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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3798

02/26/2026

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The bill was read for the first time and referred to the Committee on Elections Finance and Government Operations

1.1 A bill for an act
1.2 relating to elections; amending ballot language relating to school district referenda;
1.3 amending Minnesota Statutes 2024, sections 123B.63, subdivision 3; 126C.17,
1.4 subdivision 9; 275.60.

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

1.6 Section 1. Minnesota Statutes 2024, section 123B.63, subdivision 3, is amended to read:

1.7 Subd. 3. **Capital project levy referendum.** (a) A district may levy the local tax rate
1.8 approved by a majority of the electors voting on the question to provide funds for an approved
1.9 project. The election must take place no more than five years before the estimated date of
1.10 commencement of the project. The referendum must be held on a date authorized by section
1.11 205A.05, subdivision 1a. A district must meet the requirements of section 123B.71 for
1.12 projects funded under this section. If a review and comment is required under section
1.13 123B.71, subdivision 8, a referendum for a project not receiving a positive review and
1.14 comment by the commissioner must be approved by at least 60 percent of the voters at the
1.15 election.

1.16 (b) The referendum may be called by the school board and may be held:

1.17 (1) separately, before an election for the issuance of obligations for the project under
1.18 chapter 475; or

1.19 (2) in conjunction with an election for the issuance of obligations for the project under
1.20 chapter 475; or

2.1 (3) notwithstanding section 475.59, as a conjunctive question authorizing both the capital
 2.2 project levy and the issuance of obligations for the project under chapter 475. Any obligations
 2.3 authorized for a project may be issued within five years of the date of the election.

2.4 (c) The ballot must provide a general description of the proposed project, state the
 2.5 estimated total cost of the project, state whether the project has received a positive or negative
 2.6 review and comment from the commissioner, state the maximum amount of the capital
 2.7 project levy as a percentage of net tax capacity, state the amount that will be raised by that
 2.8 local tax rate in the first year it is to be levied, and state the maximum number of years that
 2.9 the levy authorization will apply.

2.10 The ballot must contain a textual portion with the information required in this section
 2.11 and a question stating substantially the following:

2.12 "Shall the capital project levy proposed by the board of School District No.
 2.13 be approved?"

2.14 If approved, the amount provided by the approved local tax rate applied to the net tax
 2.15 capacity for the year preceding the year the levy is certified may be certified for the number
 2.16 of years, not to exceed ten, approved.

2.17 (d) If the district proposes a new capital project to begin at the time the existing capital
 2.18 project expires and at the same maximum tax rate, the general description on the ballot may
 2.19 state that the capital project levy is being renewed and that the tax rate is not being increased
 2.20 from the previous year's rate. An election to renew authority under this paragraph may be
 2.21 called at any time that is otherwise authorized by this subdivision. ~~The ballot notice required~~
 2.22 ~~under section 275.60 may be modified to read:~~

2.23 ~~"BY VOTING YES ON THIS BALLOT QUESTION, YOU ARE VOTING TO RENEW~~
 2.24 ~~AN EXISTING CAPITAL PROJECTS REFERENDUM THAT IS SCHEDULED TO~~
 2.25 ~~EXPIRE."~~

2.26 (e) In the event a conjunctive question proposes to authorize both the capital project
 2.27 levy and the issuance of obligations for the project, appropriate language authorizing the
 2.28 issuance of obligations must also be included in the question.

2.29 (f) The district must notify the commissioner of the results of the referendum.

2.30 Sec. 2. Minnesota Statutes 2024, section 126C.17, subdivision 9, is amended to read:

2.31 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,
 2.32 subdivision 1, may be increased in the amount approved by the voters of the district at a

3.1 referendum called for the purpose. The referendum may be called by the board. The
 3.2 referendum must be conducted one or two calendar years before the increased levy authority,
 3.3 if approved, first becomes payable. Only one election to approve an increase may be held
 3.4 in a calendar year. Unless the referendum is conducted by mail under subdivision 11,
 3.5 paragraph (a), the referendum must be held on the first Tuesday after the first Monday in
 3.6 November. The ballot must state the maximum amount of the increased revenue per adjusted
 3.7 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue
 3.8 per adjusted pupil unit that differs from year to year over the number of years for which the
 3.9 increased revenue is authorized or may state that the amount shall increase annually by the
 3.10 rate of inflation. For this purpose, the rate of inflation shall be the annual inflationary increase
 3.11 calculated under subdivision 2, paragraph (b). The ballot may state that existing referendum
 3.12 levy authority is expiring. In this case, the ballot may also compare the proposed levy
 3.13 authority to the existing expiring levy authority, and express the proposed increase as the
 3.14 amount, if any, over the expiring referendum levy authority. The ballot must designate the
 3.15 specific number of years, not to exceed ten, for which the referendum authorization applies.
 3.16 The ballot, including a ballot on the question to revoke or reduce the increased revenue
 3.17 amount under paragraph (c), must abbreviate the term "per adjusted pupil unit" as "per
 3.18 pupil." ~~The notice required under section 275.60 may be modified to read, in cases of~~
 3.19 ~~renewing existing levies at the same amount per pupil as in the previous year:~~

3.20 ~~"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING TO~~
 3.21 ~~EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS SCHEDULED~~
 3.22 ~~TO EXPIRE."~~

3.23 The ballot may contain a textual portion with the information required in this subdivision
 3.24 and a question stating substantially the following:

3.25 "Shall the increase in the revenue proposed by (petition to) the board of, School
 3.26 District No. ..., be approved?"

