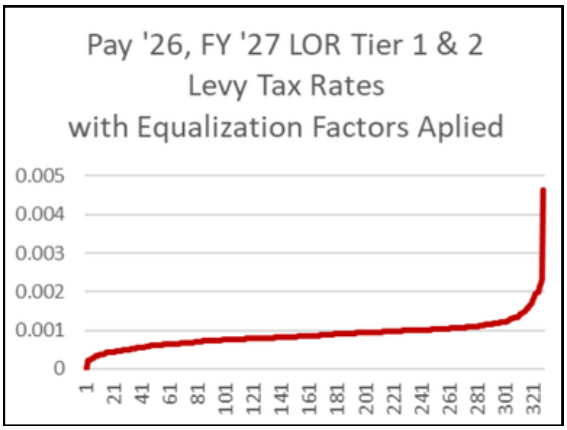
MREA
Voice For Greater Minnesota Education

REMODELING LOR AND SCHOOL PROPERTY TAX FAIRNESS IN MINNESOTA

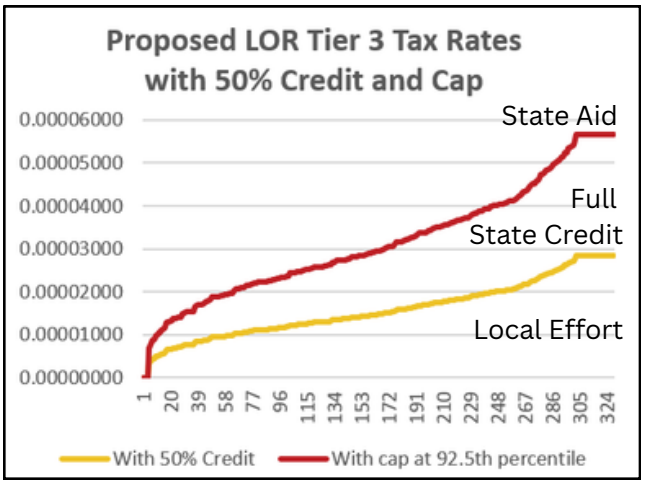
THE PROBLEMS: A FROZEN LOR AND INEQUITABLE SCHOOL PROPERTY TAX LEVIES

- Local Optional Revenue (LOR) has lost $250 in buying power since inception in 2014 (35% of its value).
- Minnesota's school property tax system remains inequitable despite levy equalization efforts.
- Rural and low–property-value districts often face higher tax rates than wealthier communities, undermining the goal of statewide fairness.
- Formulas that are not visible to taxpayers make it difficult for taxpayers to understand how aid is calculated or why disparities persist.



THE PROPOSED SOLUTION: (EEC) EDUCATION EQUALIZATION CREDITS WITH A NEW LOR TIER 3

- Allow districts to increase Local Optional Revenue board authority with a new Tier 3 to annually increase at the formula inflation factor to adress operational costs.
- Improve levy fairness and restore trust in public school funding by making property tax credits clearly visible and targeted on property tax statements for homeowners, commercial property owners, and rural agricultural landowners who bear a disproportionate tax burden.
- Make this state-wide property tax neutral the first 2 years.



Legislative action is essential to modernize the system and ensure fair, sustainable funding for all Minnesota schools.

SCAN THE QR CODE TO **LEARN MORE** AND **SEE THE DATA**