

HF3790 - 0 - Levy Authority for Grad. Ceremony Space Authorized

Chief Author: **Julie Greene**
 Committee: **Education Finance**
 Date Completed: **3/10/2026 5:49:35 PM**
 Agency: **Education Department**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Section 1 allows school districts to use their lease levy authority to lease a building for high school graduation ceremonies.

Makes the section effective following final enactment.

Section 2 requires MDE to approve the costs of any leases for graduation ceremony facilities in the 20252026 school year for taxes payable in 2027, regardless of whether the lease was received by MDE prior to the ceremony.

Makes the section effective following final enactment.

Assumptions

In FY 2024, MDE determined that lease levy funds used for graduation ceremonies were not an approvable expense and announced that FY 2025 would be the final year such costs would be approved. The table below provides a three-year snapshot of the approved lease costs for graduation ceremonies by district.

ISD #	Year	Approved Lease Levy for Graduation Ceremonies
112	2023	21,600
272	2023	17,000
279	2023	25,000
284	2023	76,500
832	2023	10,900
2023 Total		151,000
272	2024	21,000
279	2024	28,000
283	2024	25,718
284	2024	11,900
2024 Total		86,618

272	2025	19,000
2025 Total		19,000

MDE cannot predict the extent to which districts would utilize this measure if enacted; therefore, the statewide levy impact is unknown. Any resulting costs would be reflected in local property tax levies and would not result in a cost to the state.

Expenditure and/or Revenue Formula

N/A

Long-Term Fiscal Considerations

None

Local Fiscal Impact

Taxpayers may see an increase in their district's levy if the district applies for levy authority to lease a graduation venue. For districts that apply annually, the levy increase would generally be a one-time adjustment, with only minor additional changes possible due to cost-of-living adjustments or a change in venue.

References/Sources

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