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**ARTICLE 5**  
**FACILITIES AND TECHNOLOGY**

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**ARTICLE 5**  
**FACILITIES AND TECHNOLOGY**

Section 1. Minnesota Statutes 2016, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

(1) chosen by election or appointed to fill an elective office;

(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the Office of Strategic and Long-Range Planning;

(4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;

(5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;

(7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

- 90.3 (10) officers and enlisted persons in the National Guard;
- 90.4 (11) attorneys, legal assistants, and three confidential employees appointed by the attorney  
90.5 general or employed with the attorney general's authorization;
- 90.6 (12) judges and all employees of the judicial branch, referees, receivers, jurors, and  
90.7 notaries public, except referees and adjusters employed by the Department of Labor and  
90.8 Industry;
- 90.9 (13) members of the State Patrol; provided that selection and appointment of State Patrol  
90.10 troopers must be made in accordance with applicable laws governing the classified service;
- 90.11 (14) examination monitors and intermittent training instructors employed by the  
90.12 Departments of Management and Budget and Commerce and by professional examining  
90.13 boards and intermittent staff employed by the technical colleges for the administration of  
90.14 practical skills tests and for the staging of instructional demonstrations;
- 90.15 (15) student workers;
- 90.16 (16) executive directors or executive secretaries appointed by and reporting to any  
90.17 policy-making board or commission established by statute;
- 90.18 (17) employees unclassified pursuant to other statutory authority;
- 90.19 (18) intermittent help employed by the commissioner of agriculture to perform duties  
90.20 relating to pesticides, fertilizer, and seed regulation;
- 90.21 (19) the administrators and the deputy administrators at the State Academies for the  
90.22 Deaf and the Blind; and
- 90.23 (20) chief executive officers in the Department of Human Services.
- 90.24 **EFFECTIVE DATE.** This section is effective June 30, 2018.
- 90.25 Sec. 2. Minnesota Statutes 2016, section 43A.08, subdivision 1a, is amended to read:
- 90.26 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following  
90.27 agencies may designate additional unclassified positions according to this subdivision: the  
90.28 Departments of Administration; Agriculture; Commerce; Corrections; Education;  
90.29 Employment and Economic Development; Explore Minnesota Tourism; Management and  
90.30 Budget; Health; Human Rights; Labor and Industry; Natural Resources; Public Safety;  
90.31 Human Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and

- 91.1 Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of  
91.2 Administrative Hearings; the Office of MN.IT Services; the Offices of the Attorney General,  
91.3 Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the  
91.4 Minnesota Office of Higher Education; ~~the Perpich Center for Arts Education;~~ and the  
91.5 Minnesota Zoological Board.
- 91.6 A position designated by an appointing authority according to this subdivision must  
91.7 meet the following standards and criteria:
- 91.8 (1) the designation of the position would not be contrary to other law relating specifically  
91.9 to that agency;
- 91.10 (2) the person occupying the position would report directly to the agency head or deputy  
91.11 agency head and would be designated as part of the agency head's management team;
- 91.12 (3) the duties of the position would involve significant discretion and substantial  
91.13 involvement in the development, interpretation, and implementation of agency policy;
- 91.14 (4) the duties of the position would not require primarily personnel, accounting, or other  
91.15 technical expertise where continuity in the position would be important;
- 91.16 (5) there would be a need for the person occupying the position to be accountable to,  
91.17 loyal to, and compatible with, the governor and the agency head, the employing statutory  
91.18 board or commission, or the employing constitutional officer;
- 91.19 (6) the position would be at the level of division or bureau director or assistant to the  
91.20 agency head; and
- 91.21 (7) the commissioner has approved the designation as being consistent with the standards  
91.22 and criteria in this subdivision.
- 91.23 **EFFECTIVE DATE.** This section is effective June 30, 2018.
- 91.24 Sec. 3. **[121A.335] LEAD IN SCHOOL DRINKING WATER.**
- 91.25 Subdivision 1. **Model plan.** The commissioners of health and education shall jointly  
91.26 develop a model plan to require school districts to accurately and efficiently test for the  
91.27 presence of lead in water in public school buildings serving students in kindergarten through  
91.28 grade 12. To the extent possible, the commissioners shall base the plan on the standards  
91.29 established by the United States Environmental Protection Agency. The plan may be based

