

1.1 A bill for an act

1.2 relating to taxation; increasing revenue for certain education finance and early  
1.3 education programs; amending Minnesota Statutes 2008, sections 124D.135,  
1.4 subdivision 1; 124D.4531, subdivision 1; 126C.40, subdivision 1; Minnesota  
1.5 Statutes 2009 Supplement, sections 124D.135, subdivision 3; 126C.41,  
1.6 subdivision 2; 126C.44.

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

1.8 Section 1. Minnesota Statutes 2008, section 124D.135, subdivision 1, is amended to  
1.9 read:

1.10 Subdivision 1. **Revenue.** The revenue for early childhood family education  
1.11 programs for a school district equals ~~\$112 for fiscal year 2007 and~~ \$120 for fiscal year  
1.12 ~~2008~~ years 2010 and 2011 and \$134 for fiscal year 2012 and later, times the greater of:

1.13 (1) 150; or

1.14 (2) the number of people under five years of age residing in the district on October 1  
1.15 of the previous school year.

1.16 Sec. 2. Minnesota Statutes 2009 Supplement, section 124D.135, subdivision 3, is  
1.17 amended to read:

1.18 Subd. 3. **Early childhood family education levy.** (a) By September 30 of each  
1.19 year, the commissioner shall establish a tax rate for early childhood family education  
1.20 revenue that raises \$22,135,000 in ~~each fiscal year~~ years 2010 and 2011. If the amount  
1.21 of the early childhood family education levy would exceed the early childhood family  
1.22 education revenue, the early childhood family education levy must equal the early  
1.23 childhood family education revenue. A district may not certify an early childhood family

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2.1 education levy unless it has met the annual program data reporting requirements under  
2.2 section 124D.13, subdivision 13.

2.3 (b) Notwithstanding paragraph (a), for fiscal year ~~2009~~ 2012 only, the commissioner  
2.4 shall establish a tax rate for early education revenue that raises ~~\$13,565,000~~ \$27,376,000.

2.5 (c) Notwithstanding paragraph (a), for fiscal years 2013 and later, the commissioner  
2.6 shall establish a tax rate for early education revenue that raises \$27,427,000.

2.7 Sec. 3. Minnesota Statutes 2008, section 124D.4531, subdivision 1, is amended to read:

2.8 Subdivision 1. **Career and technical levy.** (a) A district with a career and technical  
2.9 program approved under this section for the fiscal year in which the levy is certified may  
2.10 levy an amount equal to the ~~lesser~~ greater of:

2.11 (1) \$80 times the district's average daily membership in grades 10 through 12 for the  
2.12 fiscal year in which the levy is certified; or

2.13 (2) 25 percent of approved expenditures in the fiscal year in which the levy is  
2.14 certified for the following:

2.15 (i) salaries paid to essential, licensed personnel providing direct instructional  
2.16 services to students in that fiscal year for services rendered in the district's approved  
2.17 career and technical education programs;

2.18 (ii) contracted services provided by a public or private agency other than a Minnesota  
2.19 school district or cooperative center under subdivision 7;

2.20 (iii) necessary travel between instructional sites by licensed career and technical  
2.21 education personnel;

2.22 (iv) necessary travel by licensed career and technical education personnel for  
2.23 vocational student organization activities held within the state for instructional purposes;

2.24 (v) curriculum development activities that are part of a five-year plan for  
2.25 improvement based on program assessment;

2.26 (vi) necessary travel by licensed career and technical education personnel for  
2.27 noncollegiate credit-bearing professional development; and

2.28 (vii) specialized vocational instructional supplies.

2.29 (b) Up to ten percent of a district's career and technical levy may be spent on  
2.30 equipment purchases. Districts using the career and technical levy for equipment  
2.31 purchases must report to the department on the improved learning opportunities for  
2.32 students that result from the investment in equipment.

2.33 (c) The district must recognize the full amount of this levy as revenue for the fiscal  
2.34 year in which it is certified.

2.35 **EFFECTIVE DATE.** This section is effective for taxes payable in 2011 and later.

