3.986 DEFINITIONS.

Subdivision 1. **Scope.** The terms used in sections 3.986 to 3.989 have the meanings given them in this section.

Subd. 2. **Local fiscal impact.** (a) "Local fiscal impact" means increased or decreased costs or revenues that a political subdivision would incur as a result of a law enacted after June 30, 1997, or rule proposed after December 31, 1999:

(1) that mandates a new program, eliminates an existing mandated program, requires an increased level of service of an existing program, or permits a decreased level of service in an existing mandated program;

(2) that implements or interprets federal law and, by its implementation or interpretation, increases or decreases program or service levels beyond the level required by the federal law;

(3) that implements or interprets a statute or amendment adopted or enacted pursuant to the approval of a statewide ballot measure by the voters and, by its implementation or interpretation, increases or decreases program or service levels beyond the levels required by the ballot measure;

(4) that removes an option previously available to political subdivisions, or adds an option previously unavailable to political subdivisions, thus requiring higher program or service levels or permitting lower program or service levels, or prohibits a specific activity and so forces political subdivisions to use a more costly alternative to provide a mandated program or service;

(5) that requires that an existing program or service be provided in a shorter time period and thus increases the cost of the program or service, or permits an existing mandated program or service to be provided in a longer time period, thus permitting a decrease in the cost of the program or service;

(6) that adds new requirements to an existing optional program or service and thus increases the cost of the program or service because the political subdivisions have no reasonable alternative other than to continue the optional program;

(7) that affects local revenue collections by changes in property or sales and use tax exemptions;

(8) that requires costs previously incurred at local option that have subsequently been mandated by the state; or

(9) that requires payment of a new fee or increases the amount of an existing fee, or permits the elimination or decrease of an existing fee mandated by the state.

(b) When state law is intended to achieve compliance with federal law or court orders, state mandates shall be determined as follows:

(1) if the federal law or court order is discretionary, the state law is a state mandate;

(2) if the state law exceeds what is required by the federal law or court order, only the provisions of the state law that exceed the federal requirements are a state mandate; and

(3) if the state law does not exceed what is required by the federal statute or regulation or court order, the state law is not a state mandate.

Subd. 3. **Mandate.** A "mandate" is a requirement imposed upon a political subdivision in a law by a state agency or by judicial authority that, if not complied with, results in:

(1) civil liability;

(2) criminal penalty; or

(3) administrative sanctions such as reduction or loss of funding.

Subd. 4. **Political subdivision.** A "political subdivision" is a school district, county, or home rule charter or statutory city.

Subd. 5. **Requiring an increased level of service.** "Requiring an increased level of service" includes requiring that an existing service be provided in a shorter time.

History: *1997 c 231 art 11 s 1; 1998 c 389 art 16 s 1,2; 1999 c 243 art 16 s 1; 1Sp2003 c 21 art 11 s 1*