- 91.30 on the technical guidance in the Department of Health's document, "Reducing Lead in  
91.31 Drinking Water: A Technical Guidance for Minnesota's School and Child Care Facilities."
- 92.1 Subd. 2. **School plans.** By July 1, 2018, the board of each school district or charter  
92.2 school must adopt the commissioners' model plan or develop and adopt an alternative plan  
92.3 to accurately and efficiently test for the presence of lead in water in school buildings serving  
92.4 prekindergarten students and students in kindergarten through grade 12.
- 92.5 Subd. 3. **Frequency of testing.** The plan must include a testing schedule that requires  
92.6 testing for the presence of lead in water in all buildings serving school districts and charter  
92.7 school students where there is a source of water that may be consumed by students. The  
92.8 testing must be conducted annually in calendar years 2018 and 2019. The testing must be  
92.9 conducted at least once every five years thereafter.
- 92.10 Subd. 4. **Ten-year facilities plan.** A school district may include lead testing and  
92.11 remediation as a part of its ten-year facilities plan under section 123B.595.
- 92.12 Subd. 5. **Report placed on its Web site.** Each school district and charter school must  
92.13 post its most recent test results showing the presence of lead in its drinking water on its  
92.14 Web site.
- 92.15 **EFFECTIVE DATE.** This section is effective July 1, 2017.
- 92.16 Sec. 4. Minnesota Statutes 2016, section 122A.416, is amended to read:  
92.17 **122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE FOR**  
92.18 **~~PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT~~**  
92.19 **INTEGRATION COLLABORATIVES.**
- 92.20 Notwithstanding sections 122A.414, 122A.415, and 126C.10, multidistrict integration  
92.21 collaboratives and the ~~Perpich Center for Arts Education~~ are eligible to receive alternative  
92.22 teacher compensation revenue as if they were intermediate school districts. To qualify for  
92.23 alternative teacher compensation revenue, a multidistrict integration collaborative ~~or the~~  
92.24 ~~Perpich Center for Arts Education~~ must meet all of the requirements of sections 122A.414  
92.25 and 122A.415 that apply to intermediate school districts, must report its enrollment as of  
92.26 October 1 of each year to the department, and must annually report its expenditures for the  
92.27 alternative teacher professional pay system consistent with the uniform financial accounting  
92.28 and reporting standards to the department by November 30 of each year.
- 92.29 **EFFECTIVE DATE.** This section is effective June 30, 2018.
- 93.1 Sec. 5. Minnesota Statutes 2016, section 123A.30, subdivision 6, is amended to read:

93.2 Subd. 6. **Severance pay.** A district must pay severance pay to a teacher who is placed  
93.3 on unrequested leave of absence by the district as a result of the agreement. A teacher is  
93.4 eligible under this subdivision if the teacher:

93.5 (1) is a teacher, but not a superintendent;

93.6 (2) has a continuing contract with the district according to section 122A.40, subdivision  
93.7 7.

93.8 The amount of severance pay must be equal to the teacher's salary for the school year  
93.9 during which the teacher was placed on unrequested leave of absence minus the gross  
93.10 amount the teacher was paid during the 12 months following the teacher's termination of  
93.11 salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching  
93.12 license, and minus the amount a teacher receives as severance or other similar pay according  
93.13 to a contract with the district or district policy. These entities requiring a valid Minnesota  
93.14 teaching license include, but are not limited to, the district that placed the teacher on  
93.15 unrequested leave of absence, another district in Minnesota, an education district, an  
93.16 intermediate school district, a service cooperative, a board formed under section 471.59, a  
93.17 state residential academy, ~~the Perpich Center for Arts Education~~, a vocational center, or a  
93.18 special education cooperative. These entities do not include a district in another state, a  
93.19 Minnesota public postsecondary institution, or a state agency. Only amounts earned by the  
93.20 teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license  
93.21 shall be subtracted. A teacher may decline any offer of employment as a teacher without  
93.22 loss of rights to severance pay.

93.23 To determine the amount of severance pay that is due for the first six months following  
93.24 termination of the teacher's salary, the district may require the teacher to provide documented  
93.25 evidence of the teacher's employers and gross earnings during that period. The district must  
93.26 pay the teacher the amount of severance pay it determines to be due from the proceeds of  
93.27 the levy for this purpose. To determine the amount of severance pay that is due for the  
93.28 second six months of the 12 months following the termination of the teacher's salary, the  
93.29 district may require the teacher to provide documented evidence of the teacher's employers  
93.30 and gross earnings during that period. The district must pay the teacher the amount of  
93.31 severance pay it determines to be due from the proceeds of the levy for this purpose.

93.32 A teacher who receives severance pay under this subdivision waives all further  
93.33 reinstatement rights under section 122A.40, subdivision 10 or 11. If the teacher receives  
93.34 severance pay, the teacher shall not receive credit for any years of service in the district  
94.1 paying severance pay prior to the year in which the teacher becomes eligible to receive  
94.2 severance pay.

94.3 The severance pay is subject to section 465.72. The district may levy annually according  
94.4 to section 126C.43, for the severance pay.

119.6 Section 1. Minnesota Statutes 2016, section 123A.73, subdivision 2, is amended to read:

119.7 Subd. 2. **Involuntary Dissolution; referendum revenue.** As of the effective date of  
119.8 the voluntary or involuntary dissolution of a district and its attachment to one or more  
119.9 existing districts pursuant to sections 123A.60 or 123A.64 to 123A.72, the authorization  
119.10 for any referendum revenue previously approved by the voters of the dissolved district in  
119.11 that district pursuant to section 126C.17, subdivision 9, or its predecessor or successor  
119.12 provision, is canceled. The authorization for any referendum revenue previously approved  
119.13 by the voters of a district to which all or part of the dissolved district is attached shall not  
119.14 be affected by the attachment and shall apply to the entire area of the district as enlarged  
119.15 by the attachment.