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3.1 Sec. 4. Minnesota Statutes 2008, section 126C.40, subdivision 1, is amended to read:

3.2 Subdivision 1. **To lease building or land.** (a) When an independent or a special  
3.3 school district or a group of independent or special school districts finds it economically  
3.4 advantageous to rent or lease a building or land for any instructional purposes or for  
3.5 school storage or furniture repair, and it determines that the operating capital revenue  
3.6 authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may  
3.7 apply to the commissioner for permission to make an additional capital expenditure levy  
3.8 for this purpose. An application for permission to levy under this subdivision must contain  
3.9 financial justification for the proposed levy, the terms and conditions of the proposed  
3.10 lease, and a description of the space to be leased and its proposed use.

3.11 (b) The criteria for approval of applications to levy under this subdivision must  
3.12 include: the reasonableness of the price, the appropriateness of the space to the proposed  
3.13 activity, the feasibility of transporting pupils to the leased building or land, conformity  
3.14 of the lease to the laws and rules of the state of Minnesota, and the appropriateness of  
3.15 the proposed lease to the space needs and the financial condition of the district. The  
3.16 commissioner must not authorize a levy under this subdivision in an amount greater than  
3.17 the cost to the district of renting or leasing a building or land for approved purposes.  
3.18 The proceeds of this levy must not be used for custodial or other maintenance services.  
3.19 A district may not levy under this subdivision for the purpose of leasing or renting a  
3.20 district-owned building or site to itself.

3.21 (c) For agreements finalized after July 1, 1997, a district may not levy under this  
3.22 subdivision for the purpose of leasing: (1) a newly constructed building used primarily  
3.23 for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed  
3.24 building addition or additions used primarily for regular kindergarten, elementary, or  
3.25 secondary instruction that contains more than 20 percent of the square footage of the  
3.26 previously existing building.

3.27 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the  
3.28 purpose of leasing or renting a district-owned building or site to itself only if the amount  
3.29 is needed by the district to make payments required by a lease purchase agreement,  
3.30 installment purchase agreement, or other deferred payments agreement authorized by law,  
3.31 and the levy meets the requirements of paragraph (c). A levy authorized for a district by  
3.32 the commissioner under this paragraph may be in the amount needed by the district to  
3.33 make payments required by a lease purchase agreement, installment purchase agreement,  
3.34 or other deferred payments agreement authorized by law, provided that any agreement  
3.35 include a provision giving the school districts the right to terminate the agreement  
3.36 annually without penalty.

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4.1 (e) The total levy under this subdivision for a district for any year must not exceed  
4.2 \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

4.3 (f) For agreements for which a review and comment have been submitted to the  
4.4 Department of Education after April 1, 1998, the term "instructional purpose" as used in  
4.5 this subdivision excludes expenditures on stadiums.

4.6 (g) The commissioner of education may authorize a school district to exceed the  
4.7 limit in paragraph (e) if the school district petitions the commissioner for approval. The  
4.8 commissioner shall grant approval to a school district to exceed the limit in paragraph (e)  
4.9 for not more than five years if the district meets the following criteria:

4.10 (1) the school district has been experiencing pupil enrollment growth in the  
4.11 preceding five years;

4.12 (2) the purpose of the increased levy is in the long-term public interest;

4.13 (3) the purpose of the increased levy promotes colocation of government services;  
4.14 and

4.15 (4) the purpose of the increased levy is in the long-term interest of the district by  
4.16 avoiding over construction of school facilities.

4.17 (h) A school district that is a member of an intermediate school district may include  
4.18 in its authority under this section the costs associated with leases of administrative and  
4.19 classroom space for intermediate school district programs. This authority must not exceed  
4.20 \$43 times the adjusted marginal cost pupil units of the member districts. This authority is  
4.21 in addition to any other authority authorized under this section.

4.22 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in  
4.23 2011 to 2021, a district that is a member of the "Technology and Information Education  
4.24 Systems" data processing joint board, that finds it economically advantageous to enter into  
4.25 a lease ~~purchase~~ agreement for a building for a group of school districts or special school  
4.26 districts for staff development purposes, may levy for its portion of lease costs attributed  
4.27 to the district within the total levy limit in paragraph (e). The total levy authority under  
4.28 this paragraph shall not exceed \$632,000.

4.29 **EFFECTIVE DATE.** This section is effective for taxes payable in 2011 and later.

