

329.24 **ARTICLE 16**
329.25 **FACILITIES AND TECHNOLOGY**

148.29 **ARTICLE 11**
148.30 **FACILITIES AND TECHNOLOGY**

S2744-2

45.14 Section 1. Minnesota Statutes 2014, section 123B.52, subdivision 1, is amended to read:

45.15 Subdivision 1. **Contracts.** A contract for work or labor, or for the purchase of
45.16 furniture, fixtures, or other property, except books registered under the copyright laws and
45.17 information systems software, or for the construction or repair of school houses, the
45.18 estimated cost or value of which shall exceed that specified in section 471.345, subdivision
45.19 3, must not be made by the school board without first advertising for bids or proposals by
45.20 two weeks' published notice in the official newspaper. This notice must state the time and
45.21 place of receiving bids and contain a brief description of the subject matter.

45.22 Additional publication in the official newspaper or elsewhere may be made as the
45.23 board shall deem necessary.

45.24 After taking into consideration conformity with the specifications, terms of delivery,
45.25 and other conditions imposed in the call for bids, every such contract for which a call for
45.26 bids has been issued must be awarded to the lowest responsible bidder, be duly executed
45.27 in writing, and be otherwise conditioned as required by law. The person to whom the
45.28 contract is awarded shall give a sufficient bond to the board for its faithful performance.
45.29 Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to the
45.30 purchase of a finished tangible product, a board may require, at its discretion, a performance
45.31 bond of a contractor in the amount the board considers necessary. A record must be kept of
45.32 all bids, with names of bidders and amount of bids, and with the successful bid indicated
45.33 thereon. A bid containing an alteration or erasure of any price contained in the bid which
45.34 is used in determining the lowest responsible bid must be rejected unless the alteration or
45.35 erasure is corrected as provided in this section. An alteration or erasure may be crossed out
46.1 and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink
46.2 by the person signing the bid. In the case of identical low bids from two or more bidders,
46.3 the board may, at its discretion, utilize negotiated procurement methods with the tied low
46.4 bidders for that particular transaction, so long as the price paid does not exceed the low tied
46.5 bid price. In the case where only a single bid is received, the board may, at its discretion,
46.6 negotiate a mutually agreeable contract with the bidder so long as the price paid does not
46.7 exceed the original bid. If no satisfactory bid is received, the board may readvertise.
46.8 Standard requirement price contracts established for supplies or services to be purchased
46.9 by the district must be established by competitive bids. Such standard requirement price
46.10 contracts may contain escalation clauses and may provide for a negotiated price increase
46.11 or decrease based upon a demonstrable industrywide or regional increase or decrease in
46.12 the vendor's costs. Either party to the contract may request that the other party demonstrate
46.13 such increase or decrease. The term of such contracts must not exceed two years with an

46.14 option on the part of the district to renew for an additional two years. Contracts for the
 46.15 purchase of perishable food items, except milk for school lunches and vocational training
 46.16 programs, in any amount may be made by direct negotiation by obtaining two or more
 46.17 written quotations for the purchase or sale, when possible, without advertising for bids or
 46.18 otherwise complying with the requirements of this section or section 471.345, subdivision
 46.19 3. All quotations obtained shall be kept on file for a period of at least one year after receipt.

46.20 Every contract made without compliance with the provisions of this section shall be
 46.21 void. Except in the case of the destruction of buildings or injury thereto, where the public
 46.22 interest would suffer by delay, contracts for repairs may be made without advertising
 46.23 for bids.

46.24 Sec. 2. Minnesota Statutes 2015 Supplement, section 123B.53, subdivision 1, is
 46.25 amended to read:

46.26 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
 46.27 revenue of a district is defined as follows:

46.28 (1) the amount needed to produce between five and six percent in excess of the
 46.29 amount needed to meet when due the principal and interest payments on the obligations
 46.30 of the district for eligible projects according to subdivision 2, including the amounts
 46.31 necessary for repayment of energy loans according to section 216C.37 or sections 298.292
 46.32 to 298.298, debt service loans, capital loans, and lease purchase payments under section
 46.33 126C.40, subdivision 2, excluding long-term facilities maintenance levies under section
 46.34 123B.595, minus

47.1 (2) the amount of debt service excess levy reduction for that school year calculated
 47.2 according to the procedure established by the commissioner.