119.16 **EFFECTIVE DATE.** This section is effective retroactively to January 1, 2017.

94.5 **EFFECTIVE DATE.** This section is effective June 30, 2018.

94.6 Sec. 6. Minnesota Statutes 2016, section 123A.73, subdivision 2, is amended to read:

94.7 Subd. 2. **Involuntary Dissolution; referendum revenue.** As of the effective date of  
94.8 the voluntary or involuntary dissolution of a district and its attachment to one or more  
94.9 existing districts pursuant to sections 123A.60 or 123A.64 to 123A.72, the authorization  
94.10 for any referendum revenue previously approved by the voters of the dissolved district in  
94.11 that district pursuant to section 126C.17, subdivision 9, or its predecessor or successor  
94.12 provision, is canceled. The authorization for any referendum revenue previously approved  
94.13 by the voters of a district to which all or part of the dissolved district is attached shall not  
94.14 be affected by the attachment and shall apply to the entire area of the district as enlarged  
94.15 by the attachment.

94.16 **EFFECTIVE DATE.** This section is effective retroactively to January 1, 2017.

#### **FROM ARTICLE 8:**

110.5 Sec. 9. Minnesota Statutes 2016, section 123B.595, subdivision 1, is amended to read:

110.6 Subdivision 1. **Long-term facilities maintenance revenue.** (a) For fiscal year 2017  
110.7 only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$193  
110.8 times the district's adjusted pupil units times the lesser of one or the ratio of the district's  
110.9 average building age to 35 years, plus the cost approved by the commissioner for indoor  
110.10 air quality, fire alarm and suppression, and asbestos abatement projects under section  
110.11 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (ii) for a  
110.12 school district with an approved voluntary prekindergarten program under section 124D.151,  
110.13 the cost approved by the commissioner for remodeling existing instructional space to  
110.14 accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would  
110.15 have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes  
110.16 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school  
110.17 district with an approved voluntary prekindergarten program under section 124D.151, the  
110.18 cost approved by the commissioner for remodeling existing instructional space to  
110.19 accommodate prekindergarten instruction.

110.20 (b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the greater  
110.21 of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser of one or  
110.22 the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the  
110.23 commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement  
110.24 projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more  
110.25 per site, ~~plus (iii) for a school district with an approved voluntary prekindergarten program~~  
110.26 ~~under section 124D.151, the cost approved by the commissioner for remodeling existing~~  
110.27 ~~instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the~~

110.28 amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57,  
110.29 Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591;  
110.30 and (ii) for a school district with an approved voluntary prekindergarten program under  
110.31 section 124D.151, the cost approved by the commissioner for remodeling existing  
110.32 instructional space to accommodate prekindergarten instruction.

110.33 (c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals the  
110.34 greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the lesser of  
111.1 one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved  
111.2 by the commissioner for indoor air quality, fire alarm and suppression, and asbestos  
111.3 abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000  
111.4 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten  
111.5 program under section 124D.151, the cost approved by the commissioner for remodeling  
111.6 existing instructional space to accommodate prekindergarten instruction, or (2) the sum of  
111.7 (i) the amount the district would have qualified for under Minnesota Statutes 2014, section  
111.8 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section  
111.9 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program  
111.10 under section 124D.151, the cost approved by the commissioner for remodeling existing  
111.11 instructional space to accommodate prekindergarten instruction.

111.12 (d) Notwithstanding paragraphs (a), (b), and (c), a school district that qualified for  
111.13 eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a),  
111.14 for fiscal year 2010 remains eligible for funding under this section as a district that would  
111.15 have qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision  
111.16 1, paragraph (a), for fiscal year 2017 and later.

94.17 Sec. 7. Minnesota Statutes 2016, section 123B.595, subdivision 4, is amended to read:

94.18 Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district  
94.19 or intermediate district, not including a charter school, must have a ten-year facility plan  
94.20 adopted by the school board and approved by the commissioner. The plan must include  
94.21 provisions for implementing a health and safety program that complies with health, safety,  
94.22 and environmental regulations and best practices, including indoor air quality management  
94.23 and remediation of lead hazards.

94.24 (b) The district must annually update the plan, submit the plan to the commissioner for  
94.25 approval by July 31, and indicate whether the district will issue bonds to finance the plan  
94.26 or levy for the costs.

94.27 (c) For school districts issuing bonds to finance the plan, the plan must include a debt  
94.28 service schedule demonstrating that the debt service revenue required to pay the principal  
94.29 and interest on the bonds each year will not exceed the projected long-term facilities revenue  
94.30 for that year.

