes 2020, section 126C.10, subdivision 2e.

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

1.5 Section 1. Minnesota Statutes 2020, section 126C.10, subdivision 2e, is amended to read:

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

1.13 (b) ~~For fiscal year 2020, a district's local optional levy equals its local optional revenue~~
1.14 ~~times the lesser of one or the ratio of its referendum market value per resident pupil unit to~~
1.15 ~~\$510,000.~~ For fiscal year 2021 and later, a district's local optional levy equals the sum of
1.16 the first tier local optional levy and the second tier local optional levy. A district's first tier
1.17 local optional levy equals the district's first tier local optional revenue times the lesser of
1.18 one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.
1.19 A district's second tier local optional levy equals the district's second tier local optional
1.20 revenue times the lesser of one or the ratio of the district's referendum market value per
1.21 resident pupil unit to \$510,000. The local optional levy must be spread on referendum
1.22 market value. A district may levy less than the permitted amount.

- 2.1 (c) A district's local optional aid equals its local optional revenue minus its local optional
- 2.2 levy. If a district's actual levy for first or second tier local optional revenue is less than its
- 2.3 maximum levy limit for that tier, its aid must be proportionately reduced.