

1.1 A bill for an act

1.2 relating to local government; providing mandate relief; establishing the
1.3 Legislative Commission on Mandate Reform; abolishing levy limits; amending
1.4 Minnesota Statutes 2008, sections 3.842, subdivision 4a; 3.843; 6.80, by adding a
1.5 subdivision; 16C.28, subdivision 1a; 123B.10, subdivision 1; 134.34, subdivision
1.6 4; 275.065, subdivisions 3, 6; 306.243, by adding a subdivision; 344.18;
1.7 365.28; 373.052, subdivision 1; 375.194, subdivision 5; 383A.75, subdivision
1.8 3; 429.041, subdivisions 1, 2; 446A.086, subdivision 8; 465.719, subdivision 9;
1.9 469.015; 473.13, subdivision 1; 641.12, subdivision 1; proposing coding for new
1.10 law in Minnesota Statutes, chapters 3; 14; 275; repealing Minnesota Statutes
1.11 2008, sections 275.065, subdivisions 5a, 6b, 6c, 8, 9, 10; 275.71; 275.72; 275.73;
1.12 275.74.

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

1.14 **ARTICLE 1**

1.15 **LOCAL GOVERNMENT FINANCING**

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

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

1.23 (b) A school board annually must notify the public of its revenue, expenditures, fund
1.24 balances, and other relevant budget information. The board must ~~include the budget~~
1.25 ~~information required by this section in the materials provided as a part of its truth in~~
1.26 ~~taxation hearing~~, post the materials in a conspicuous place on the district's official Web
1.27 site, including a link to the district's school report card on the Department of Education's

2.1 Web site, and publish the information in a qualified newspaper of general circulation
2.2 in the district.

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

2.5 Sec. 2. Minnesota Statutes 2008, section 134.34, subdivision 4, is amended to read:

2.6 Subd. 4. **Limitation.** (a) A regional library basic system support grant shall not be
2.7 made to a regional public library system for a participating city or county which decreases
2.8 the dollar amount provided for support for operating purposes of public library service
2.9 below the amount provided by it for the first, second, or third preceding year, whichever is
2.10 less. For purposes of this subdivision and subdivision 1, any funds provided under section
2.11 473.757, subdivision 2, for extending library hours of operation shall not be considered
2.12 amounts provided by a city or county for support for operating purposes of public library
2.13 service. This subdivision shall not apply to participating cities or counties where the
2.14 adjusted net tax capacity of that city or county has decreased, if the dollar amount of the
2.15 reduction in support is not greater than the dollar amount by which support would be
2.16 decreased if the reduction in support were made in direct proportion to the decrease in
2.17 adjusted net tax capacity.

2.18 (b) In addition to any calendar year in which a city or county's aid under sections
2.19 477A.011 to 477A.014, or credits under section 273.1384 is reduced after the city or
2.20 county has certified its levy payable in that year, it may reduce its local support by the
2.21 lesser of (1) ten percent, or (2) a percent equal to the percent the aid or credit reduction is
2.22 of the city or county's revenue base as defined in paragraph (e), based on aids certified for
2.23 the current calendar year.

2.24 (c) In addition to any payable year in which the total amounts certified for city
2.25 or county aids under sections 477A.011 to 477A.014, are less than the total amounts
2.26 paid under those sections in the previous calendar year, a city or county may reduce its
2.27 local support by the lesser of (1) ten percent, or (2) a percent equal to the ratio of (i) the
2.28 difference between the sum of the aid it was paid under sections 477A.011 to 477A.014
2.29 and the credits it received under section 273.1398, in the previous calendar year and
2.30 the aid it is certified to be paid in the current calendar year under sections 477A.011 to
2.31 477A.014 and the credits estimated to be paid under section 273.1398, to (ii) its revenue
2.32 base for the previous year, based on aids actually paid in the previous calendar year.

2.33 (d) Notwithstanding paragraph (a), (b), or (c), no city or county shall reduce its
2.34 support for public libraries below the minimum level specified in subdivision 1.

2.35 (e) For purposes of this subdivision, "revenue base" means the sum of:

3.1 (1) its levy for taxes payable in the current calendar year, including the levy on
3.2 the fiscal disparities distribution under section 276A.06, subdivision 3, paragraph (a),
3.3 or 473F.08, subdivision 3, paragraph (a);

3.4 (2) its aid under sections 477A.011 to 477A.014 in the current calendar year; and

3.5 (3) its taconite aid in the current calendar year under sections 298.28 and 298.282.

3.6 **EFFECTIVE DATE.** This section is effective for support in calendar year 2009 and
3.7 thereafter for library grants paid in fiscal year 2010 and thereafter, except that the changes
3.8 in paragraph (a) are effective for support in calendar year 2010 and thereafter.

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

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

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

3.17 (c) The notice must inform taxpayers that it contains the amount of property taxes
3.18 each taxing authority proposes to collect for taxes payable the following year. In the
3.19 case of a town, or in the case of the state general tax, the final tax amount will be its
3.20 proposed tax. ~~In the case of taxing authorities required to hold a public meeting under~~
3.21 ~~subdivision 6, the notice must clearly state that each taxing authority, including regional~~
3.22 ~~library districts established under section 134.201, and including the metropolitan taxing~~
3.23 ~~districts as defined in paragraph (i), but excluding all other special taxing districts and~~
3.24 ~~towns, will hold a public meeting to receive public testimony on the proposed budget and~~
3.25 ~~proposed or final property tax levy, or, in case of a school district, on the current budget~~
3.26 ~~and proposed property tax levy. The notice must clearly state for each city, county, school~~
3.27 district, regional library authority established under section 134.201, and metropolitan
3.28 taxing districts as defined in paragraph (i), the time and place of the taxing authorities
3.29 regularly scheduled meetings in which the budget and levy will be discussed and the final
3.30 budget and levy determined. The taxing authorities must provide the county auditor with
3.31 the information to be included in the notice. It must clearly state the time and place of
3.32 ~~each taxing authority's meeting, provide~~ a telephone number for the taxing authority that
3.33 taxpayers may call if they have questions related to the notice; and an address where
3.34 comments will be received by mail.

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

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

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

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

4.12 (ii) the proposed tax amount.

