

SF1679 - 0 - Ice Arena Cooperation Authorized

Chief Author: **Jason Rarick**
 Committee: **Education Finance**
 Date Completed: **3/3/2025 2:24:28 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

This bill allows two or more school districts to enter into a cooperation agreement to operate and maintain an ice arena. Requires a district with a cooperation agreement to apportion the qualifying costs and annual levy amount among each cooperating district per the agreement. Requires cooperating districts to report the apportionment of the costs and levy to MDE. Makes the section effective for taxes payable in 2026 and later.

Assumptions

Levies have already been certified for fiscal year (FY) 2026. Of those FY 2026 levies, 16 school districts levy for the ice arena for a total of \$4,175,995. This is not an open levy as districts have to apply and be evaluated by MDE's Office of General Counsel before they are allowed to levy for the costs. This provision would expand the options for districts/cooperatives to use this levy, but at an unknown scale. MDE has no way of knowing how many districts would take advantage of this and what those costs would be. Any additional approval of a program would be a property tax increase for district residents, with no cost to the state.

The effective date for FY revenue will be for 2027 and later since the deadline for FY 2026 has passed.

Expenditure and/or Revenue Formula

None

Long-Term Fiscal Considerations

Typically, districts continue to levy for this purpose once they start.

Local Fiscal Impact

There is no additional local cost for ice arenas that are already built and will revise the organization and levy.

This is an unknown local cost depending on what districts decide to take advantage of this provision and build new ice arenas.

References/Sources

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