47.3 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

47.4 (1) obligations under section 123B.61;

47.5 (2) the part of debt service principal and interest paid from the taconite environmental
 47.6 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of
 47.7 taconite payments from the Iron Range school consolidation and cooperatively operated
 47.8 school account under section 298.28, subdivision 7a;

47.9 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as
 47.10 amended by Laws 1992, chapter 499, article 5, section 24;

47.11 (4) obligations under section 123B.62; and

47.12 (5) obligations equalized under section 123B.535.

47.13 (c) For purposes of this section, if a preexisting school district reorganized under
 47.14 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement
 47.15 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt
 47.16 service equalization aid must be computed separately for each of the preexisting districts.

148.31 Section 1. Minnesota Statutes 2015 Supplement, section 123B.53, subdivision 1, is
 148.32 amended to read:

149.1 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
 149.2 revenue of a district is defined as follows:

149.3 (1) the amount needed to produce between five and six percent in excess of the
 149.4 amount needed to meet when due the principal and interest payments on the obligations
 149.5 of the district for eligible projects according to subdivision 2, including the amounts
 149.6 necessary for repayment of energy loans according to section 216C.37 or sections 298.292
 149.7 to 298.298, debt service loans, capital loans, and lease purchase payments under section
 149.8 126C.40, subdivision 2, excluding long-term facilities maintenance levies under section
 149.9 123B.595, minus

149.10 (2) the amount of debt service excess levy reduction for that school year calculated
 149.11 according to the procedure established by the commissioner.

149.12 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

149.13 (1) obligations under section 123B.61;

149.14 (2) the part of debt service principal and interest paid from the taconite environmental
 149.15 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of
 149.16 taconite payments from the Iron Range school consolidation and cooperatively operated
 149.17 school account under section 298.28, subdivision 7a;

149.18 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as
 149.19 amended by Laws 1992, chapter 499, article 5, section 24;

149.20 (4) obligations under section 123B.62; and

149.21 (5) obligations equalized under section 123B.535.

149.22 (c) For purposes of this section, if a preexisting school district reorganized under
 149.23 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement
 149.24 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt
 149.25 service equalization aid must be computed separately for each of the preexisting districts.

47.17 (d) For purposes of this section, the adjusted net tax capacity determined according
 47.18 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
 47.19 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

47.20 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 47.21 later.

UEH2749-1

329.26 Section 1. Minnesota Statutes 2014, section 123B.53, subdivision 5, is amended to read:

329.27 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a
 329.28 district equals the sum of the first tier equalized debt service levy and the second tier
 329.29 equalized debt service levy.

329.30 (b) A district's first tier equalized debt service levy equals the district's first tier debt
 329.31 service equalization revenue times the lesser of one or the ratio of:

330.1 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
 330.2 the year before the year the levy is certified by the adjusted pupil units in the district for
 330.3 the school year ending in the year prior to the year the levy is certified; to

330.4 (2) \$3,400 in fiscal year 2016 ~~and~~, \$4,430 in fiscal year 2017, and the greater of
 330.5 \$4,430 or 55.33 percent of the initial equalizing factor in fiscal year 2018 and later.

330.6 (c) A district's second tier equalized debt service levy equals the district's second tier
 330.7 debt service equalization revenue times the lesser of one or the ratio of:

330.8 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
 330.9 the year before the year the levy is certified by the adjusted pupil units in the district for
 330.10 the school year ending in the year prior to the year the levy is certified; to

330.11 (2) \$8,000 in fiscal years 2016 and 2017, and the greater of \$8,000 or 99.91 percent
 330.12 of the initial equalizing factor in fiscal year 2018 and later.

330.13 (d) For the purposes of this subdivision, the initial equalizing factor equals the
 330.14 quotient derived by dividing the total adjusted net tax capacity of all school districts in the
 330.15 state for the year before the year the levy is certified by the total number of adjusted pupil
 330.16 units in all school districts in the state in the year before the year the levy is certified.

330.17 Sec. 2. Minnesota Statutes 2014, section 123B.535, is amended to read:

330.18 ~~123B.535 NATURAL DISASTER ENHANCED DEBT SERVICE~~
 330.19 **EQUALIZATION.**

149.26 (d) For purposes of this section, the adjusted net tax capacity determined according
 149.27 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
 149.28 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

149.29 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 149.30 later.

