

A bill for an act

relating to education; removing obsolete and unneeded mandates; amending Minnesota Statutes 2008, sections 120B.021, subdivision 1; 120B.11, subdivision 5; 123B.10, subdivision 1; 123B.143, subdivision 1; 123B.57, subdivision 1; 123B.59, subdivision 2; 123B.71, subdivision 8; 123B.76, subdivision 3; 124D.68, subdivision 5; 126C.44; 275.065, subdivisions 3, 6; Laws 2008, chapter 363, article 2, section 46, subdivision 1; repealing Minnesota Statutes 2008, sections 120B.39; 122A.628; 122A.75; 275.065, subdivisions 5a, 6b, 6c, 8, 9, 10.

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

Section 1. Minnesota Statutes 2008, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** The following subject areas are required for statewide accountability:

(1) language arts;

(2) mathematics;

(3) science;

(4) social studies, including history, geography, economics, and government and citizenship;

(5) health and physical education, for which locally developed academic standards apply; and

(6) the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer ~~at least three~~ and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools, consistent with section 120B.024, paragraph (a), clause (5), must offer ~~at least three~~ and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

The commissioner must submit proposed standards in science and social studies to the legislature by February 1, 2004.

For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education plan team has determined that the required academic standards are inappropriate. An individualized education plan team that makes this determination must establish alternative standards.

A school district, no later than the 2007-2008 school year, must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule. A school district that incorporates these state graduation requirements before the 2007-2008 school year must provide students who enter the 9th grade in or before the 2003-2004 school year the opportunity to earn a diploma based on existing locally established graduation requirements in effect when the students entered the 9th grade. District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

The commissioner must include the contributions of Minnesota American Indian tribes and communities as they relate to the academic standards during the review and revision of the required academic standards.

EFFECTIVE DATE. This section is effective for the 2009-2010 school year and later.

Sec. 2. Minnesota Statutes 2008, section 120B.11, subdivision 5, is amended to read:

Subd. 5. **Report.** (a) By October 1 of each year, the school board shall use standard statewide reporting procedures the commissioner develops and adopt a report, consistent with section 120B.36, subdivision 1, that includes the following:

- (1) student achievement goals for meeting state academic standards;
- (2) results of local assessment data, and any additional test data;
- (3) the annual school district improvement plans including staff development goals under section 122A.60;
- (4) information about district and learning site progress in realizing previously adopted improvement plans; and
- (5) the amount and type of revenue attributed to each education site as defined in section 123B.04.

(b) The school board shall publish the report in the local newspaper with the largest circulation in the district, by mail, or by electronic means such as the district Web site. If electronic means are used, school districts must publish notice of the report in a periodical of general circulation in the district. School districts must make copies of the report available to the public on request. ~~The board shall make a copy of the report available to the public for inspection. The board shall send a copy of the report to the commissioner of education by October 15 of each year.~~

~~(c) The title of the report shall contain the name and number of the school district and read "Annual Report on Curriculum, Instruction, and Student Achievement." The report must include at least the following information about advisory committee membership:~~

~~(1) the name of each committee member and the date when that member's term expires;~~

~~(2) the method and criteria the school board uses to select committee members; and~~

~~(3) the date by which a community resident must apply to next serve on the committee.~~

EFFECTIVE DATE. This section is effective for the 2009-2010 school year and later.

Sec. 3. Minnesota Statutes 2008, section 123B.10, subdivision 1, is amended to read:

Subdivision 1. **Budgets; form of notification.** (a) Every board must publish revenue and expenditure budgets for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the commissioner within one week of the acceptance of the final audit by the board, or November 30, whichever is earlier. The forms prescribed must be designed so that year to year comparisons of revenue, expenditures and fund balances can be made.

(b) A school board annually must notify the public of its revenue, expenditures, fund balances, and other relevant budget information. The board must ~~include the budget information required by this section in the materials provided as a part of its truth in taxation hearing,~~ post the materials in a conspicuous place on the district's official Web site, including a link to the district's school report card on the Department of Education's Web site, and publish a summary of the information and the address of the district's official Web site where the information can be found in a qualified newspaper of general circulation in the district.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2008, section 123B.143, subdivision 1, is amended to read:

Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

(1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(2) recommend to the board employment and dismissal of teachers;

(3) superintend school grading practices and examinations for promotions;

(4) make reports required by the commissioner; and

~~(5) by January 10, submit an annual report to the commissioner in a manner prescribed by the commissioner, in consultation with school districts, identifying the expenditures that the district requires to ensure an 80 percent student passage rate on~~

~~the MCA-Hs taken in the eighth grade, identifying the highest student passage rate the district expects it will be able to attain on the MCA-Hs by grade 12, and the amount of expenditures that the district requires to attain the targeted student passage rate; and~~
(6) perform other duties prescribed by the board.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2009-2010 school year and later.