119.17 Sec. 2. Minnesota Statutes 2016, section 123B.71, subdivision 11, is amended to read:

119.18 Subd. 11. **Review of proposals.** In reviewing each proposal, the commissioner shall  
119.19 submit to the school board, within 60 days of receiving the proposal, the review and comment  
119.20 about the educational and economic advisability of the project. The commissioner must  
119.21 include comments from citizens in the school district about the proposal in question. The  
119.22 review and comment shall be based on information submitted with the proposal and other  
119.23 information the commissioner determines is necessary. If the commissioner submits a  
119.24 negative review and comment for a portion of a proposal, the review and comment shall  
119.25 clearly specify which portion of the proposal received a negative review and comment and  
119.26 which portion of the proposal received a positive review and comment.

119.27 Sec. 3. Minnesota Statutes 2016, section 123B.71, subdivision 12, is amended to read:

119.28 Subd. 12. **Publication.** (a) At least 20 days but not more than 60 days before a referendum  
119.29 for bonds or solicitation of bids for a project that has received a positive or unfavorable  
119.30 review and comment under section 123B.70, the school board shall publish a summary of  
119.31 the commissioner's review and comment of that project in the legal newspaper of the district.  
120.1 The school board must also hold a public meeting to go over the details of the commissioner's  
120.2 review and comment before the bond election is held. Supplementary information shall be  
120.3 available to the public.

120.4 (b) The publication requirement in paragraph (a) does not apply to alternative facilities  
120.5 projects approved under section 123B.59.

94.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

95.1 Sec. 8. Minnesota Statutes 2016, section 124D.05, subdivision 3, is amended to read:

95.2 Subd. 3. **Severance pay.** A district must pay severance pay to a teacher who is placed  
95.3 on unrequested leave of absence by the district as a result of an agreement under this section.  
95.4 A teacher is eligible under this subdivision if the teacher:

95.5 (1) is a teacher, as defined in section 122A.40, subdivision 1, but not a superintendent;

95.6 (2) has a continuing contract with the district according to section 122A.40, subdivision  
95.7 7.

95.8 The amount of severance pay must be equal to the teacher's salary for the school year  
95.9 during which the teacher was placed on unrequested leave of absence minus the gross  
95.10 amount the teacher was paid during the 12 months following the teacher's termination of



95.11 salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching  
95.12 license, and minus the amount a teacher receives as severance or other similar pay according  
95.13 to a contract with the district or district policy. These entities include, but are not limited  
95.14 to, the district that placed the teacher on unrequested leave of absence, another district in  
95.15 Minnesota, an education district, an intermediate school district, a service cooperative, a  
95.16 board formed under section 471.59, a state residential academy, ~~the Perpich Center for Arts~~  
95.17 ~~Education~~, a vocational center, or a special education cooperative. These entities do not  
95.18 include a district in another state, a Minnesota public postsecondary institution, or a state  
95.19 agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring  
95.20 a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of  
95.21 employment as a teacher without loss of rights to severance pay.

95.22 To determine the amount of severance pay that is due for the first six months following  
95.23 termination of the teacher's salary, the district may require the teacher to provide documented  
95.24 evidence of the teacher's employers and gross earnings during that period. The district must  
95.25 pay the teacher the amount of severance pay it determines to be due from the proceeds of  
95.26 the levy for this purpose. To determine the amount of severance pay that is due for the  
95.27 second six months of the 12 months following the termination of the teacher's salary, the  
95.28 district may require the teacher to provide documented evidence of the teacher's employers  
95.29 and gross earnings during that period. The district must pay the teacher the amount of  
95.30 severance pay it determines to be due from the proceeds of the levy for this purpose.

95.31 A teacher who receives severance pay under this subdivision waives all further  
95.32 reinstatement rights under section 122A.40, subdivision 10 or 11. If the teacher receives  
95.33 severance pay, the teacher must not receive credit for any years of service in the district  
96.1 paying severance pay prior to the year in which the teacher becomes eligible to receive  
96.2 severance pay.

96.3 The severance pay is subject to section 465.72. The district may levy annually according  
96.4 to section 126C.43 for the severance pay.

96.5 **EFFECTIVE DATE.** This section is effective June 30, 2018.

120.6 Sec. 4. Minnesota Statutes 2016, section 126C.55, subdivision 1, is amended to read:

120.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, ~~the term~~ "debt obligation"  
120.8 means:

120.9 (1) a certificate of indebtedness issued under section 126C.52;

120.10 (2) a certificate of participation issued under section 126C.40, subdivision 6; or

120.11 (3) a general obligation bond.

120.12 (b) To be eligible for state payment under this section, a debt obligation for a project  
120.13 requiring review and comment under section 123B.71, subdivision 8, must only be spent  
120.14 on purposes consistent with the information required under section 123B.71, subdivision  
120.15 9, clause (4).