330.20 Subdivision 1. **Definitions; eligibility.** (a) For purposes of this section, the eligible
330.21 ~~natural-disaster~~ enhanced debt service revenue of a district is defined as the amount
330.22 needed to produce between five and six percent in excess of the amount needed to meet
330.23 when due the principal and interest payments on the obligations of the district eligible
330.24 under paragraphs (b) and (c) that would otherwise qualify under section 123B.53 ~~under~~
330.25 ~~the following conditions:~~

330.26 (b) A district that has been negatively affected by a natural disaster qualifies for
330.27 enhanced debt service equalization under this section if:

330.28 (1) the district was impacted by a natural disaster event or area occurring January
330.29 1, 2005, or later, as declared by the President of the United States of America, which is
330.30 eligible for Federal Emergency Management Agency payments;

330.31 (2) the natural disaster caused \$500,000 or more in damages to school district
330.32 buildings; and

330.33 (3) the repair and replacement costs are not covered by insurance payments or
330.34 Federal Emergency Management Agency payments.

331.1 (c) A district that consolidated on or after July 1, 2016, with an approved
331.2 consolidation plat and plan under section 123A.48 that included building or remodeling
331.3 school facilities is eligible for enhanced debt service equalization under this section.

331.4 ~~(b)~~ (d) For purposes of this section, the adjusted net tax capacity equalizing factor
331.5 equals the quotient derived by dividing the total adjusted net tax capacity of all school
331.6 districts in the state for the year before the year the levy is certified by the total number of
331.7 adjusted pupil units in the state for the year prior to the year the levy is certified.

331.8 ~~(e)~~ (e) For purposes of this section, the adjusted net tax capacity determined
331.9 according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of
331.10 property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

331.11 Subd. 2. **Notification.** A district eligible for ~~natural-disaster~~ enhanced debt service
331.12 ~~equalization~~ revenue under subdivision 1 must notify the commissioner of the amount of
331.13 its intended ~~natural-disaster~~ enhanced debt service revenue calculated under subdivision 1
331.14 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

331.15 Subd. 3. **Natural-disaster Enhanced debt service equalization revenue.** The
331.16 ~~enhanced~~ debt service equalization revenue of a district that qualifies under subdivision 1,
331.17 paragraph (b) or (c), equals the greater of zero or the eligible debt service revenue, minus
331.18 the greater of zero or ~~the difference between:~~

331.19 ~~(+)~~ the amount raised by a levy of ten percent times the adjusted net tax capacity
331.20 of the district; ~~and~~

331.21 (2) ~~the district's eligible debt service revenue under section 123B.53.~~

331.22 Subd. 4. **Equalized ~~natural-disaster~~ enhanced debt service levy.** A district's
 331.23 equalized ~~natural-disaster~~ enhanced debt service levy equals the district's ~~natural-disaster~~
 331.24 enhanced debt service equalization revenue times the lesser of one or the ratio of:
 331.25 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
 331.26 the year before the year the levy is certified by the adjusted pupil units in the district for
 331.27 the school year ending in the year prior to the year the levy is certified; to
 331.28 (2) 300 percent of the statewide adjusted net tax capacity equalizing factor.
 331.29 Subd. 5. **Natural-disaster Enhanced debt service equalization aid.** A district's
 331.30 ~~natural-disaster~~ enhanced debt service equalization aid equals the difference between the
 331.31 district's ~~natural-disaster~~ enhanced debt service equalization revenue and the district's
 331.32 equalized ~~natural-disaster~~ enhanced debt service levy.
 331.33 Subd. 6. **Natural-disaster Enhanced debt service equalization aid payment**
 331.34 **schedule.** Enhanced debt service equalization aid must be paid according to section
 331.35 127A.45, subdivision 10.
 331.36 **EFFECTIVE DATE.** This section is effective for taxes payable in 2017 and later.