Sec. 5. Minnesota Statutes 2008, section 123B.57, subdivision 1, is amended to read:

Subdivision 1. **Health and safety program.** (a) To receive health and safety revenue for any fiscal year a district must submit to the commissioner an application for aid and levy by the date determined by the commissioner. The application may be for hazardous substance removal, fire and life safety code repairs, labor and industry regulated facility and equipment violations, and health, safety, and environmental management, including indoor air quality management. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost, per building, of the program by fiscal year. Upon approval through the adoption of a resolution by each of an intermediate district's member school district boards and the approval of the Department of Education, a school district may include its proportionate share of the costs of health and safety projects for an intermediate district in its application.

~~(b) Health and safety projects with an estimated cost of \$500,000 or more per site, approved after February 1, 2003, are not eligible for health and safety revenue. Health and safety projects with an estimated cost of \$500,000 or more per site, approved after February 1, 2003, that meet all other requirements for health and safety funding, are eligible for alternative facilities bonding and levy revenue according to section 123B.59. A school board shall not separate portions of a single project into components to qualify for health and safety revenue, and shall not combine unrelated projects into a single project to qualify for alternative facilities bonding and levy revenue.~~

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 6. Minnesota Statutes 2008, section 123B.59, subdivision 2, is amended to read:

Subd. 2. **Facility plan.** (a) A district qualifying under subdivision 1, paragraph (a), must have a ten-year facility plan approved by the commissioner that includes an inventory of projects and costs that would be eligible for:

- (1) health and safety revenue, without restriction as to project size;
- (2) disabled access levy; and

(3) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities.

~~(b) A district qualifying under subdivision 1, paragraph (b), must have a five-year plan approved by the commissioner that includes an inventory of projects and costs for health and safety projects with an estimated cost of \$500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b).~~

~~(c)~~ The school district must:

(1) annually update the plans;

(2) biennially submit a facility maintenance plan; and

(3) indicate whether the district will issue bonds to finance the plan or levy for the costs.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 7. Minnesota Statutes 2008, section 123B.71, subdivision 8, is amended to read:

Subd. 8. **Review and comment.** A school district, a special education cooperative, or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not initiate an installment contract for purchase or a lease agreement, hold a referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of ~~\$500,000~~ \$1,400,000 per school site prior to review and comment by the commissioner. The commissioner may exempt a facility maintenance project funded with general education aid and levy, alternative facilities bonding and levy program, or health and safety revenue from this provision after reviewing a written request from a school district describing the scope of work. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

EFFECTIVE DATE. This section is effective for review and comments requested on or after July 1, 2009.

Sec. 8. Minnesota Statutes 2008, section 123B.76, subdivision 3, is amended to read:

Subd. 3. **Expenditures by building.** (a) For the purposes of this section, "building" means education site as defined in section 123B.04, subdivision 1.

(b) Each district shall ~~maintain separate accounts to~~ identify general fund expenditures for each building to the extent provided by the uniform financial accounting and reporting standards for school units. ~~All expenditures for regular instruction,~~

~~secondary vocational instruction, and school administration must be reported to the department separately for each building. All expenditures for special education instruction, instructional support services, and pupil support services provided within a specific building must be reported to the department separately for each building. Salary expenditures reported by building must reflect actual salaries for staff at the building and must not be based on districtwide averages. All other General fund expenditures not available at the building level through the uniform financial accounting and reporting standards may be reported by building or on a districtwide basis.~~

(c) The department must annually report information showing school district general fund expenditures per pupil by program category for each building and estimated school district general fund revenue generated by pupils attending each building on its Web site. For purposes of this report:

(1) expenditures not reported by building shall be allocated among buildings on a uniform per pupil basis;

(2) basic skills revenue shall be allocated according to section 126C.10, subdivision 4;

(3) secondary sparsity revenue and elementary sparsity revenue shall be allocated according to section 126C.10, subdivisions 7 and 8;

(4) alternative teacher compensation revenue shall be allocated according to section 122A.415, subdivision 1;

(5) other general education revenue shall be allocated on a uniform per pupil unit basis;

(6) first grade preparedness aid shall be allocated according to section 124D.081;

(7) state and federal special education aid and Title I aid shall be allocated in proportion to district expenditures for these programs by building; and

(8) other general fund revenues shall be allocated on a uniform per pupil basis, except that the department may allocate other revenues attributable to specific buildings directly to those buildings.

EFFECTIVE DATE. This section is effective for fiscal years 2010 and later.