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

4.16 In the case of a town or the state general tax, the final tax shall also be its proposed
4.17 tax unless the town changes its levy at a special town meeting under section 365.52. If a
4.18 school district has certified under section 126C.17, subdivision 9, that a referendum will
4.19 be held in the school district at the November general election, the county auditor must
4.20 note next to the school district's proposed amount that a referendum is pending and that, if
4.21 approved by the voters, the tax amount may be higher than shown on the notice. In the
4.22 case of the city of Minneapolis, the levy for Minneapolis Park and Recreation shall be
4.23 listed separately from the remaining amount of the city's levy. In the case of the city of
4.24 St. Paul, the levy for the St. Paul Library Agency must be listed separately from the
4.25 remaining amount of the city's levy. In the case of Ramsey County, any amount levied
4.26 under section 134.07 may be listed separately from the remaining amount of the county's
4.27 levy. In the case of a parcel where tax increment or the fiscal disparities areawide tax
4.28 under chapter 276A or 473F applies, the proposed tax levy on the captured value or the
4.29 proposed tax levy on the tax capacity subject to the areawide tax must each be stated
4.30 separately and not included in the sum of the special taxing districts; and

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

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

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

5.3 (1) special assessments;

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

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

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

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

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

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

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

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

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

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

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

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

5.35 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325,
5.36 473.446, 473.521, 473.547, or 473.834;

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

6.3 (3) Metropolitan Mosquito Control Commission under section 473.711.

6.4 For purposes of this section, any levies made by the regional rail authorities in the
6.5 county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter
6.6 398A shall be included with the appropriate county's levy ~~and shall be discussed at that~~
6.7 ~~county's public hearing.~~

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

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

6.17 (2) population growth and decline;

6.18 (3) state or federal government action; and

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

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

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

6.27 Sec. 4. Minnesota Statutes 2008, section 275.065, subdivision 6, is amended to read:

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

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

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

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

7.4 ~~(b) Between November 29 and December 20, the governing bodies of a city that has a~~
7.5 ~~population over 500, county, metropolitan special taxing districts as defined in subdivision~~
7.6 ~~3, paragraph (i), and regional library districts shall each hold an initial public hearing~~
7.7 ~~to discuss and seek public comment on its final budget and property tax levy for taxes~~
7.8 ~~payable in the following year, and the governing body of the school district shall hold an~~
7.9 ~~initial public hearing to review its current budget and proposed property tax levy for taxes~~
7.10 ~~payable in the following year. The metropolitan special taxing districts shall be required to~~
7.11 ~~hold only a single joint initial public hearing, the location of which will be determined by~~
7.12 ~~the affected metropolitan agencies. A city, county, metropolitan special taxing district as~~
7.13 ~~defined in subdivision 3, paragraph (i), regional library district established under section~~
7.14 ~~134.201, or school district is not required to hold a public hearing under this subdivision~~
7.15 ~~unless its proposed property tax levy for taxes payable in the following year, as certified~~
7.16 ~~under subdivision 1, has increased over its final property tax levy for taxes payable in the~~
7.17 ~~current year by a percentage that is greater than the percentage increase in the implicit~~
7.18 ~~price deflator for government consumption expenditures and gross investment for state~~
7.19 ~~and local governments prepared by the Bureau of Economic Analysts of the United States~~
7.20 ~~Department of Commerce for the 12-month period ending March 31 of the current year.~~

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

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

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

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

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

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

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

8.20 ~~(j) By August 20, the county auditor shall notify the clerks of the cities within the~~
8.21 ~~county of the dates on which school districts and regional library districts have elected to~~
8.22 ~~hold their initial and continuation hearings. At the time a city certifies its proposed levy~~
8.23 ~~under subdivision 1 it shall certify the dates on which it elects to hold its initial hearing and~~
8.24 ~~any continuation hearing. Until September 15, the first and second Mondays of December~~
8.25 ~~are reserved for the use of the cities. If a city does not certify its hearing dates by~~
8.26 ~~September 15, the auditor shall assign the initial and continuation hearing dates. The dates~~
8.27 ~~elected or assigned for the initial hearing must not conflict with the initial hearing dates~~
8.28 ~~of the county, metropolitan special taxing districts, regional library districts, or school~~
8.29 ~~districts within which the city is located. To the extent possible, the dates of the city's~~
8.30 ~~continuation hearing should not conflict with the continuation hearing dates of the county,~~
8.31 ~~metropolitan special taxing districts, regional library districts, or school districts within~~
8.32 ~~which the city is located. This paragraph does not apply to cities of 500 population or less.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

10.11 Sec. 5. **[275.77] TEMPORARY SUSPENSION OF NEW OR INCREASED**
10.12 **MAINTENANCE OF EFFORT AND MATCHING FUND REQUIREMENTS.**

10.13 **Subdivision 1. Definitions.** For purposes of this section, the following terms have
10.14 the meanings given them:

10.15 (i) "maintenance of effort" means a requirement imposed on a political subdivision
10.16 by state law to continue providing funding of a service or program at a given or increasing
10.17 level based on its funding of the service and program in prior years;

10.18 (ii) "matching fund requirements" means a requirement imposed on a political
10.19 subdivision by state law to fund a portion of a program or service but does not mean
10.20 required nonstate contributions to state capital funded projects or other nonstate
10.21 contributions required in order to receive a grant or loan the political subdivision has
10.22 requested or applied for; and

10.23 (iii) "political subdivision" means a county, town, or statutory or home rule charter
10.24 city.

10.25 **Subd. 2. Temporary suspension.** (a) Notwithstanding any other provision of law
10.26 to the contrary, any new maintenance of effort or matching fund requirement enacted
10.27 after January 1, 2009, that will require spending by a political subdivision shall not be
10.28 effective until January 1, 2012.

10.29 (b) Notwithstanding any other provision of law to the contrary, any changes to
10.30 existing maintenance of effort or matching fund requirement enacted after January 1,
10.31 2009, that will require new spending by a political subdivision shall not be effective
10.32 until January 1, 2012.

10.33 (c) The suspension of changes to existing maintenance of effort and matching fund
10.34 requirements under paragraph (b) does not apply if the spending is required by federal law
10.35 and there would be a cost to the state budget without the change.