S2744-2

47.22 Sec. 3. Minnesota Statutes 2014, section 123B.571, subdivision 2, is amended to read:
 47.23 Subd. 2. **Radon testing.** A school district may include radon testing as a part of
 47.24 its ~~health-and-safety~~ ten-year facility plan under section 123B.595, subdivision 4. If a
 47.25 school district receives authority to use ~~health-and-safety~~ long-term facilities maintenance
 47.26 revenue to conduct radon testing, the district shall conduct the testing according to the
 47.27 radon testing plan developed by the commissioners of health and education.
 47.28 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 47.29 later.
 47.30 Sec. 4. **[123B.572] SOLAR PANEL FIRE SAFETY.**
 47.31 A solar photovoltaic system installed at a school under this section must comply
 47.32 with chapter 690 of the most current edition of NFPA 70, the National Electrical Code,
 47.33 adopted under the authority given in section 326B.32, subdivision 2.

UEH2749-1

332.1 Sec. 3. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 1, is
 332.2 amended to read:

149.31 Sec. 2. Minnesota Statutes 2014, section 123B.571, subdivision 2, is amended to read:
 149.32 Subd. 2. **Radon testing.** A school district may include radon testing as a part of
 149.33 its ~~health-and-safety~~ ten-year facility plan under section 123B.595, subdivision 4. If a
 149.34 school district receives authority to use ~~health-and-safety~~ long-term facilities maintenance
 150.1 revenue to conduct radon testing, the district shall conduct the testing according to the
 150.2 radon testing plan developed by the commissioners of health and education.
 150.3 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 150.4 later.

332.3 Subdivision 1. **Long-term facilities maintenance revenue.** (a) For fiscal year
332.4 2017 only, long-term facilities maintenance revenue equals the greater of (1) the sum of
332.5 (i) \$193 times the district's adjusted pupil units times the lesser of one or the ratio of the
332.6 district's average building age to 35 years, plus the cost approved by the commissioner
332.7 for indoor air quality, fire alarm and suppression, and asbestos abatement projects under
332.8 section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site,
332.9 plus (ii) for a school district with an approved voluntary prekindergarten program under
332.10 section 124D.151, the cost approved by the commissioner for remodeling existing
332.11 instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the
332.12 amount the district would have qualified for under Minnesota Statutes 2014, section
332.13 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section
332.14 123B.591-, and (ii) for a school district with an approved voluntary prekindergarten
332.15 program under section 124D.151, the cost approved by the commissioner for remodeling
332.16 existing instructional space to accommodate prekindergarten instruction.

332.17 (b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the
332.18 greater of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser
332.19 of one or the ratio of the district's average building age to 35 years, plus (ii) the cost
332.20 approved by the commissioner for indoor air quality, fire alarm and suppression, and
332.21 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost
332.22 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary
332.23 prekindergarten program under section 124D.151, the cost approved by the commissioner
332.24 for remodeling existing instructional space to accommodate prekindergarten instruction,
332.25 or (2) the sum of (i) the amount the district would have qualified for under Minnesota
332.26 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota
332.27 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary
332.28 prekindergarten program under section 124D.151, the cost approved by the commissioner
332.29 for remodeling existing instructional space to accommodate prekindergarten instruction.

332.30 (c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals
332.31 the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the
332.32 lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost
332.33 approved by the commissioner for indoor air quality, fire alarm and suppression, and
332.34 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost
332.35 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary
332.36 prekindergarten program under section 124D.151, the cost approved by the commissioner
333.1 for remodeling existing instructional space to accommodate prekindergarten instruction,
333.2 or (2) the sum of (i) the amount the district would have qualified for under Minnesota
333.3 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota
333.4 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary
333.5 prekindergarten program under section 124D.151, the cost approved by the commissioner
333.6 for remodeling existing instructional space to accommodate prekindergarten instruction.

333.7 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 333.8 later.

S2744-2

48.1 Sec. 5. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 4, is
 48.2 amended to read:

48.3 Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school
 48.4 district or intermediate district, not including a charter school, must have a ten-year facility
 48.5 plan adopted by the school board and approved by the commissioner. The plan must include
 48.6 provisions for implementing a health and safety program that complies with health, safety,
 48.7 and environmental regulations and best practices, including indoor air quality management.

48.8 (b) The district must annually update the plan, ~~biennially submit a facility~~
 48.9 ~~maintenance~~ the plan to the commissioner for approval by July 31, and indicate whether
 48.10 the district will issue bonds to finance the plan or levy for the costs.

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

48.15 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 48.16 later.