Sec. 9. Minnesota Statutes 2008, section 124D.68, subdivision 5, is amended to read:

Subd. 5. **Pupil enrollment.** (a) Any eligible pupil may apply to enroll in an eligible program. Approval of the resident district is not required for:

(1) an eligible pupil to enroll in any eligible program in a nonresident district under subdivision 3 or 4 or an area learning center established under section 123A.05; or

(2) an eligible pupil under subdivision 2, to enroll in an adult basic education program approved under section 124D.52.

(b) Notwithstanding paragraph (a), a nonresident district must first approve the enrollment application of any eligible pupil who was expelled under section 121A.45 for a reason stated in section 124D.03, subdivision 1, paragraph (b).

EFFECTIVE DATE. This section is effective for the 2009-2010 school year and later.

Sec. 10. Minnesota Statutes 2008, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

(a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$30 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

(b) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority

must not exceed \$10 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.

(c) A school district must set aside at least \$3 per adjusted marginal cost pupil unit of the safe schools levy proceeds for the purposes authorized under paragraph (a), clause (6). The district must annually certify either that: (1) its total spending on services provided by the employees listed in paragraph (a), clause (6), is not less than the sum of its expenditures for these purposes, excluding amounts spent under this section, in the previous year plus the amount spent under this section; or (2) that the district's full-time equivalent number of employees listed in paragraph (a), clause (6), is not less than the number for the previous year.

EFFECTIVE DATE. This section is effective for revenue for fiscal years 2010 and later.

Sec. 11. Minnesota Statutes 2008, section 275.065, subdivision 3, is amended to read:

Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes. Upon written request by the taxpayer, the treasurer may send the notice in electronic form or by electronic mail instead of on paper or by ordinary mail.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority proposes to collect for taxes payable the following year. In the case of a town, or in the case of the state general tax, the final tax amount will be its proposed tax. ~~In the case of taxing authorities required to hold a public meeting under subdivision 6, the notice must clearly state that each taxing authority, including regional library districts established under section 134.201, and including the metropolitan taxing districts as defined in paragraph (i), but excluding all other special taxing districts and towns, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy.~~ The notice must clearly state for each city, county, school district, regional library authority established under section 134.201, and metropolitan taxing districts as defined in paragraph (i), the time and place of the taxing authority's regularly scheduled meetings in which the budget and levy will be discussed and the final budget and levy determined. The taxing authorities must provide the county auditor with

10.1 the information to be included in the notice. It must ~~clearly state the time and place of~~
10.2 ~~each taxing authority's meeting,~~ provide a telephone number for the taxing authority that
10.3 taxpayers may call if they have questions related to the notice, and an address where
10.4 comments will be received by mail.

10.5 (d) The notice must state for each parcel:

10.6 (1) the market value of the property as determined under section 273.11, and used
10.7 for computing property taxes payable in the following year and for taxes payable in the
10.8 current year as each appears in the records of the county assessor on November 1 of the
10.9 current year; and, in the case of residential property, whether the property is classified as
10.10 homestead or nonhomestead. The notice must clearly inform taxpayers of the years to
10.11 which the market values apply and that the values are final values;

10.12 (2) the items listed below, shown separately by county, city or town, and state general
10.13 tax, net of the residential and agricultural homestead credit under section 273.1384, voter
10.14 approved school levy, other local school levy, and the sum of the special taxing districts,
10.15 and as a total of all taxing authorities:

10.16 (i) the actual tax for taxes payable in the current year; and

10.17 (ii) the proposed tax amount.

10.18 If the county levy under clause (2) includes an amount for a lake improvement
10.19 district as defined under sections 103B.501 to 103B.581, the amount attributable for that
10.20 purpose must be separately stated from the remaining county levy amount.

10.21 In the case of a town or the state general tax, the final tax shall also be its proposed
10.22 tax unless the town changes its levy at a special town meeting under section 365.52. If a
10.23 school district has certified under section 126C.17, subdivision 9, that a referendum will
10.24 be held in the school district at the November general election, the county auditor must
10.25 note next to the school district's proposed amount that a referendum is pending and that, if
10.26 approved by the voters, the tax amount may be higher than shown on the notice. In the
10.27 case of the city of Minneapolis, the levy for Minneapolis Park and Recreation shall be
10.28 listed separately from the remaining amount of the city's levy. In the case of the city of
10.29 St. Paul, the levy for the St. Paul Library Agency must be listed separately from the
10.30 remaining amount of the city's levy. In the case of Ramsey County, any amount levied
10.31 under section 134.07 may be listed separately from the remaining amount of the county's
10.32 levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax
10.33 under chapter 276A or 473F applies, the proposed tax levy on the captured value or the
10.34 proposed tax levy on the tax capacity subject to the areawide tax must each be stated
10.35 separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease between the total taxes payable in the current year and the total proposed taxes, expressed as a percentage.