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

11.2 Sec. 6. Minnesota Statutes 2008, section 375.194, subdivision 5, is amended to read:

11.3 Subd. 5. **Determination of county tax rate.** The eligible county's proposed and
11.4 final tax rates shall be determined by dividing the certified levy by the total taxable net tax
11.5 capacity, without regard to any abatements granted under this section. ~~The county board~~
11.6 ~~shall make available the estimated amount of the abatement at the public hearing under~~
11.7 ~~section 275.065, subdivision 6.~~

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

11.10 Sec. 7. Minnesota Statutes 2008, section 383A.75, subdivision 3, is amended to read:

11.11 Subd. 3. **Duties.** The committee is authorized to and shall meet from time to time
11.12 to make appropriate recommendations for the efficient and effective use of property tax
11.13 dollars raised by the jurisdictions for programs, buildings, and operations. In addition,
11.14 the committee shall:

11.15 (1) identify trends and factors likely to be driving budget outcomes over the next
11.16 five years with recommendations for how the jurisdictions should manage those trends
11.17 and factors to increase efficiency and effectiveness;

11.18 (2) agree, by October 1 of each year, on the appropriate level of overall property tax
11.19 levy for the three jurisdictions and publicly report such to the governing bodies of each
11.20 jurisdiction for ratification or modification by resolution; and

11.21 ~~(3) plan for the joint truth-in-taxation hearings under section 275.065, subdivision~~
11.22 ~~8; and~~

11.23 ~~(4)~~ (3) identify, by December 31 of each year, areas of the budget to be targeted in
11.24 the coming year for joint review to improve services or achieve efficiencies.

11.25 In carrying out its duties, the committee shall consult with public employees of
11.26 each jurisdiction and with other stakeholders of the city, county, and school district, as
11.27 appropriate.

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

11.30 Sec. 8. Minnesota Statutes 2008, section 446A.086, subdivision 8, is amended to read:

11.31 Subd. 8. **Tax levy for repayment.** (a) With the approval of the authority, a
11.32 governmental unit may levy in the year the state makes a payment under this section an

12.1 amount up to the amount necessary to provide funds for the repayment of the amount paid
12.2 by the state plus interest through the date of estimated repayment by the governmental
12.3 unit. The proceeds of this levy may be used only for this purpose unless they exceed the
12.4 amount actually due. Any excess must be used to repay other state payments made under
12.5 this section or must be deposited in the debt redemption fund of the governmental unit.

12.6 The amount of aids to be reduced to repay the state are decreased by the amount levied.

12.7 (b) If the state is not repaid in full for a payment made under this section by
12.8 November 30 of the calendar year following the year in which the state makes the
12.9 payment, the authority shall require the governmental unit to certify a property tax levy in
12.10 an amount up to the amount necessary to provide funds for repayment of the amount paid
12.11 by the state plus interest through the date of estimated repayment by the governmental unit.

12.12 To prevent undue hardship, the authority may allow the governmental unit to certify the
12.13 levy over a five-year period. The proceeds of the levy may be used only for this purpose
12.14 unless they are in excess of the amount actually due, in which case the excess must be used
12.15 to repay other state payments made under this section or must be deposited in the debt
12.16 redemption fund of the governmental unit. If the authority orders the governmental unit to
12.17 levy, the amount of aids reduced to repay the state are decreased by the amount levied.

12.18 ~~(c) A levy under this subdivision is an increase in the levy limits of the governmental~~
12.19 ~~unit for purposes of section 275.065, subdivision 6, and must be explained as a specific~~
12.20 ~~increase at the meeting required under that provision.~~

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

12.23 Sec. 9. Minnesota Statutes 2008, section 465.719, subdivision 9, is amended to read:

12.24 Subd. 9. **Application of other laws.** A corporation created by a political subdivision
12.25 under this section must comply with every law that applies to the political subdivision,
12.26 as if the corporation is a part of the political subdivision, unless the resolution ratifying
12.27 creation of the corporation specifically exempts the corporation from part or all of a law.
12.28 If the resolution exempts the corporation from part or all of a law, the resolution must
12.29 make a detailed and specific finding as to why the corporation cannot fulfill its purpose if
12.30 the corporation is subject to that law. A corporation may not be exempted from chapter
12.31 13D, the Minnesota Open Meeting Law, sections 138.163 to 138.25, governing records
12.32 management, or chapter 13, the Minnesota Government Data Practices Act. Any affected
12.33 or interested person may bring an action in district court to void the resolution on the
12.34 grounds that the findings are not sufficiently detailed and specific, or that the corporation
12.35 can fulfill its purpose if it is subject to the law from which the resolution exempts the

13.1 corporation. Laws that apply to a political subdivision that also apply to a corporation
13.2 created by a political subdivision under this subdivision include, but are not limited to:

13.3 (1) chapter 13D, the Minnesota Open Meeting Law;

13.4 (2) chapter 13, the Minnesota Government Data Practices Act;

13.5 (3) section 471.345, the Uniform Municipal Contracting Law;

13.6 (4) sections 43A.17, limiting the compensation of employees based on the governor's
13.7 salary; 471.991 to 471.999, providing for equitable pay; and 465.72 and 465.722,
13.8 governing severance pay;

13.9 ~~(5) section 275.065, providing for truth-in-taxation hearings. If any tax revenues of~~
13.10 ~~the political subdivision will be appropriated to the corporation, the corporation's annual~~
13.11 ~~operating and capital budgets must be included in the truth-in-taxation hearing of the~~
13.12 ~~political subdivision that created the corporation;~~

13.13 ~~(6)~~ (5) if the corporation issues debt, its debt is included in the political subdivision's
13.14 debt limit if it would be included if issued by the political subdivision, and issuance of the
13.15 debt is subject to the election and other requirements of chapter 475 and section 471.69;

13.16 ~~(7)~~ (6) section 471.895, prohibiting acceptance of gifts from interested parties, and
13.17 sections 471.87 to 471.89, relating to interests in contracts;

13.18 ~~(8)~~ (7) chapter 466, relating to municipal tort liability;

13.19 ~~(9)~~ (8) chapter 118A, requiring deposit insurance or bond or pledged collateral for
13.20 deposits;

13.21 ~~(10)~~ (9) chapter 118A, restricting investments;

13.22 ~~(11)~~ (10) section 471.346, requiring ownership of vehicles to be identified;

13.23 ~~(12)~~ (11) sections 471.38 to 471.41, requiring claims to be in writing, itemized, and
13.24 approved by the governing board before payment can be made; and

13.25 ~~(13)~~ (12) the corporation cannot make advances of pay, make or guarantee loans to
13.26 employees, or provide in-kind benefits unless authorized by law.