48.17 Sec. 6. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 7, is
 48.18 amended to read:

48.19 Subd. 7. **Long-term facilities maintenance equalization revenue.** (a) For fiscal
 48.20 year 2017 only, a district's long-term facilities maintenance equalization revenue equals
 48.21 the lesser of (1) \$193 times the adjusted pupil units or (2) the district's revenue under
 48.22 subdivision 1.

48.23 (b) For fiscal year 2018 only, a district's long-term facilities maintenance
 48.24 equalization revenue equals the lesser of (1) \$292 times the adjusted pupil units or (2)
 48.25 the district's revenue under subdivision 1.

48.26 (c) For fiscal year 2019 and later, a district's long-term facilities maintenance
 48.27 equalization revenue equals the lesser of (1) \$380 times the adjusted pupil units or (2)
 48.28 the district's revenue under subdivision 1.

150.5 Sec. 3. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 4, is
 150.6 amended to read:

150.7 Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school
 150.8 district or intermediate district, not including a charter school, must have a ten-year facility
 150.9 plan adopted by the school board and approved by the commissioner. The plan must include
 150.10 provisions for implementing a health and safety program that complies with health, safety,
 150.11 and environmental regulations and best practices, including indoor air quality management.

150.12 (b) The district must annually update the plan, ~~biennially submit a facility~~
 150.13 ~~maintenance~~ the plan to the commissioner for approval by July 31, and indicate whether
 150.14 the district will issue bonds to finance the plan or levy for the costs.

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

150.19 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 150.20 later.

150.21 Sec. 4. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 7, is
 150.22 amended to read:

150.23 Subd. 7. **Long-term facilities maintenance equalization revenue.** (a) For fiscal
 150.24 year 2017 only, a district's long-term facilities maintenance equalization revenue equals
 150.25 the lesser of (1) \$193 times the adjusted pupil units or (2) the district's revenue under
 150.26 subdivision 1.

150.27 (b) For fiscal year 2018 only, a district's long-term facilities maintenance
 150.28 equalization revenue equals the lesser of (1) \$292 times the adjusted pupil units or (2)
 150.29 the district's revenue under subdivision 1.

150.30 (c) For fiscal year 2019 and later, a district's long-term facilities maintenance
 150.31 equalization revenue equals the lesser of (1) \$380 times the adjusted pupil units or (2)
 150.32 the district's revenue under subdivision 1.

48.29 (d) Notwithstanding paragraphs (a) to (c), a district's long-term facilities maintenance
 48.30 equalization revenue must not be less than the lesser of the district's long-term facilities
 48.31 maintenance revenue or the amount of aid the district received for fiscal year 2015 under
 48.32 section 123B.59, subdivision 6.

48.33 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 48.34 later.

49.1 Sec. 7. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 8, is
 49.2 amended to read:

49.3 Subd. 8. **Long-term facilities maintenance equalized levy.** (a) For fiscal year 2017
 49.4 and later, a district's long-term facilities maintenance equalized levy equals the district's
 49.5 long-term facilities maintenance equalization revenue minus the greater of:

49.6 (1) the lesser of the district's long-term facilities maintenance equalization revenue
 49.7 or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes
 49.8 2014, section 123B.59, subdivision 6; or

49.9 (2) the district's long-term facilities maintenance equalization revenue times the
 49.10 greater of (i) zero or (ii) one minus the ratio of its adjusted net tax capacity per adjusted
 49.11 pupil unit in the year preceding the year the levy is certified to 123 percent of the state
 49.12 average adjusted net tax capacity per adjusted pupil unit for all school districts in the
 49.13 year preceding the year the levy is certified.

49.14 (b) For purposes of this subdivision, "adjusted net tax capacity" means the value
 49.15 described in section 126C.01, subdivision 2, paragraph (b).

49.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 49.17 later.

49.18 Sec. 8. Minnesota Statutes 2015 Supplement, section 123B.595, is amended by adding
 49.19 a subdivision to read:

49.20 Subd. 8a. **Long-term facilities maintenance unequalized levy.** For fiscal year
 49.21 2017 and later, a district's long-term facilities maintenance unequalized levy equals the
 49.22 difference between the district's revenue under subdivision 1 and the district's equalization
 49.23 revenue under subdivision 7.

49.24 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 49.25 later.