For purposes of this section, the amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda and school district levy referenda;

(3) a levy limit increase approved by the voters by the first Tuesday after the first Monday in November of the levy year as provided under section 275.73;

(4) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(5) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(6) the contamination tax imposed on properties which received market value reductions for contamination.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead, and satisfactory documentation is provided to the county assessor by the applicable deadline, and the property qualifies for the homestead classification in that assessment year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

(i) For purposes of this subdivision, ~~subdivisions~~ and subdivision 5a and 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

(1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325, 473.446, 473.521, 473.547, or 473.834;

(2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672; and

(3) Metropolitan Mosquito Control Commission under section 473.711.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy ~~and shall be discussed at that county's public hearing.~~

(j) The governing body of a county, city, or school district may, with the consent of the county board, include supplemental information with the statement of proposed property taxes about the impact of state aid increases or decreases on property tax increases or decreases and on the level of services provided in the affected jurisdiction. This supplemental information may include information for the following year, the current year, and for as many consecutive preceding years as deemed appropriate by the governing body of the county, city, or school district. It may include only information regarding:

(1) the impact of inflation as measured by the implicit price deflator for state and local government purchases;

(2) population growth and decline;

(3) state or federal government action; and

(4) other financial factors that affect the level of property taxation and local services that the governing body of the county, city, or school district may deem appropriate to include.

The information may be presented using tables, written narrative, and graphic representations and may contain instruction toward further sources of information or opportunity for comment.

EFFECTIVE DATE. This section is effective for taxes payable in 2010 and thereafter.

Sec. 12. Minnesota Statutes 2008, section 275.065, subdivision 6, is amended to read:

Subd. 6. ~~Public hearing; Adoption of budget and levy. (a) For purposes of this section, the following terms shall have the meanings given:~~

~~(1) "Initial hearing" means the first and primary hearing held to discuss the taxing authority's proposed budget and proposed property tax levy for taxes payable in the following year, or, for school districts, the current budget and the proposed property tax levy for taxes payable in the following year.~~

~~(2) "Continuation hearing" means a hearing held to complete the initial hearing, if the initial hearing is not completed on its scheduled date.~~

~~(3) "Subsequent hearing" means the hearing held to adopt the taxing authority's final property tax levy, and, in the case of taxing authorities other than school districts, the final budget, for taxes payable in the following year.~~

~~(b) Between November 29 and December 20, the governing bodies of a city that has a population over 500, county, metropolitan special taxing districts as defined in subdivision 3, paragraph (i), and regional library districts shall each hold an initial public hearing to discuss and seek public comment on its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold an initial public hearing to review its current budget and proposed property tax levy for taxes payable in the following year. The metropolitan special taxing districts shall be required to hold only a single joint initial public hearing, the location of which will be determined by the affected metropolitan agencies. A city, county, metropolitan special taxing district as defined in subdivision 3, paragraph (i), regional library district established under section 134.201, or school district is not required to hold a public hearing under this subdivision unless its proposed property tax levy for taxes payable in the following year, as certified under subdivision 1, has increased over its final property tax levy for taxes payable in the current year by a percentage that is greater than the percentage increase in the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysts of the United States Department of Commerce for the 12-month period ending March 31 of the current year.~~

~~(c) The initial hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No initial hearing may be held on a Sunday.~~

~~(d) At the initial hearing under this subdivision, the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions. At the public hearing, the school district must also provide and discuss information on the distribution of its revenues by revenue source, and the distribution of its spending by program area.~~

~~(e) If the initial hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continuation hearing must be held at least five business days but no more than 14 business days after the initial hearing. A continuation hearing may not be held later than December 20 except as provided in paragraphs (f) and (g). A continuation hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No continuation hearing may be held on a Sunday.~~

~~(f) The governing body of a county shall hold its initial hearing on the first Thursday in December each year, and may hold additional initial hearings on other dates before December 20 if necessary for the convenience of county residents. If the county needs a continuation of its hearing, the continuation hearing shall be held on the third Tuesday in December. If the third Tuesday in December falls on December 21, the county's continuation hearing shall be held on Monday, December 20.~~

~~(g) The metropolitan special taxing districts shall hold a joint initial public hearing on the first Wednesday of December. A continuation hearing, if necessary, shall be held on the second Wednesday of December even if that second Wednesday is after December 10.~~

~~(h) The county auditor shall provide for the coordination of initial and continuation hearing dates for all school districts and cities within the county to prevent conflicts under clauses (i) and (j).~~

~~(i) By August 10, each school board and the board of the regional library district shall certify to the county auditors of the counties in which the school district or regional library district is located the dates on which it elects to hold its initial hearing and any continuation hearing. If a school board or regional library district does not certify these dates by August 10, the auditor will assign the initial and continuation hearing dates. The dates elected or assigned must not conflict with the initial and continuation hearing dates of the county or the metropolitan special taxing districts.~~