3.27 If approved, an amount equal to the approved revenue per adjusted pupil unit times the
 3.28 adjusted pupil units for the school year beginning in the year after the levy is certified shall
 3.29 be authorized for certification for the number of years approved, if applicable, or until
 3.30 revoked or reduced by the voters of the district at a subsequent referendum.

3.31 (b) The board must deliver by mail at least 15 days but no more than 45 days before the
 3.32 day of the referendum to each taxpayer a notice of the referendum and the proposed revenue
 3.33 increase. The board need not mail more than one notice to any taxpayer. For the purpose
 3.34 of giving mailed notice under this subdivision, owners must be those shown to be owners

4.1 on the records of the county auditor or, in any county where tax statements are mailed by
4.2 the county treasurer, on the records of the county treasurer. Every property owner whose
4.3 name does not appear on the records of the county auditor or the county treasurer is deemed
4.4 to have waived this mailed notice unless the owner has requested in writing that the county
4.5 auditor or county treasurer, as the case may be, include the name on the records for this
4.6 purpose. The notice must project the anticipated amount of tax increase in annual dollars
4.7 for typical residential homesteads, agricultural homesteads, apartments, and
4.8 commercial-industrial property within the school district.

4.9 The notice for a referendum may state that an existing referendum levy is expiring and
4.10 project the anticipated amount of increase over the existing referendum levy in the first
4.11 year, if any, in annual dollars for typical residential homesteads, agricultural homesteads,
4.12 apartments, and commercial-industrial property within the district.

4.13 ~~The notice must include the following statement: "Passage of this referendum will result~~
4.14 ~~in an increase in your property taxes." However, in cases of renewing existing levies, the~~
4.15 ~~notice may include the following statement: "Passage of this referendum extends an existing~~
4.16 ~~operating referendum at the same amount per pupil as in the previous year."~~

4.17 (c) A referendum on the question of revoking or reducing the increased revenue amount
4.18 authorized pursuant to paragraph (a) may be called by the board. A referendum to revoke
4.19 or reduce the revenue amount must state the amount per adjusted pupil unit by which the
4.20 authority is to be reduced. Revenue authority approved by the voters of the district pursuant
4.21 to paragraph (a) must be available to the school district at least once before it is subject to
4.22 a referendum on its revocation or reduction for subsequent years. Only one revocation or
4.23 reduction referendum may be held to revoke or reduce referendum revenue for any specific
4.24 year and for years thereafter.

4.25 (d) The approval of 50 percent plus one of those voting on the question is required to
4.26 pass a referendum authorized by this subdivision.

4.27 (e) At least 15 days before the day of the referendum, the district must submit a copy of
4.28 the notice required under paragraph (b) to the commissioner and to the county auditor of
4.29 each county in which the district is located. Within 15 days after the results of the referendum
4.30 have been certified by the board, or in the case of a recount, the certification of the results
4.31 of the recount by the canvassing board, the district must notify the commissioner of the
4.32 results of the referendum.

5.1 Sec. 3. Minnesota Statutes 2024, section 275.60, is amended to read:

5.2 **275.60 LEVY OR BOND REFERENDUM; BALLOT NOTICE.**

5.3 (a) Notwithstanding any general or special law or any charter provisions, ~~but subject to~~
5.4 ~~section 126C.17, subdivision 9~~, any question submitted to the voters by any local
5.5 governmental subdivision at a general or special election ~~after June 8, 1995~~, authorizing a
5.6 property tax levy or tax rate increase, including the issuance of debt obligations payable in
5.7 whole or in part from property taxes, must include on the ballot the following notice in
5.8 boldface type:

5.9 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A
5.10 PROPERTY TAX INCREASE."

5.11 (b) For purposes of this section and section 275.61, "local governmental subdivision"
5.12 includes counties, home rule and statutory cities, towns, ~~school districts~~, and all special
5.13 taxing districts. This statement is in addition to any general or special laws or any charter
5.14 provisions that govern the contents of a ballot question and, in the case of a question on the
5.15 issuance of debt obligations, may be supplemented by a description of revenues pledged to
5.16 payment of the obligations that are intended as the primary source of payment.

5.17 ~~(c) This section does not apply to a school district bond election if the debt service~~
5.18 ~~payments are to be made entirely from transfers of revenue from the capital fund to the debt~~
5.19 ~~service fund.~~

5.20 Sec. 4. **EFFECTIVE DATE.**

5.21 This act is effective September 1, 2025, and applies to elections held on and after that
5.22 date.