96.6 Sec. 9. **127A.155** **LOLA AND RUDY PERPICH ARTS EDUCATION DIVISION.**

96.7 Subdivision 1. **Establishment of arts education division.** The department must provide  
96.8 arts support services to school districts throughout Minnesota through the establishment of  
96.9 the Lola and Rudy Perpich arts education and outreach division.

96.10 Subd. 2. **Division responsibilities.** (a) The Perpich division must offer resources and  
96.11 outreach services statewide to enhance arts education opportunities for pupils in elementary  
96.12 and secondary school. The Perpich division must work with school districts across Minnesota  
96.13 to:

96.14 (1) gather and conduct research in arts education;

96.15 (2) develop exemplary curriculum, instructional practices, and assessments;

96.16 (3) disseminate information regarding arts education opportunities; and

96.17 (4) provide materials, training, and assistance to the arts education committees in school  
96.18 districts.

96.19 (b) The Perpich division must collaborate with the commissioner of education to develop  
96.20 arts standards and strengthen state policies related to arts education.

96.21 (c) The Perpich division must serve as liaison for the Department of Education to national  
96.22 organizations for arts education.

96.23 (d) The commissioner may, on behalf of the Perpich division, apply for funds from  
96.24 public and private sources.

96.25 **EFFECTIVE DATE.** This section is effective July 1, 2017.

96.26 Sec. 10. Minnesota Statutes 2016, section 297A.70, subdivision 2, is amended to read:

- 96.27 Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the  
96.28 following governments and political subdivisions, or to the listed agencies or instrumentalities  
96.29 of governments and political subdivisions, are exempt:
- 96.30 (1) the United States and its agencies and instrumentalities;
- 97.1 (2) school districts, local governments, the University of Minnesota, state universities,  
97.2 community colleges, technical colleges, state academies, ~~the Perpich Minnesota Center for~~  
97.3 ~~Arts Education~~, and an instrumentality of a political subdivision that is accredited as an  
97.4 optional/special function school by the North Central Association of Colleges and Schools;
- 97.5 (3) hospitals and nursing homes owned and operated by political subdivisions of the  
97.6 state of tangible personal property and taxable services used at or by hospitals and nursing  
97.7 homes;
- 97.8 (4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council  
97.9 of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt  
97.10 through December 31, 2016;
- 97.11 (5) other states or political subdivisions of other states, if the sale would be exempt from  
97.12 taxation if it occurred in that state; and
- 97.13 (6) public libraries, public library systems, multicounty, multitype library systems as  
97.14 defined in section 134.001, county law libraries under chapter 134A, state agency libraries,  
97.15 the state library under section 480.09, and the Legislative Reference Library.
- 97.16 (b) This exemption does not apply to the sales of the following products and services:
- 97.17 (1) building, construction, or reconstruction materials purchased by a contractor or a  
97.18 subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed  
97.19 maximum price covering both labor and materials for use in the construction, alteration, or  
97.20 repair of a building or facility;
- 97.21 (2) construction materials purchased by tax exempt entities or their contractors to be  
97.22 used in constructing buildings or facilities which will not be used principally by the tax  
97.23 exempt entities;
- 97.24 (3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except  
97.25 for leases entered into by the United States or its agencies or instrumentalities;
- 97.26 (4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2),  
97.27 and prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67,

97.28 subdivision 2, except for lodging, prepared food, candy, soft drinks, and alcoholic beverages  
97.29 purchased directly by the United States or its agencies or instrumentalities; or

97.30 (5) goods or services purchased by a local government as inputs to a liquor store, gas  
97.31 or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf  
97.32 course, marina, campground, cafe, or laundromat.

98.1 (c) As used in this subdivision, "school districts" means public school entities and districts  
98.2 of every kind and nature organized under the laws of the state of Minnesota, and any  
98.3 instrumentality of a school district, as defined in section 471.59.

98.4 (d) For purposes of the exemption granted under this subdivision, "local governments"  
98.5 has the following meaning:

98.6 (1) for the period prior to January 1, 2017, local governments means statutory or home  
98.7 rule charter cities, counties, and townships; and

98.8 (2) beginning January 1, 2017, local governments means statutory or home rule charter  
98.9 cities, counties, and townships; special districts as defined under section 6.465; any  
98.10 instrumentality of a statutory or home rule charter city, county, or township as defined in  
98.11 section 471.59; and any joint powers board or organization created under section 471.59.

98.12 **EFFECTIVE DATE.** This section is effective June 30, 2018.

120.16 Sec. 5. Minnesota Statutes 2016, section 475.58, subdivision 4, is amended to read:

120.17 Subd. 4. **Proper use of bond proceeds.** (a) The proceeds of obligations issued after  
120.18 approval of the electors under this section may only be spent: (1) for the purposes stated in  
120.19 the ballot language; or (2) to pay, redeem, or defease obligations and interest, penalties,  
120.20 premiums, and costs of issuance of the obligations. The proceeds may not be spent for a  
120.21 different purpose or for an expansion of the original purpose without the approval by a  
120.22 majority of the electors voting on the question of changing or expanding the purpose of the  
120.23 obligations.