~~(j) By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which school districts and regional library districts have elected to hold their initial and continuation hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its initial hearing and any continuation hearing. Until September 15, the first and second Mondays of December are reserved for the use of the cities. If a city does not certify its hearing dates by September 15, the auditor shall assign the initial and continuation hearing dates. The dates elected or assigned for the initial hearing must not conflict with the initial hearing dates of the county, metropolitan special taxing districts, regional library districts, or school districts within which the city is located. To the extent possible, the dates of the city's~~

~~continuation hearing should not conflict with the continuation hearing dates of the county, metropolitan special taxing districts, regional library districts, or school districts within which the city is located. This paragraph does not apply to cities of 500 population or less.~~

~~(k) The county initial hearing date and the city, metropolitan special taxing district, regional library district, and school district initial hearing dates must be designated on the notices required under subdivision 3. The continuation hearing dates need not be stated on the notices.~~

~~(l) At a subsequent hearing, each county, school district, city over 500 population, and metropolitan special taxing district may amend its proposed property tax levy and must adopt a final property tax levy. Each county, city over 500 population, and metropolitan special taxing district may also amend its proposed budget and must adopt a final budget at the subsequent hearing. The final property tax levy must be adopted prior to adopting the final budget. A school district is not required to adopt its final budget at the subsequent hearing. The subsequent hearing of a taxing authority must be held on a date subsequent to the date of the taxing authority's initial public hearing. If a continuation hearing is held, the subsequent hearing must be held either immediately following the continuation hearing or on a date subsequent to the continuation hearing. The subsequent hearing may be held at a regularly scheduled board or council meeting or at a special meeting scheduled for the purposes of the subsequent hearing. The subsequent hearing of a taxing authority does not have to be coordinated by the county auditor to prevent a conflict with an initial hearing, a continuation hearing, or a subsequent hearing of any other taxing authority. All subsequent hearings must be held prior to five working days after December 20 of the levy year. The date, time, and place of the subsequent hearing must be announced at the initial public hearing or at the continuation hearing.~~

~~(m)~~ (a) The property tax levy certified under section 275.07 by a city of any population, county, metropolitan special taxing district, regional library district, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 123B.63, subdivision 3, or 126C.17, subdivision 9, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a;

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of education or the commissioner of revenue after the proposed levy was certified; and

(7) the amount required under section 126C.55.

~~(n)~~ (b) This subdivision does not apply to towns and special taxing districts other than regional library districts and metropolitan special taxing districts.

~~(o)~~ (c) Notwithstanding the requirements of this section, the employer is required to meet and negotiate over employee compensation as provided for in chapter 179A.

EFFECTIVE DATE. This section is effective for taxes payable in 2010 and thereafter.

Sec. 13. Laws 2008, chapter 363, article 2, section 46, subdivision 1, is amended to read:

Subdivision 1. **Capital account transfers.** Notwithstanding any law to the contrary, on June 30, of 2008, 2009, and 2010, a school district may transfer money from its reserved for operating capital account to its undesignated balance in the general fund. The amount transferred by any school district must not exceed \$51 times the district's adjusted marginal cost pupil units for the second preceding fiscal year ~~2007~~. This transfer annually may occur only after the school board has adopted a written resolution stating the amount of the transfer and declaring that the school district's operating capital needs are being met.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 14. **REPEALER.**

(a) Minnesota Statutes 2008, sections 120B.39; 122A.628; and 122A.75, are repealed.

(b) Minnesota Statutes 2008, section 275.065, subdivisions 5a, 6b, 6c, 8, 9, and 10, are repealed.

- 17.1 **EFFECTIVE DATE.** Paragraph (a) of this section is effective the day following
- 17.2 final enactment and paragraph (b) of this section is effective for taxes payable in 2010
- 17.3 and thereafter.

120B.39 UNIFORM FORMS FOR STATE EXAMINATIONS; COMMISSIONER.

Upon the request of any superintendent of any public or private school teaching high school courses in the state, the commissioner shall designate or prepare uniform forms for state examinations in each high school subject during the month of May of each year; the request shall be in writing and delivered to the commissioner before January 1 of that year.

122A.628 SCHOOLS MENTORING SCHOOLS REGIONAL SITES.

Subdivision 1. **Program.** The commissioner of education shall select up to four school districts, or partnerships of school districts, for the purpose of assisting other school districts in the region with the development of thorough and effective teacher mentoring programs. The commissioner shall use geographic balance and proven teacher induction programs as criteria when selecting the sites. One site must include the Brainerd teacher support system, which has been cited by the Minnesota Board of Teaching as a model program and was one of only six programs in the nation to be recognized for the 2004 NEA-Saturn/UAW partnership award. The sites shall be known as schools mentoring schools regional sites.