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

13.29 Sec. 10. Minnesota Statutes 2008, section 473.13, subdivision 1, is amended to read:

13.30 Subdivision 1. **Budget.** (a) On or before December 20 of each year, the council;
13.31 ~~after the public hearing required in section 275.065,~~ shall adopt a final budget covering its
13.32 anticipated receipts and disbursements for the ensuing year and shall decide upon the total
13.33 amount necessary to be raised from ad valorem tax levies to meet its budget. The budget
13.34 shall state in detail the expenditures for each program to be undertaken, including the
13.35 expenses for salaries, consultant services, overhead, travel, printing, and other items. The

14.1 budget shall state in detail the capital expenditures of the council for the budget year, based
14.2 on a five-year capital program adopted by the council and transmitted to the legislature.
14.3 After adoption of the budget and no later than five working days after December 20, the
14.4 council shall certify to the auditor of each metropolitan county the share of the tax to be
14.5 levied within that county, which must be an amount bearing the same proportion to the
14.6 total levy agreed on by the council as the net tax capacity of the county bears to the net tax
14.7 capacity of the metropolitan area. The maximum amount of any levy made for the purpose
14.8 of this chapter may not exceed the limits set by the statute authorizing the levy.

14.9 (b) Each even-numbered year the council shall prepare for its transit programs a
14.10 financial plan for the succeeding three calendar years, in half-year segments. The financial
14.11 plan must contain schedules of user charges and any changes in user charges planned or
14.12 anticipated by the council during the period of the plan. The financial plan must contain a
14.13 proposed request for state financial assistance for the succeeding biennium.

14.14 (c) In addition, the budget must show for each year:

14.15 (1) the estimated operating revenues from all sources including funds on hand at the
14.16 beginning of the year, and estimated expenditures for costs of operation, administration,
14.17 maintenance, and debt service;

14.18 (2) capital improvement funds estimated to be on hand at the beginning of the year
14.19 and estimated to be received during the year from all sources and estimated cost of capital
14.20 improvements to be paid out or expended during the year, all in such detail and form as
14.21 the council may prescribe; and

14.22 (3) the estimated source and use of pass-through funds.

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

14.25 Sec. 11. **REPEALER.**

14.26 (a) Minnesota Statutes 2008, section 275.065, subdivisions 5a, 6b, 6c, 8, 9, and
14.27 10, are repealed.

14.28 (b) Minnesota Statutes 2008, sections 275.71; 275.72; 275.73; and 275.74, are
14.29 repealed.

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

ARTICLE 2

MISCELLANEOUS

15.1
15.2

15.3 Section 1. Minnesota Statutes 2008, section 16C.28, subdivision 1a, is amended to read:

15.4 Subd. 1a. **Establishment and purpose.** (a) The state recognizes the importance of
15.5 the inclusion of a best value contracting system for construction as an alternative to the
15.6 current low-bid system of procurement. In order to accomplish that goal, state and local
15.7 governmental entities shall be able to choose the best value system in different phases.

15.8 (b) "Best value" means the procurement method defined in section 16C.02,
15.9 subdivision 4a.

15.10 (c) The following entities are eligible to participate in phase I:

15.11 (1) state agencies;

15.12 (2) counties;

15.13 (3) cities; and

15.14 (4) school districts with the highest 25 percent enrollment of students in the state.

15.15 Phase I begins on July 1, 2007.

15.16 (d) The following entities are eligible to participate in phase II:

15.17 (1) those entities included in phase I; and

15.18 (2) school districts with the highest 50 percent enrollment of students in the state.

15.19 Phase II begins two years from July 1, 2007.

15.20 (e) The following entities are eligible to participate in phase III:

15.21 (1) all entities included in phases I and II; and

15.22 (2) all other townships, school districts, and political subdivisions in the state.

15.23 Phase III begins three years from July 1, 2007.

15.24 ~~(f) The commissioner or any agency for which competitive bids or proposals are~~
15.25 ~~required may not use best value contracting as defined in section 16C.02, subdivision 4a,~~
15.26 ~~for more than one project annually, or 20 percent of its projects, whichever is greater, in~~
15.27 ~~each of the first three fiscal years in which best value construction contracting is used.~~

15.28 Sec. 2. Minnesota Statutes 2008, section 306.243, is amended by adding a subdivision
15.29 to read:

15.30 Subd. 6. **Abandonment; end of operation as cemetery.** A county that has accepted
15.31 responsibility for an abandoned cemetery may prohibit further burials in the abandoned
15.32 cemetery, and may cease all acceptance of responsibility for new burials.

16.1 Sec. 3. Minnesota Statutes 2008, section 344.18, is amended to read:

16.2 **344.18 COMPENSATION OF VIEWERS.**

16.3 Fence viewers must be paid for their services by the person employing them ~~at the~~
16.4 ~~rate of \$15 each for each day's employment. \$60 must be deposited with the town or city~~
16.5 ~~treasurer before the service is performed. Upon completion of the service, any of the \$60~~
16.6 ~~not spent to compensate the fence viewers must be returned to the depositor. The town~~
16.7 board may by resolution require the person employing the fence viewers to post a bond or
16.8 other security acceptable to the board for the total estimated costs before the viewing takes
16.9 place. The total estimated costs may include the cost of professional and other services,
16.10 hearing costs, administrative costs, recording costs, and other costs and expenses which
16.11 the town may incur in connection with the viewing.

