

A bill for an act
relating to education finance; modifying the uses of alternative facilities revenue;
amending Minnesota Statutes 2010, section 123B.59, subdivisions 1, 2.

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

Section 1. Minnesota Statutes 2010, section 123B.59, subdivision 1, is amended to read:

Subdivision 1. **To qualify.** (a) An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

(1) more than 66 students per grade;

(2) over 1,850,000 square feet of space and the average age of building space is 15 years or older or over 1,500,000 square feet and the average age of building space is 35 years or older;

(3) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, ~~or~~ to make fire, safety, or health repairs, or otherwise implement its ten-year facility plan according to subdivision 2; and

(4) a ten-year facility plan approved by the commissioner according to subdivision 2.

(b) An independent or special school district not eligible to participate in the alternative facilities bonding and levy program under paragraph (a) qualifies for limited participation in the program if the district has:

(1) one or more 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); and

(2) insufficient funds from capital facilities revenue to fund those projects.

(c) Notwithstanding the square footage limitation in paragraph (a), clause (2), a school district that qualified for eligibility under paragraph (a) as of July 1, 2007, remains eligible for funding under this section as long as the district continues to meet the requirements of paragraph (a), clauses (1), (3), and (4).

EFFECTIVE DATE. This section is effective for taxes payable in 2012 and later.

Sec. 2. Minnesota Statutes 2010, 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. The facility plan must include~~ an inventory of eligible projects and costs ~~that would be eligible for.~~ Eligible projects include:

(1) projects that qualify for health and safety revenue, without restriction as to project size;

(2) projects that qualify for the disabled access levy; ~~and~~

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

(4) structural modifications to buildings for student and staff safety; and

(5) property assessments imposed by another unit of government for street and utility work.

(b) A district qualifying under subdivision 1, paragraph (b), must have a five-year plan 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 for taxes payable in 2012 and later.