The sites shall provide high quality mentoring assistance programs and services to other nearby school districts for the development of effective systems of support for new teachers. The sites shall offer coaching/mentor training, in-class observation training, and train-the-teacher opportunities for teams of participating teachers. The sites shall use their recognized experience and methods to equip schools to work with their own new and beginning teachers. The commissioner shall review and report annually to the legislature on the operation of each training center.

Subd. 2. **Revenue.** A school district that is selected to participate in the schools mentoring schools program under this section may utilize its professional compensation revenue under section 122A.414, subdivision 4, to pay regional training sites for staff development and training services.

122A.75 ADMINISTRATORS ACADEMY.

Subdivision 1. **Services.** An Administrators Academy is established. The academy shall provide at least the following services:

(1) an administrator assessment that results in an individual professional development plan;

(2) research and development assistance that provides current research and data of interest to administrators; and

(3) brokerage assistance to provide services and resources to help administrators with needs identified in their individual professional development plan.

Subd. 2. **Governance.** The commissioner of education shall appoint a 17-member committee to govern the Administrators Academy. Eight members must be from among administrators who are receiving or have received the services of the academy. In addition, a representative of each of the following organizations: Minnesota Department of Education, Minnesota Association of School Administrators, Minnesota elementary school principals, Minnesota secondary school principals, University of Minnesota, state university system, and a representative from the private colleges must be appointed by the organization each represents. Parents and teachers shall also have representation on the governing board.

275.065 PROPOSED PROPERTY TAXES; NOTICE.

Subd. 5a. **Public advertisement.** (a) A city that has a population of more than 2,500, county, a metropolitan special taxing district as defined in subdivision 3, paragraph (i), a regional library district established under section 134.201, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, to review its current budget and proposed property taxes payable in the following year, at a public hearing, if a public hearing is required under subdivision 6. The notice must be published not less than two business days nor more than six business days before the hearing.

The advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

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For purposes of this section, the metropolitan special taxing district's advertisement must only be published in the Minneapolis Star and Tribune and the Saint Paul Pioneer Press.

In addition to other requirements, a county and a city having a population of more than 2,500 must show in the public advertisement required under this subdivision the current local tax rate, the proposed local tax rate if no property tax levy increase is adopted, and the proposed rate if the proposed levy is adopted. For purposes of this subdivision, "local tax rate" means the city's or county's net tax capacity levy divided by the city's or county's taxable net tax capacity.

(b) Subject to the provisions of paragraph (g), the advertisement for school districts, metropolitan special taxing districts, and regional library districts must be in the following form, except that the notice for a school district may include references to the current budget in regard to proposed property taxes.

"NOTICE OF
PROPOSED PROPERTY TAXES
(School District/Metropolitan

Special Taxing District/Regional
Library District) of

The governing body of will soon hold budget hearings and vote on the property taxes for (metropolitan special taxing district/regional library district services that will be provided in (year)/school district services that will be provided in (year) and (year)).

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (school district/metropolitan special taxing district/regional library district) budget and property taxes, or in the case of a school district, its current budget and proposed property taxes, payable in the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address)."

(c) Subject to the provisions of paragraph (g), the advertisement for cities and counties must be in the following form.

"NOTICE OF PROPOSED
TOTAL BUDGET AND PROPERTY TAXES

The (city/county) governing body or board of commissioners will hold a public hearing to discuss the budget and to vote on the amount of property taxes to collect for services the (city/county) will provide in (year).

SPENDING: The total budget amounts below compare (city's/county's) (year) total actual budget with the amount the (city/county) proposes to spend in (year).

(Year) Total ActualBudget	Proposed (Year) Budget	Change from (Year)-(Year)
\$	\$	%

TAXES: The property tax amounts below compare that portion of the current budget levied in property taxes in (city/county) for (year) with the property taxes the (city/county) proposes to collect in (year).

(Year) Property Taxes	Proposed (Year) PropertyTaxes	Change from (Year)-(Year)
\$	\$	%

LOCAL TAX RATE COMPARISON: The current local tax rate, the local tax rate if no tax levy increase is adopted, and the proposed local tax rate if the proposed levy is adopted.

(Year) Tax Rate	(Year) Tax Rate if NO Levy Increase	(Year) Proposed TaxRate
.....		