16.12 Sec. 4. Minnesota Statutes 2008, section 365.28, is amended to read:

16.13 **365.28 PUBLIC BURIAL GROUND IS TOWN'S AFTER TEN YEARS.**

16.14 A tract of land in a town becomes town property after it has been used as a public
16.15 burial ground for ten years if the tract is not owned by a cemetery association. The town
16.16 board shall control the burial ground as it controls other town cemeteries. A town that has
16.17 assumed ownership of a cemetery may prohibit further burials in it.

16.18 Sec. 5. Minnesota Statutes 2008, section 373.052, subdivision 1, is amended to read:

16.19 Subdivision 1. **Business days.** County offices shall be open for public business on
16.20 ~~at~~ at least four business days per week except (a) legal holidays, (b) holidays established
16.21 by the county board pursuant to contract with certified employee bargaining units, and
16.22 (c) emergency situations. For purposes of this section "business day" means Monday,
16.23 Tuesday, Wednesday, Thursday₂ and Friday.

16.24 Sec. 6. Minnesota Statutes 2008, section 429.041, subdivision 1, is amended to read:

16.25 Subdivision 1. **Plans and specifications, advertisement for bids.** When the
16.26 council determines to make any improvement, it shall let the contract for all or part of
16.27 the work, or order all or part of the work done by day labor or otherwise as authorized by
16.28 subdivision 2, no later than one year after the adoption of the resolution ordering such
16.29 improvement, unless a different time limit is specifically stated in the resolution ordering
16.30 the improvement. The council shall cause plans and specifications of the improvement
16.31 to be made, or if previously made, to be modified, if necessary, and to be approved and
16.32 filed with the clerk, and if the estimated cost exceeds ~~\$50,000~~ the amount in section
16.33 471.345, subdivision 3, shall advertise for bids for the improvement in the newspaper and

17.1 such other papers and for such length of time as it may deem advisable. If the estimated
17.2 cost exceeds ~~\$100,000~~ twice the amount in section 471.345, subdivision 3, publication
17.3 shall be made no less than three weeks before the last day for submission of bids once
17.4 in the newspaper and at least once in either a newspaper published in a city of the first
17.5 class or a trade paper. To be eligible as such a trade paper, a publication shall have all
17.6 the qualifications of a legal newspaper except that instead of the requirement that it shall
17.7 contain general and local news, such trade paper shall contain building and construction
17.8 news of interest to contractors in this state, among whom it shall have a general circulation.
17.9 The advertisement shall specify the work to be done, shall state the time when the bids
17.10 will be publicly opened for consideration by the council, which shall be not less than ten
17.11 days after the first publication of the advertisement when the estimated cost is less than
17.12 ~~\$100,000~~ twice the amount in section 471.345, subdivision 3, and not less than three
17.13 weeks after such publication in other cases, and shall state that no bids will be considered
17.14 unless sealed and filed with the clerk and accompanied by a cash deposit, cashier's check,
17.15 bid bond, or certified check payable to the clerk, for such percentage of the amount of the
17.16 bid as the council may specify. In providing for the advertisement for bids the council
17.17 may direct that the bids shall be opened publicly by two or more designated officers or
17.18 agents of the municipality and tabulated in advance of the meeting at which they are to
17.19 be considered by the council. Nothing herein shall prevent the council from advertising
17.20 separately for various portions of the work involved in an improvement, or from itself,
17.21 supplying by such means as may be otherwise authorized by law, all or any part of the
17.22 materials, supplies, or equipment to be used in the improvement or from combining two or
17.23 more improvements in a single set of plans and specifications or a single contract.

17.24 Sec. 7. Minnesota Statutes 2008, section 429.041, subdivision 2, is amended to read:

17.25 Subd. 2. **Contracts; day labor.** In contracting for an improvement, the council shall
17.26 require the execution of one or more written contracts and bonds, conditioned as required
17.27 by law. The council shall award the contract to the lowest responsible bidder or it may
17.28 reject all bids. If any bidder to whom a contract is awarded fails to enter promptly into
17.29 a written contract and to furnish the required bond, the defaulting bidder shall forfeit to
17.30 the municipality the amount of the defaulter's cash deposit, cashier's check, bid bond, or
17.31 certified check, and the council may thereupon award the contract to the next lowest
17.32 responsible bidder. When it appears to the council that the cost of the entire work projected
17.33 will be less than ~~\$50,000~~ the amount in section 471.345, subdivision 3, or whenever no
17.34 bid is submitted after proper advertisement or the only bids submitted are higher than
17.35 the engineer's estimate, the council may advertise for new bids or, without advertising

18.1 for bids, directly purchase the materials for the work and do it by the employment of day
18.2 labor or in any other manner the council considers proper. The council may have the
18.3 work supervised by the city engineer or other qualified person but shall have the work
18.4 supervised by a registered engineer if done by day labor and it appears to the council that
18.5 the entire cost of all work and materials for the improvement will be more than ~~\$25,000~~
18.6 the lowest amount in section 471.345, subdivision 4. In case of improper construction
18.7 or unreasonable delay in the prosecution of the work by the contractor, the council may
18.8 order and cause the suspension of the work at any time and relet the contract, or order
18.9 a reconstruction of any portion of the work improperly done, and where the cost of
18.10 completion or reconstruction necessary will be less than ~~\$50,000~~ the amount in section
18.11 471.345, subdivision 3, the council may do it by the employment of day labor.

18.12 Sec. 8. Minnesota Statutes 2008, section 469.015, is amended to read:

18.13 **469.015 LETTING OF CONTRACTS; PERFORMANCE BONDS.**

18.14 Subdivision 1. **Bids; notice.** All construction work, and work of demolition or
18.15 clearing, and every purchase of equipment, supplies, or materials, necessary in carrying
18.16 out the purposes of sections 469.001 to 469.047, that involve expenditure of ~~\$50,000~~ the
18.17 amount in section 471.345, subdivision 3, or more shall be awarded by contract. Before
18.18 receiving bids the authority shall publish, once a week for two consecutive weeks in an
18.19 official newspaper of general circulation in the community a notice that bids will be
18.20 received for that construction work, or that purchase of equipment, supplies, or materials.
18.21 The notice shall state the nature of the work and the terms and conditions upon which the
18.22 contract is to be let, naming a time and place where bids will be received, opened and read
18.23 publicly, which time shall be not less than seven days after the date of the last publication.
18.24 After the bids have been received, opened and read publicly and recorded, the authority
18.25 shall award the contract to the lowest responsible bidder, provided that the authority
18.26 reserves the right to reject any or all bids. Each contract shall be executed in writing, and
18.27 the person to whom the contract is awarded shall give sufficient bond to the authority for its
18.28 faithful performance. If no satisfactory bid is received, the authority may readvertise. The
18.29 authority may establish reasonable qualifications to determine the fitness and responsibility
18.30 of bidders and to require bidders to meet the qualifications before bids are accepted.