120.24 (b) In addition to the requirements under paragraph (a), the proceeds of obligations  
120.25 issued by a school district under this section for a project requiring review and comment  
120.26 under section 123B.71, subdivision 8, must only be spent on purposes consistent with the  
120.27 information required under section 123B.71, subdivision 9, clause (4).

120.28 **EFFECTIVE DATE.** This section is effective July 1, 2017.

121.1 Sec. 6. Laws 2016, chapter 189, article 30, section 25, subdivision 5, is amended to read:

121.2 Subd. 5. **Early repayment aid incentive.** (a) For incentive grants for a district that  
121.3 repays the full outstanding original principal on its capital loan by November 30, 2016,  
121.4 under Laws 2011, First Special Session chapter 11, article 4, section 8, as amended by this  
121.5 act:

121.6                    2,200,000  
121.7            \$        2,350,000        ..... 2017

121.8            (b) Of this amount, \$150,000 is for a grant to Independent School District No. 36,  
121.9 Kelliher; \$180,000 is for a grant to Independent School District No. 95, Cromwell; \$495,000  
121.10 is for a grant to Independent School District No. 299, Caledonia; \$220,000 is for a grant to  
121.11 Independent School District No. 306, Laporte; \$150,000 is for a grant to Independent School  
121.12 District No. 362, Littlefork; \$650,000 is for a grant to Independent School District No. 682,  
121.13 Roseau; and \$505,000 is for a grant to Independent School District No. 2580, East Central.

121.14            (c) The grant may be used for any school-related purpose.

121.15            (d) The base appropriation for 2022 is zero.

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

121.17 Sec. 7. **DISPOSITION OF CROSSWINDS SCHOOL; PROCEEDS OF SALE.**

121.18            Subdivision 1. **Disposition of Crosswinds school property.** (a) Notwithstanding the  
121.19 appropriation of state general obligation bond proceeds in Laws 1998, chapter 404, section  
121.20 5, subdivision 5; Laws 1999, chapter 240, article 1, section 3; Laws 2000, chapter 492,  
121.21 article 1, section 5, subdivision 2; Laws 2001, First Special Session chapter 12, section 2,  
121.22 subdivision 2; and Laws 2005, chapter 20, article 1, section 5, subdivision 3, to acquire and  
121.23 better the Crosswinds school facilities by the Joint Powers District No. 6067, East Metro  
121.24 Integration District, in Woodbury, the Crosswinds school may be conveyed or sold by the  
121.25 commissioner of administration to a buyer on the open market.

121.26            (b) As soon as practicable following July 1, 2017, and consistent with Minnesota Statutes,  
121.27 sections 16A.695 and 16B.281 to 16B.298, and constraints on the disposition of  
121.28 bond-financed property, the commissioner of administration shall offer the Crosswinds  
121.29 school property for sale for no less than fair market value. Before offering the Crosswinds

98.13 Sec. 11. **CROSSWINDS SCHOOL CONVEYANCE.**

98.14            Notwithstanding the appropriation of state general obligation bond proceeds in Laws  
98.15 1998, chapter 404, section 5, subdivision 5; Laws 1999, chapter 240, article 1, section 3;  
98.16 Laws 2000, chapter 492, article 1, section 5, subdivision 2; Laws 2001, First Special Session  
98.17 chapter 12, section 2, subdivision 2; and Laws 2005, chapter 20, article 1, section 5,  
98.18 subdivision 3, to acquire and better the Crosswinds school facilities by the Joint Powers  
98.19 District No. 6067, East Metro Integration District, in Woodbury, the Crosswinds school  
98.20 conveyed to the Perpich Center for Arts Education under Laws 2014, chapter 294, article  
98.21 2, section 20, subdivision 2, may be conveyed for continued use as an east metropolitan  
98.22 area integration magnet school.

98.23            **EFFECTIVE DATE.** This section is effective July 1, 2017.

121.30 school property for sale, the commissioner of administration must determine that the property  
121.31 is no longer needed to carry out the governmental program for which it was acquired or  
121.32 constructed.

122.1 Subd. 2. **Proceeds of sale of Crosswinds school.** If the sale of the Crosswinds school  
122.2 and deposit of sale proceeds in the state bond fund would reduce the amount of the required  
122.3 transfer from the general fund to the state bond fund under Minnesota Statutes, section  
122.4 16A.641, subdivision 10, on the December 1 following the sale, an amount equal to the  
122.5 amount of the reduction in the required transfer is appropriated from the general fund to the  
122.6 Teachers Retirement Association in fiscal year 2019.

122.7 **EFFECTIVE DATE.** This section is effective July 1, 2017.