ATTEND THE PUBLIC HEARING

All (city/county) residents are invited to attend the public hearing of the (city/county) to express your opinions on the budget and the proposed amount of (year) property taxes. The hearing will be held on:

(Month/Day/Year/Time)

(Location/Address)

If the discussion of the budget cannot be completed, a time and place for continuing the discussion will be announced at the hearing. You are also invited to send your written comments to:

(City/County)

(Location/Address)"

(d) For purposes of this subdivision, the budget amounts listed on the advertisement mean:

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(1) for cities, the total government fund expenditures, as defined by the state auditor under section 471.6965, less any expenditures for improvements or services that are specially assessed or charged under chapter 429, 430, 435, or the provisions of any other law or charter; and

(2) for counties, the total government fund expenditures, as defined by the state auditor under section 375.169, less any expenditures for direct payments to recipients or providers for the human service aids listed below:

- (i) Minnesota family investment program under chapters 256J and 256K;
- (ii) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;
- (iii) general assistance medical care under section 256D.03, subdivision 6;
- (iv) general assistance under section 256D.03, subdivision 2;
- (v) Minnesota supplemental aid under section 256D.36, subdivision 1;
- (vi) preadmission screening under section 256B.0911, and alternative care grants under section 256B.0913;
- (vii) general assistance medical care claims processing, medical transportation and related costs under section 256D.03, subdivision 4;
- (viii) medical transportation and related costs under section 256B.0625, subdivisions 17 to 18a;
- (ix) group residential housing under section 256I.05, subdivision 8, transferred from programs in clauses (iv) and (v); or
- (x) any successor programs to those listed in clauses (i) to (ix).

(e) A city with a population of over 500 but not more than 2,500 that is required to hold a public hearing under subdivision 6 must advertise by posted notice as defined in section 645.12, subdivision 1. The advertisement must be posted at the time provided in paragraph (a). It must be in the form required in paragraph (b).

(f) For purposes of this subdivision, the population of a city is the most recent population as determined by the state demographer under section 4A.02.

(g) The commissioner of revenue shall annually prescribe the specific form and format of the advertisements required under this subdivision, including such details as font size and style, and spacing for the required items. The commissioner may prescribe alternate and additional language for the advertisement for a taxing authority or for groups of taxing authorities. At least two weeks before November 29 each year, the commissioner shall provide a copy of the prescribed advertisements to the chairs of the committees of the house of representatives and the senate with jurisdiction over taxes.

Subd. 6b. Joint public hearings. Notwithstanding any other provision of law, any city with a population of 10,000 and over, may conduct a more comprehensive public hearing than is contained in subdivision 6 by including a board member from the county, a board member from the school district located within the city's boundary, and a representative of the metropolitan council, if the city is in the metropolitan area, as defined in section 473.121, subdivision 2, at the city's public hearing. All provisions regarding the public hearings under subdivision 6 are applicable to the joint public hearings under this subdivision.

Upon the adoption of a resolution by the governing body of the city to hold a joint hearing, the city shall notify the county, the school district, and the Metropolitan Council if the city is in the metropolitan area, of the decision to hold a joint public hearing and request a board member from each of those taxing authorities, and the member or the designee of the Metropolitan Council if applicable, to be at the joint hearing. If the city is located in more than one county, the city may choose to request a county board member from each county or only from the county containing the majority of the city's market value. If more than one school district is partially or totally located within the city, the city may choose to request a school district board member from each school district, or a board member only from the school district containing the majority of the city's market value. If, as a result of requests under this subdivision, there are not sufficient board members in the county or the school district to attend the joint hearing, the county or school district may send a nonelected person working for its taxing authority to speak on the authority's behalf. The city may also invite each state senator and representative who represents the city, or a portion of the city, to come to the joint hearing.

The primary purpose of the joint hearing is to discuss the city's budget and property tax levy. The county and school district officials, and Metropolitan Council representative, if the city is in the metropolitan area, should be prepared to answer questions relevant to its budget and levy and the effect that its levy has on the property owners in the city.

If a city conducts a hearing under this subdivision, this hearing is in lieu of the initial hearing required under subdivision 6. However, the city is still required to adopt its proposed property tax levy at a subsequent hearing as provided under subdivision 6. The hearings under

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this subdivision do not relieve a county, school district, or the Metropolitan Council of the requirement to hold its individual hearing under subdivision 6.

Subd. 6c. **Joint public hearing; nonmetropolitan county, cities, and school districts.**

(a) Notwithstanding any other provision of law, the county board may hold a joint hearing with the governing bodies of all taxing authorities located wholly or partially within the county that are required to hold a public hearing under this section, excluding special taxing districts. The primary purpose of the joint hearing is for taxpayer efficiency by allowing taxpayers to come to a single public hearing to discuss the budgets and proposed property tax levies of most taxing authorities that impact the taxes on their property.

(b) This subdivision applies only to counties located outside the metropolitan area as defined under section 473.121, subdivision 2. If a city or school district is located partially within the metropolitan area, that taxing jurisdiction may participate in its nonmetropolitan county's joint hearing, if it so chooses.