151.1 (d) Notwithstanding paragraphs (a) to (c), a district's long-term facilities maintenance
 151.2 equalization revenue must not be less than the lesser of the district's long-term facilities
 151.3 maintenance revenue or the amount of aid the district received for fiscal year 2015 under
 151.4 section 123B.59, subdivision 6.

151.5 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 151.6 later.

151.7 Sec. 5. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 8, is
 151.8 amended to read:

151.9 Subd. 8. **Long-term facilities maintenance equalized levy.** (a) For fiscal year 2017
 151.10 and later, a district's long-term facilities maintenance equalized levy equals the district's
 151.11 long-term facilities maintenance equalization revenue minus the greater of:

151.12 (1) the lesser of the district's long-term facilities maintenance equalization revenue
 151.13 or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes
 151.14 2014, section 123B.59, subdivision 6; or

151.15 (2) the district's long-term facilities maintenance equalization revenue times the
 151.16 greater of (i) zero or (ii) one minus the ratio of its adjusted net tax capacity per adjusted
 151.17 pupil unit in the year preceding the year the levy is certified to 123 percent of the state
 151.18 average adjusted net tax capacity per adjusted pupil unit for all school districts in the
 151.19 year preceding the year the levy is certified.

151.20 (b) For purposes of this subdivision, "adjusted net tax capacity" means the value
 151.21 described in section 126C.01, subdivision 2, paragraph (b).

151.22 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 151.23 later.

151.24 Sec. 6. Minnesota Statutes 2015 Supplement, section 123B.595, is amended by adding
 151.25 a subdivision to read:

151.26 Subd. 8a. **Long-term facilities maintenance unequalized levy.** For fiscal year
 151.27 2017 and later, a district's long-term facilities maintenance unequalized levy equals the
 151.28 difference between the district's revenue under subdivision 1 and the district's equalization
 151.29 revenue under subdivision 7.

151.30 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 151.31 later.

49.26 Sec. 9. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 9, is amended to read:

49.28 Subd. 9. **Long-term facilities maintenance equalized aid.** For fiscal year 2017
49.29 and later, a district's long-term facilities maintenance equalized aid equals its long-term
49.30 facilities maintenance equalization revenue minus its long-term facilities maintenance
49.31 equalized levy times the ratio of the actual equalized amount levied to the permitted
49.32 equalized levy.

50.1 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
50.2 later.

50.3 Sec. 10. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 10,
50.4 is amended to read:

50.5 Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A
50.6 district may use revenue under this section for any of the following:

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

50.9 (2) increasing accessibility of school facilities; ~~or~~

50.10 (3) health and safety capital projects under section 123B.57; ~~or~~

50.11 (4) by board resolution, to transfer money from the general fund reserve for long-term
50.12 facilities maintenance to the debt redemption fund to pay the amounts needed to meet,
50.13 when due, principal and interest on general obligation bonds issued under subdivision 5.

50.14 (b) A charter school may use revenue under this section for any purpose related
50.15 to the school.

50.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
50.17 later.

UEH2749-1

333.9 Sec. 4. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 10,
333.10 is amended to read:

333.11 Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A
333.12 district may use revenue under this section for any of the following:

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

152.1 Sec. 7. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 9, is
152.2 amended to read:

152.3 Subd. 9. **Long-term facilities maintenance equalized aid.** For fiscal year 2017
152.4 and later, a district's long-term facilities maintenance equalized aid equals its long-term
152.5 facilities maintenance equalization revenue minus its long-term facilities maintenance
152.6 equalized levy times the ratio of the actual equalized amount levied to the permitted
152.7 equalized levy.

152.8 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
152.9 later.

152.10 Sec. 8. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 10,
152.11 is amended to read:

152.12 Subd. 10. **Allowed uses for long-term facilities maintenance revenue.** (a) A
152.13 district may use revenue under this section for any of the following:

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

152.16 (2) increasing accessibility of school facilities; ~~or~~

152.17 (3) health and safety capital projects under section 123B.57; ~~or~~

152.18 (4) by board resolution, to transfer money from the general fund reserve for long-term
152.19 facilities maintenance to the debt redemption fund to pay the amounts needed to meet,
152.20 when due, principal and interest on general obligation bonds issued under subdivision 5.

152.21 (b) A charter school may use revenue under this section for any purpose related
152.22 to the school.

152.23 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
152.24 later.