122.8 Sec. 8. **TRANSITION REQUIREMENTS; CROSSWINDS SCHOOL.**

122.9 Subdivision 1. **Student enrollment.** Any student enrolled in the Crosswinds school  
122.10 during the 2016-2017 school year may continue to enroll in the Crosswinds school in any  
122.11 subsequent year that a school district or charter school operates a school at that site.

122.12 Subd. 2. **Compensatory revenue; literacy aid; alternative compensation revenue.**  
122.13 For the 2017-2018 school year only, for a school district or charter school enrolling pupils  
122.14 at the Crosswinds school, the Department of Education must calculate compensatory revenue,  
122.15 literacy aid, and alternative compensation revenue for the Crosswinds school based on the  
122.16 October 1, 2016, enrollment counts at that site.

122.17 **EFFECTIVE DATE.** This section is effective July 1, 2017.

98.24 Sec. 12. **CROSSWINDS CONTINGENCY FUNDS.**

98.25 (a) If the Crosswinds facility has not been sold by June 30, 2018, the appropriations for  
98.26 fiscal year 2019 under article 1, section 17, subdivision 10, and article 3, section 18,  
98.27 subdivision 7, are canceled.

98.28 (b) If prior to July 1, 2018, the Crosswinds facility has been sold and less than  
98.29 \$10,000,000 has been deposited in the state general fund in connection with the sale, the  
98.30 appropriations listed in paragraph (a) must be reduced. The first \$3,200,000 reduced under  
98.31 this paragraph must apply to the appropriation under article 3, section 18, subdivision 7.

99.1 Sec. 13. **PERPICH CENTER FOR ARTS EDUCATION CLOSURE.**

99.2 Subdivision 1. **Perpich Center for Arts Education abolished.** (a) The Perpich Center  
99.3 for Arts Education (Perpich Center) is abolished effective June 30, 2018. Abolishment under

122.18 Sec. 9. APPROPRIATIONS.

122.19 Subdivision 1. Department of Education. The sums indicated in this section are  
122.20 appropriated from the general fund to the Department of Education for the fiscal years  
122.21 designated.

122.22 Subd. 2. Debt service equalization aid. For debt service equalization aid under  
122.23 Minnesota Statutes, section 123B.53, subdivision 6:

122.24 \$ 22,081,000 ..... 2018

122.25 \$ 19,422,000 ..... 2019

122.26 The 2018 appropriation includes \$2,044,000 for 2017 and \$20,037,000 for 2018.

122.27 The 2019 appropriation includes \$2,226,000 for 2018 and \$17,196,000 for 2019.

99.4 this section does not reduce or otherwise limit the powers and authority of the Perpich Center  
99.5 during the concluding duration of its existence.

99.6 (b) Notwithstanding any other law, any unexpended and unencumbered appropriations  
99.7 to the Perpich Center lapse to the fund or account from which they were appropriated on  
99.8 June 30, 2018. All money in a dedicated fund or account of the Perpich Center on June 30,  
99.9 2018, must be transferred to the general fund.

99.10 Subd. 2. Library. All property in the Perpich Arts Library is transferred to the State  
99.11 Library Services Division of the Department of Education, in accordance with Minnesota  
99.12 Statutes, section 15.039, subdivisions 5 and 8, effective June 1, 2018.

99.13 Subd. 3. Student enrollment. Students enrolled in the Perpich Arts High School or  
99.14 Crosswinds Arts and Science School (Crosswinds school) during the 2016-2017 school  
99.15 year may continue to enroll in those schools for the 2017-2018 school year. No student may  
99.16 enroll in the Perpich Arts High School or Crosswinds school after the 2017-2018 school  
99.17 year.

99.18 Subd. 4. Education records. The Perpich Center must transfer the education records  
99.19 of each student of the Perpich Arts High School and Crosswinds school according to  
99.20 Minnesota Statutes, section 120A.22, subdivision 7.

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

99.22 Sec. 14. APPROPRIATIONS.

99.23 Subdivision 1. Department of Education. The sums indicated in this section are  
99.24 appropriated from the general fund to the Department of Education for the fiscal years  
99.25 designated.

99.26 Subd. 2. Debt service equalization aid. For debt service equalization aid under  
99.27 Minnesota Statutes, section 123B.53, subdivision 6:

99.28 \$ 24,908,000 ..... 2018

99.29 \$ 22,360,000 ..... 2019

99.30 The 2018 appropriation includes \$2,324,000 for 2017 and \$22,584,000 for 2018.

99.31 The 2019 appropriation includes \$2,509,000 for 2018 and \$19,851,000 for 2019.

122.28 Subd. 3. Long-term facilities maintenance equalized aid. For long-term facilities  
122.29 maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

122.30 \$ 80,179,000 ..... 2018  
122.31 \$ 103,460,000 ..... 2019

123.1 The 2018 appropriation includes \$5,814,000 for 2017 and \$74,365,000 for 2018.

123.2 The 2019 appropriation includes \$8,261,000 for 2018 and \$95,199,000 for 2019.

123.3 Subd. 4. Equity in telecommunications access. For equity in telecommunications  
123.4 access:

123.5 \$ 3,750,000 ..... 2018  
123.6 \$ 3,750,000 ..... 2019

123.7 If the appropriation amount is insufficient, the commissioner shall reduce the  
123.8 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the  
123.9 revenue for fiscal years 2018 and 2019 shall be prorated.