(c) Upon the adoption of a resolution by the county board to hold a joint public hearing, the county shall notify each city with a population over 500 and each school district located wholly or partially within the county of its intention to hold the joint hearing and ask each of the taxing authorities if it would like to participate. Participation is voluntary, and participation in the joint hearing is in lieu of the requirement for the governing body to hold a separate public hearing under subdivision 6. If a participating city or school district is located in more than one county, the hearing under this subdivision is in lieu of the requirement to hold a separate public hearing if 75 percent or more of that city or school district's previous year's net tax capacity is in the county where the hearing is held.

(d) The initial joint hearing must be held on the first Thursday in December. The county may hold an additional joint hearing on another date before December 20 if the majority of the participating taxing authorities want an additional hearing.

The county board shall obtain a meeting space to hold the joint hearing, preferably at a public building such as the courthouse, school, or community center. The location shall be as centrally located within the county as possible. The meeting shall generally be structured in the following general manner:

- (1) 30 to 60 minutes must be devoted to discussion of the county's budget and levy;
- (2) 30 to 60 minutes must be devoted to discussion of the city's budget and levy, with each city's discussion held in a separate room, preferably in the same building;
- (3) 30 to 60 minutes must be devoted to discussion of the school district's levy, with each school district's discussion held in a separate room, preferably in the same building; and
- (4) during the last 30 minutes the governing bodies must reassemble in a joint meeting to entertain any follow-up questions that have arisen from the separate discussions.

The county shall attempt to keep the total public hearing to within three hours.

(e) In lieu of the public advertisement requirement in subdivision 5a, the county shall have a single advertisement listing the county, each city with a population of over 500, and each school district participating in the joint public hearing listing. Any taxing authority participating under this subdivision is exempt from the separate public advertisement requirement under subdivision 5a. The cost of the joint hearing advertisement shall be apportioned in the same manner provided in subdivision 4. The notice must be published not less than two business days nor more than six business days before the hearing. The newspaper selected must be one of general interest and readership in the county, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week. The advertisement must be in the following form:

"NOTICE OF JOINT PUBLIC HEARING
PROPOSED TOTAL PROPERTY TAXES
FOR PARTICIPATING TAXING AUTHORITIES

The property tax amounts below compare that portion of the current budget levied in property taxes in the county, cities, and school districts for (year) with the property taxes the county, cities, and school districts propose to collect in (year) for those taxing authorities participating in the joint public hearing.

Taxing Authority	(Year) Property Taxes	Proposed (Year) Property Taxes	Change(Year) - (Year)
\$	\$.....	\$	%
\$	\$.....	\$	%
\$	\$.....	\$	%

ATTEND THE JOINT PUBLIC HEARING

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All residents are invited to attend the joint public hearing of the county/cities/school districts to express your opinions on the proposed amount of (year) property taxes. The hearing will be held on:
(Month/Day/Year/Time)
(Location/Address)

If the discussion cannot be completed, and another hearing is scheduled, a time and place for that hearing will be announced at this hearing. You are also invited to send your written comments to the county auditor. If the comments relate to the city or school district's levy, please identify that on the envelope so the county auditor can direct the correspondence to the right jurisdiction."

The formal adoption of the taxing authority's levy must not be made at the joint public hearing held under this subdivision. The formal adoption must be made at one of the regularly scheduled meetings of the taxing authority's governing body. However, the property tax levy amount that is subsequently adopted cannot exceed the amount shown to taxpayers at the joint public hearing.

Subd. 8. **Hearing.** Notwithstanding any other provision of law, Ramsey County, the city of St. Paul, and Independent School District No. 625 are authorized to and shall hold their initial public hearing jointly. The hearing must be held during the week of the second Tuesday of December each year. The advertisement required in subdivision 5a may be a joint advertisement. The hearing is otherwise subject to the requirements of this section.

Ramsey County is authorized to hold an additional initial hearing or hearings as provided under this section, provided that any additional hearings must not conflict with the initial or continuation hearing dates of the other taxing districts. However, if Ramsey County elects not to hold such additional initial hearing or hearings, the joint initial hearing required by this subdivision must be held in a St. Paul location convenient to residents of Ramsey County.

Subd. 9. **Aitkin County and school district hearing.** Notwithstanding any other law, Aitkin County and Independent School District No. 1, and the city of Aitkin, or any two of them, may hold their initial public hearing jointly. The hearing must be held on the second Tuesday of December each year. The advertisement required in subdivision 5a may be a joint advertisement. The hearing is otherwise subject to the requirements of this section.

Subd. 10. **Nobles County; joint initial public hearing.** Notwithstanding any other law, Nobles County, the city of Worthington, and Independent School District No. 518, Worthington, or any two of them, may hold their initial public hearing jointly. The hearing must be held on the second Tuesday of December each year. The advertisement required in subdivision 5a may be a joint advertisement. The hearing is otherwise subject to the requirements of this section.