18.31 Subd. 1a. **Best value alternative.** As an alternative to the procurement method
18.32 described in subdivision 1, the authority may issue a request for proposals and award the
18.33 contract to the vendor or contractor offering the best value under a request for proposals as
18.34 described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

19.1 Subd. 2. **Exception; emergency.** If the authority by a vote of four-fifths of its
19.2 members shall declare that an emergency exists requiring the immediate purchase of any
19.3 equipment or material or supplies at a cost in excess of ~~\$50,000~~ the amount in section
19.4 471.345, subdivision 3, but not exceeding ~~\$75,000~~ half again as much as the amount in
19.5 section 471.345, subdivision 3, or making of emergency repairs, it shall not be necessary
19.6 to advertise for bids, but the material, equipment, or supplies may be purchased in the
19.7 open market at the lowest price obtainable, or the emergency repairs may be contracted for
19.8 or performed without securing formal competitive bids. An emergency, for purposes of
19.9 this subdivision, shall be understood to be unforeseen circumstances or conditions which
19.10 result in the placing in jeopardy of human life or property.

19.11 Subd. 3. **Performance and payment bonds.** Performance and payment bonds shall
19.12 be required from contractors for any works of construction as provided in and subject
19.13 to all the provisions of sections 574.26 to 574.31 except for contracts entered into by
19.14 an authority for an expenditure of less than ~~\$50,000~~ the minimum threshold amount in
19.15 section 471.345, subdivision 3.

19.16 Subd. 4. **Exceptions.** (a) An authority need not require competitive bidding in the
19.17 following circumstances:

19.18 (1) in the case of a contract for the acquisition of a low-rent housing project:

19.19 (i) for which financial assistance is provided by the federal government;

19.20 (ii) which does not require any direct loan or grant of money from the municipality
19.21 as a condition of the federal financial assistance; and

19.22 (iii) for which the contract provides for the construction of the project upon land that
19.23 is either owned by the authority for redevelopment purposes or not owned by the authority
19.24 at the time of the contract but the contract provides for the conveyance or lease to the
19.25 authority of the project or improvements upon completion of construction;

19.26 (2) with respect to a structured parking facility:

19.27 (i) constructed in conjunction with, and directly above or below, a development; and

19.28 (ii) financed with the proceeds of tax increment or parking ramp general obligation
19.29 or revenue bonds;

19.30 (3) until August 1, 2009, with respect to a facility built for the purpose of facilitating
19.31 the operation of public transit or encouraging its use:

19.32 (i) constructed in conjunction with, and directly above or below, a development; and

19.33 (ii) financed with the proceeds of parking ramp general obligation or revenue bonds
19.34 or with at least 60 percent of the construction cost being financed with funding provided
19.35 by the federal government; and

20.1 (4) in the case of any building in which at least 75 percent of the usable square
20.2 footage constitutes a housing development project if:

20.3 (i) the project is financed with the proceeds of bonds issued under section 469.034 or
20.4 from nongovernmental sources;

20.5 (ii) the project is either located on land that is owned or is being acquired by the
20.6 authority only for development purposes, or is not owned by the authority at the time the
20.7 contract is entered into but the contract provides for conveyance or lease to the authority
20.8 of the project or improvements upon completion of construction; and

20.9 (iii) the authority finds and determines that elimination of the public bidding
20.10 requirements is necessary in order for the housing development project to be economical
20.11 and feasible.

20.12 (b) An authority need not require a performance bond for the following projects:

20.13 (1) a contract described in paragraph (a), clause (1);

20.14 (2) a construction change order for a housing project in which 30 percent of the
20.15 construction has been completed;

20.16 (3) a construction contract for a single-family housing project in which the authority
20.17 acts as the general construction contractor; or

20.18 (4) a services or materials contract for a housing project.

20.19 For purposes of this paragraph, "services or materials contract" does not include
20.20 construction contracts.

20.21 Subd. 5. **Security in lieu of bond.** The authority may accept a certified check or
20.22 cashier's check in the same amount as required for a bond in lieu of a performance bond
20.23 for contracts entered into by an authority for an expenditure of less than ~~\$50,000~~ the
20.24 minimum threshold amount in section 471.345, subdivision 3. The check must be held by
20.25 the authority for 90 days after the contract has been completed. If no suit is brought within
20.26 the 90 days, the authority must return the amount of the check to the person making it. If a
20.27 suit is brought within the 90-day period, the authority must disburse the amount of the
20.28 check pursuant to the order of the court.

20.29 Sec. 9. Minnesota Statutes 2008, section 641.12, subdivision 1, is amended to read:

20.30 Subdivision 1. **Fee.** A county board may require that each person who is booked for
20.31 confinement at a county or regional jail, and not released upon completion of the booking
20.32 process, pay a fee ~~of up to \$10~~ to the sheriff's department of the county in which the jail
20.33 is located to cover costs incurred by the county in the booking of that person. The fee
20.34 is payable immediately from any money then possessed by the person being booked, or
20.35 any money deposited with the sheriff's department on the person's behalf. If the person

21.1 has no funds at the time of booking or during the period of any incarceration, the sheriff
21.2 shall notify the district court in the county where the charges related to the booking are
21.3 pending, and shall request the assessment of the fee. Notwithstanding section 609.10 or
21.4 609.125, upon notification from the sheriff, the district court must order the fee paid to the
21.5 sheriff's department as part of any sentence or disposition imposed. If the person is not
21.6 charged, is acquitted, or if the charges are dismissed, the sheriff shall return the fee to the
21.7 person at the last known address listed in the booking records.