4.30 Sec. 5. Minnesota Statutes 2009 Supplement, section 126C.41, subdivision 2, is  
4.31 amended to read:

4.32 Subd. 2. **Retired employee health benefits.** (a) A district may levy an amount up  
4.33 to the amount the district is required by the collective bargaining agreement in effect  
4.34 on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for  
4.35 licensed and nonlicensed employees who have terminated services in the employing

5.1 district and withdrawn from active teaching service or other active service, as applicable,  
5.2 before July 1, 1992, and to pay for health insurance or unreimbursed medical expenses  
5.3 for licensed and nonlicensed employees who have terminated services in the employing  
5.4 district and withdrawn from active teaching service or other active service, as applicable  
5.5 before July 1, 1998, only if a sunset clause is in effect for the current collective bargaining  
5.6 agreement. The total amount of the levy each year may not exceed \$600,000.

5.7 (b) In addition to the levy authority granted under paragraph (a), a school district  
5.8 may levy for other postemployment benefits expenses actually paid during the previous  
5.9 fiscal year. For purposes of this subdivision, "postemployment benefits" means benefits  
5.10 giving rise to a liability under Statement No. 45 of the Government Accounting Standards  
5.11 Board. A district seeking levy authority under this subdivision must:

5.12 (1) create or have created an actuarial liability to pay postemployment benefits to  
5.13 employees or officers after their termination of service;

5.14 (2) have a sunset clause in effect for the current collective bargaining agreement as  
5.15 required by paragraph (a); and

5.16 (3) apply for the authority in the form and manner required by the commissioner  
5.17 of education.

5.18 If the total levy authority requested under this paragraph exceeds the amount established  
5.19 in paragraph (c), the commissioner must proportionately reduce each district's maximum  
5.20 levy authority under this subdivision. The commissioner may subsequently adjust each  
5.21 district's levy authority under this subdivision so long as the total levy authority does not  
5.22 exceed the maximum levy authority for that year.

5.23 (c) The maximum levy authority under paragraph (b) must not exceed the following  
5.24 amounts:

5.25 (1) \$9,242,000 for taxes payable in 2010;

5.26 (2) \$29,863,000 for taxes payable in 2011; and

5.27 (3) for taxes payable in 2012 and later, the maximum levy authority must not exceed  
5.28 the sum of the previous year's authority and \$14,000,000.

5.29 Sec. 6. Minnesota Statutes 2009 Supplement, section 126C.44, is amended to read:

5.30 **126C.44 SAFE SCHOOLS LEVY.**

5.31 (a) Each district may make a levy on all taxable property located within the district  
5.32 for the purposes specified in this section. The maximum amount which may be levied for  
5.33 all costs under this section shall be equal to ~~\$30~~ \$40 multiplied by the district's adjusted  
5.34 marginal cost pupil units for the school year. The proceeds of the levy must be reserved and  
5.35 used for directly funding the following purposes or for reimbursing the cities and counties

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6.1 who contract with the district for the following purposes: (1) to pay the costs incurred for  
6.2 the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in  
6.3 services in the district's schools; (2) to pay the costs for a drug abuse prevention program  
6.4 as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;  
6.5 (3) to pay the costs for a gang resistance education training curriculum in the district's  
6.6 schools; (4) to pay the costs for security in the district's schools and on school property; (5)  
6.7 to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary  
6.8 opt-in suicide prevention tools, and violence prevention measures taken by the school  
6.9 district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed  
6.10 school social workers, licensed school psychologists, and licensed alcohol and chemical  
6.11 dependency counselors to help provide early responses to problems. For expenditures  
6.12 under clause (1), the district must initially attempt to contract for services to be provided  
6.13 by peace officers or sheriffs with the police department of each city or the sheriff's  
6.14 department of the county within the district containing the school receiving the services. If  
6.15 a local police department or a county sheriff's department does not wish to provide the  
6.16 necessary services, the district may contract for these services with any other police or  
6.17 sheriff's department located entirely or partially within the school district's boundaries.

6.18 (b) A school district that is a member of an intermediate school district may  
6.19 include in its authority under this section the costs associated with safe schools activities  
6.20 authorized under paragraph (a) for intermediate school district programs. This authority  
6.21 must not exceed \$10 times the adjusted marginal cost pupil units of the member districts.  
6.22 This authority is in addition to any other authority authorized under this section. Revenue  
6.23 raised under this paragraph must be transferred to the intermediate school district.

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