123.10 Any balance in the first year does not cancel but is available in the second year.

123.11 Subd. 5. Early repayment aid incentive. (a) For incentive grants for a district that  
123.12 repays the full outstanding original principal on its capital loan by November 30, 2016,  
123.13 under Laws 2011, First Special Session chapter 11, article 4, section 8, as amended by Laws  
123.14 2016, chapter 189, article 30, section 22:

123.15 \$ 2,350,000 ..... 2018  
123.16 \$ 2,350,000 ..... 2019

123.17 (b) Of this amount, \$150,000 is for a grant to Independent School District No. 36,  
123.18 Kelliher; \$180,000 is for a grant to Independent School District No. 95, Cromwell; \$495,000  
123.19 is for a grant to Independent School District No. 299, Caledonia; \$220,000 is for a grant to  
123.20 Independent School District No. 306, Laporte; \$150,000 is for a grant to Independent School

100.1 Subd. 3. Long-term facilities maintenance equalized aid. For long-term facilities  
100.2 maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

100.3 \$ 80,121,000 ..... 2018  
100.4 \$ 103,397,000 ..... 2019

100.5 The 2018 appropriation includes \$5,815,000 for 2017 and \$74,306,000 for 2018.

100.6 The 2019 appropriation includes \$8,256,000 for 2018 and \$95,141,000 for 2019.

100.7 Subd. 4. Equity in telecommunications access. For equity in telecommunications  
100.8 access:

100.9 \$ 3,750,000 ..... 2018  
100.10 \$ 3,750,000 ..... 2019

100.11 If the appropriation amount is insufficient, the commissioner shall reduce the  
100.12 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the  
100.13 revenue for fiscal years 2018 and 2019 shall be prorated.

100.14 Any balance in the first year does not cancel but is available in the second year.

100.15 Subd. 5. Early repayment aid incentive. (a) For incentive grants for a district that  
100.16 repays the full outstanding original principal on its capital loan by November 30, 2016,  
100.17 under Laws 2011, First Special Session chapter 11, article 4, section 8, as amended by Laws  
100.18 2016, chapter 189, article 30, section 22:

100.19 \$ 2,200,000 ..... 2018  
100.20 \$ 2,200,000 ..... 2019

100.21 (b) Of this amount, \$140,000 is for a grant to Independent School District No. 36,  
100.22 Kelliher; \$169,000 is for a grant to Independent School District No. 95, Cromwell; \$463,000  
100.23 is for a grant to Independent School District No. 299, Caledonia; \$206,000 is for a grant to  
100.24 Independent School District No. 306, Laporte; \$140,000 is for a grant to Independent School



123.21 District No. 362, Littlefork; \$650,000 is for a grant to Independent School District No. 682,  
123.22 Roseau; and \$505,000 is for a grant to Independent School District No. 2580, East Central.

123.23 (c) The grant may be used for any school-related purpose.

123.24 (d) The base appropriation for 2022 is \$0.

123.25 Sec. 10. **REPEALER.**

123.26 (a) Minnesota Statutes 2016, section 123A.73, subdivision 3, is repealed.

123.27 (b) Minnesota Statutes 2016, sections 129C.10, subdivision 5a; and 129C.30, are repealed.

123.28 **EFFECTIVE DATE.** Paragraph (a) is effective retroactively to January 1, 2017.

123.29 Paragraph (b) is effective July 1, 2017.

100.25 District No. 362, Littlefork; \$609,000 is for a grant to Independent School District No. 682,  
100.26 Roseau; and \$473,000 is for a grant to Independent School District No. 2580, East Central.

100.27 (c) The grants may be used for any school-related purpose.

100.28 (d) The base for 2022 is \$0.

100.29 Sec. 15. **REPEALER.**

100.30 (a) Minnesota Statutes 2016, sections 129C.10; 129C.105; 129C.15; 129C.20; 129C.25;  
100.31 129C.26; and 129C.30, and Minnesota Rules, parts 3600.0010, subparts 1, 2, 2a, 2b, 3, and  
101.1 6; 3600.0020; 3600.0030, subparts 1, 2, 4, and 6; 3600.0045; 3600.0055; 3600.0065;  
101.2 3600.0075; and 3600.0085, are repealed effective June 30, 2018.

101.3 (b) Minnesota Statutes 2016, section 123A.73, subdivision 3, is repealed retroactively  
101.4 to January 1, 2017.