21.8 **ARTICLE 3**

21.9 **WAIVERS, EXEMPTIONS, RULES PROCESS**

21.10 Section 1. Minnesota Statutes 2008, section 6.80, is amended by adding a subdivision
21.11 to read:

21.12 Subd. 8. **Group applications.** Local government units similarly situated for the
21.13 purposes of a specific administrative rule or state procedural law may submit a group
21.14 application for a waiver or temporary exemption. The application must provide all of the
21.15 information required in subdivision 2 with regard to each local government unit included
21.16 in the application to the extent the information differs from any other local government
21.17 unit included in the application. Each local government unit included must provide a
21.18 copy of the application to the exclusive representative certified under section 179A.12
21.19 to represent employees who provide the service or program affected by the requested
21.20 waiver or exemption. Review of the group application shall be the same as for a single
21.21 local government unit's application. If granted, the agreement must be the same for all
21.22 included in the application and it applies to each local government unit that enters into the
21.23 agreement with the state auditor.

21.24 Sec. 2. **[14.128] EFFECTIVE DATE FOR RULES REQUIRING LOCAL**
21.25 **IMPLEMENTATION.**

21.26 Subdivision 1. **Determination.** An agency must determine if a local government
21.27 will be required to adopt or amend an ordinance or other regulation to comply with a
21.28 proposed agency rule. An agency must make this determination before the close of the
21.29 hearing record or before the agency submits the record to the administrative law judge if
21.30 there is no hearing. The administrative law judge must review and approve or disapprove
21.31 the agency's determination. "Local government" means a town, county, or home rule
21.32 charter or statutory city.

21.33 Subd. 2. **Effective dates.** If the agency determines that the proposed rule requires
21.34 adoption or amendment of an ordinance or other regulation, or if the administrative law

22.1 judge disapproves the agency's determination that the rule does not have this effect, the
22.2 rule may not become effective until:

22.3 (1) the next July 1 or January 1 after notice of final adoption is published in the
22.4 State Register; or

22.5 (2) a later date provided by law or specified in the proposed rule.

22.6 Subd. 3. **Exceptions.** Subdivision 2 does not apply:

22.7 (1) to a rule adopted under section 14.388, 14.389, or 14.3895, or under another law
22.8 specifying that the rulemaking procedures of this chapter do not apply;

22.9 (2) if the administrative law judge approves an agency's determination that the rule
22.10 has been proposed pursuant to a specific federal statutory or regulatory mandate that
22.11 requires the rule to take effect before the date specified in subdivision 1; or

22.12 (3) if the governor waives application of subdivision 2.

22.13 **ARTICLE 4**

22.14 **LEGISLATIVE COMMISSION ON MANDATE REFORM**

22.15 Section 1. Minnesota Statutes 2008, section 3.842, subdivision 4a, is amended to read:

22.16 Subd. 4a. **Objections to rules.** (a) For purposes of this subdivision, "committee"
22.17 means the house of representatives policy committee or senate policy committee with
22.18 primary jurisdiction over state governmental operations. The commission, the Legislative
22.19 Commission on Mandate Reform, or a committee may object to a rule as provided in
22.20 this subdivision. If the commission, the Legislative Commission on Mandate Reform,
22.21 or a committee objects to all or some portion of a rule because the commission, the
22.22 Legislative Commission on Mandate Reform, or a committee considers it to be beyond
22.23 the procedural or substantive authority delegated to the agency, including a proposed rule
22.24 submitted under section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), the
22.25 commission, the Legislative Commission on Mandate Reform, or a committee may file
22.26 that objection in the Office of the Secretary of State. The filed objection must contain a
22.27 concise statement of the commission's, the Legislative Commission on Mandate Reform,
22.28 or a committee's reasons for its action. An objection to a proposed rule submitted by the
22.29 commission, the Legislative Commission on Mandate Reform, or a committee under
22.30 section 14.15, subdivision 4, or 14.26, subdivision 3, paragraph (c), may not be filed
22.31 before the rule is adopted.

22.32 (b) The secretary of state shall affix to each objection a certification of the date and
22.33 time of its filing and as soon after the objection is filed as practicable shall transmit a
22.34 certified copy of it to the agency issuing the rule in question and to the revisor of statutes.
22.35 The secretary of state shall also maintain a permanent register open to public inspection of

23.1 all objections by the commission, the Legislative Commission on Mandate Reform, or
23.2 a committee.

23.3 (c) The commission, the Legislative Commission on Mandate Reform, or a
23.4 committee shall publish and index an objection filed under this section in the next issue
23.5 of the State Register. The revisor of statutes shall indicate the existence of the objection
23.6 adjacent to the rule in question when that rule is published in Minnesota Rules.

23.7 (d) Within 14 days after the filing of an objection by the commission, the Legislative
23.8 Commission on Mandate Reform, or a committee to a rule, the issuing agency shall
23.9 respond in writing to the objecting entity. After receipt of the response, the commission,
23.10 the Legislative Commission on Mandate Reform, or a committee may withdraw or modify
23.11 its objection.

23.12 (e) After the filing of an objection by the commission, the Legislative Commission
23.13 on Mandate Reform, or a committee that is not subsequently withdrawn, the burden is
23.14 upon the agency in any proceeding for judicial review or for enforcement of the rule to
23.15 establish that the whole or portion of the rule objected to is valid.

23.16 (f) The failure of the commission, the Legislative Commission on Mandate Reform,
23.17 or a committee to object to a rule is not an implied legislative authorization of its validity.

23.18 (g) In accordance with sections 14.44 and 14.45, the commission, the Legislative
23.19 Commission on Mandate Reform, or a committee may petition for a declaratory judgment
23.20 to determine the validity of a rule objected to by the commission, the Legislative
23.21 Commission on Mandate Reform, or a committee. The action must be started within two
23.22 years after an objection is filed in the Office of the Secretary of State.

23.23 (h) The commission, the Legislative Commission on Mandate Reform, or a
23.24 committee may intervene in litigation arising from agency action. For purposes of this
23.25 paragraph, agency action means the whole or part of a rule, or the failure to issue a rule.

23.26 Sec. 2. Minnesota Statutes 2008, section 3.843, is amended to read:

23.27 **3.843 PUBLIC HEARINGS BY STATE AGENCIES.**

23.28 By a vote of a majority of its members, the commission or the Legislative
23.29 Commission on Mandate Reform may request any agency issuing rules to hold a
23.30 public hearing in respect to recommendations made under section 3.842, including
23.31 recommendations made by the commission or the Legislative Commission on Mandate
23.32 Reform to promote adequate and proper rules by that agency and recommendations
23.33 contained in the commission's biennial report. The agency shall give notice as provided in
23.34 section 14.14, subdivision 1, of a hearing under this section, to be conducted in accordance
23.35 with sections 14.05 to 14.28. The hearing must be held not more than 60 days after receipt

24.1 of the request or within any other longer time period specified by the commission or the
24.2 Legislative Commission on Mandate Reform in the request.

24.3 Sec. 3. **[3.99] LEGISLATIVE COMMISSION ON MANDATE REFORM;**
24.4 **ESTABLISHED.**

24.5 Subdivision 1. **Established.** The Legislative Commission on Mandate Reform is
24.6 established as provided in this section, with the powers and duties given it in sections
24.7 3.842, subdivision 4a; 3.843; and 3.99 to 3.993.

24.8 Subd. 2. **Membership.** The commission consists of four senators appointed by the
24.9 senate Subcommittee on Committees of the Committee on Rules and Administration,
24.10 three senators appointed by the senate minority leader, four state representatives appointed
24.11 by the speaker of the house, and three state representatives appointed by the house
24.12 of representatives minority leader. The appointing authorities must ensure balanced
24.13 geographic representation. Each appointing authority must make appointments as soon as
24.14 possible.

24.15 Subd. 3. **Terms; vacancies.** Members of the commission serve for a two-year term
24.16 beginning upon appointment and expiring upon appointment of a successor after the
24.17 opening of the next regular session of the legislature in the odd-numbered year. A vacancy
24.18 in the membership of the commission must be filled for the unexpired term in a manner
24.19 that will preserve the representation established by this section.

24.20 Subd. 4. **Chair.** The commission must meet as soon as practicable after members
24.21 are appointed in each odd-numbered year to elect its chair and other officers as it may
24.22 determine necessary. A chair serves a two-year term, expiring in the odd-numbered year
24.23 after a successor is elected. The chair must alternate biennially between the senate and the
24.24 house of representatives.

24.25 Subd. 5. **Compensation.** Members may be reimbursed for their reasonable
24.26 expenses as members of the legislature.

24.27 Subd. 6. **Staff.** The Legislative Coordinating Commission must provide
24.28 administrative support to the commission, including secretarial services, record keeping,
24.29 and grants administration.

24.30 Subd. 7. **Meetings; procedures; tie votes.** The first meeting of the biennium must
24.31 be convened by the member designated by the senate majority leader if a senator is to chair
24.32 the commission for the biennium, or by the speaker of the house if a state representative
24.33 is to chair the commission for the biennium. The commission meets at the call of the
24.34 chair. Commission action requires a positive vote of at least four house of representatives
24.35 members and at least four senate members.

25.1 Subd. 8. **Funding.** The Legislative Coordinating Commission shall annually bill the
25.2 commissioner of revenue for costs incurred by the Legislative Coordinating Commission
25.3 in providing administrative support and to make the grants authorized by the legislative
25.4 commission on unnecessary mandates, in an amount not to exceed \$100,000 per year. The
25.5 commissioner of revenue shall deduct one-half of the certified costs from payments to
25.6 counties under section 477A.03, subdivision 2b, and one-half of the certified costs from
25.7 payments to cities under section 477A.03, subdivision 2a.

25.8 Sec. 4. **[3.991] LEGISLATIVE COMMISSION ON MANDATE REFORM;**
25.9 **REVIEW AND RECOMMENDATIONS TO LEGISLATURE.**

25.10 The Legislative Commission on Mandate Reform must solicit from local
25.11 governments information on state laws and rules that local governments consider to be
25.12 problematic mandates. The commission must review the mandates identified and consider
25.13 why each mandate was enacted or adopted, whether the reason for it still exists, the costs
25.14 to local governments to comply with the mandate, and whether repeal or modification
25.15 of the mandate is appropriate. Before the beginning of each legislative session, the
25.16 commission must prepare for introduction a bill to repeal or modify those laws or rules the
25.17 commission determines are unnecessary.

25.18 Sec. 5. **[3.992] LEGISLATIVE COMMISSION ON MANDATE REFORM;**
25.19 **GRANTS.**

25.20 Upon recommendation of the Legislative Commission on Mandate Reform,
25.21 the commissioner of revenue may make grants to the League of Minnesota Cities,
25.22 the Association of Minnesota Counties, Minnesota Association of Townships, other
25.23 organizations representing local governments, the Board of Regents of the University of
25.24 Minnesota, the Board of Trustees of Minnesota State Colleges and Universities, or other
25.25 accredited postsecondary institutions to research and make recommendations on mandate
25.26 reform. A grant may be in any amount up to \$..... The commissioner must specify the
25.27 work to be done, the completion date, and the maximum grant amount, and may specify
25.28 any other conditions the commissioner deems necessary or useful.

25.29 Sec. 6. **[3.993] LEGISLATIVE COMMISSION ON MANDATES REFORM;**
25.30 **TEMPORARY RULE SUSPENSION.**

25.31 The Legislative Commission on Mandate Reform may suspend any rule on which
25.32 the commission received negative testimony at a public hearing. If any rule is suspended,
25.33 the commission must, as soon as possible, place before the legislature, at the next year's

26.1 session, a bill to repeal the suspended rule. If the bill is not enacted in that year's session,
26.2 the rule is effective upon adjournment of the session unless the agency has repealed it.
26.3 If the bill is enacted, the rule is repealed.

26.4 Sec. 7. **[3.994] EXPIRATION.**

26.5 Sections 3.99 to 3.993 expire June 30, 2013.

26.6 Sec. 8. **FIRST MEETING AFTER EFFECTIVE DATE OF ACT.**

26.7 The first meeting of the Legislative Commission on Mandate Reform must be held
26.8 as soon as practicable after all appointments are made. The speaker of the house must
26.9 designate a commission member to convene the first meeting. The first commission serves
26.10 until a new commission is appointed at the beginning of the next biennium.