333.15 (2) increasing accessibility of school facilities; or

333.16 (3) health and safety capital projects under section 123B.57; or

333.17 (4) for violence prevention and facility security, ergonomics, or emergency

333.18 communication devices.

333.19 (b) A charter school may use revenue under this section for any purpose related
333.20 to the school.

S2744-2

50.18 Sec. 11. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11,
50.19 is amended to read:

50.20 Subd. 11. **Restrictions on long-term facilities maintenance revenue.**

50.21 Notwithstanding subdivision ~~11~~ 10, long-term facilities maintenance revenue may not
50.22 be used:

50.23 (1) for the construction of new facilities, remodeling of existing facilities, or the
50.24 purchase of portable classrooms;

50.25 (2) to finance a lease purchase agreement, installment purchase agreement, or other
50.26 deferred payments agreement;

50.27 (3) for energy-efficiency projects under section 123B.65, for a building or property
50.28 or part of a building or property used for postsecondary instruction or administration, or
50.29 for a purpose unrelated to elementary and secondary education; or

50.30 (4) for violence prevention and facility security, ergonomics, or emergency
50.31 communication devices.

50.32 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
50.33 later.

UEH2749-1

333.21 Sec. 5. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11,
333.22 is amended to read:

333.23 Subd. 11. **Restrictions on long-term facilities maintenance revenue.**

333.24 Notwithstanding subdivision ~~11~~ 10, long-term facilities maintenance revenue may not
333.25 be used:

152.25 Sec. 9. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11,
152.26 is amended to read:

152.27 Subd. 11. **Restrictions on long-term facilities maintenance revenue.**

152.28 Notwithstanding subdivision ~~11~~ 10, long-term facilities maintenance revenue may not
152.29 be used:

152.30 (1) for the construction of new facilities, remodeling of existing facilities, or the
152.31 purchase of portable classrooms;

152.32 (2) to finance a lease purchase agreement, installment purchase agreement, or other
152.33 deferred payments agreement;

153.1 (3) for energy-efficiency projects under section 123B.65, for a building or property
153.2 or part of a building or property used for postsecondary instruction or administration, or
153.3 for a purpose unrelated to elementary and secondary education; or

153.4 (4) for violence prevention and facility security, ergonomics, or emergency
153.5 communication devices.

153.6 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
153.7 later.

333.26 (1) for the construction of new facilities, remodeling of existing facilities, or the
 333.27 purchase of portable classrooms;

333.28 (2) to finance a lease purchase agreement, installment purchase agreement, or other
 333.29 deferred payments agreement; or

333.30 (3) for energy-efficiency projects under section 123B.65, for a building or property
 333.31 or part of a building or property used for postsecondary instruction or administration, or
 333.32 for a purpose unrelated to elementary and secondary education; or

333.33 (4) for violence prevention and facility security, ergonomics, or emergency
 333.34 communication devices.

S2744-2

51.1 Sec. 12. Minnesota Statutes 2014, section 123B.60, subdivision 1, is amended to read:

51.2 Subdivision 1. **Bonds.** When a building owned by a district is substantially damaged
 51.3 by an act of God or other means beyond the control of the district, the district may issue
 51.4 general obligation bonds without an election to provide money immediately to carry
 51.5 out its adopted health and safety long-term facilities maintenance program. Each year
 51.6 the district must pledge an attributable share of its health and safety long-term facilities
 51.7 maintenance revenue to the repayment of principal and interest on the bonds. The pledged
 51.8 revenue must be ~~transferred to~~ recognized in the debt redemption fund of the district. The
 51.9 district must submit to the department the repayment schedule for any bonds issued under
 51.10 this section. The district must deposit in the debt redemption fund all proceeds received
 51.11 for specific costs for which the bonds were issued, including but not limited to:

51.12 (1) insurance proceeds;

51.13 (2) restitution proceeds; and

51.14 (3) proceeds of litigation or settlement of a lawsuit.

51.15 Before bonds are issued, the district must submit ~~a combined~~ an amended
 51.16 application to the commissioner for ~~health and safety long-term facilities maintenance~~
 51.17 revenue, according to section ~~123B.57, and requesting review and comment, according~~
 51.18 ~~to section 123B.71, subdivisions 8, 9, 11, and 12~~ 123B.595. The commissioner shall
 51.19 complete all procedures concerning the combined application within 20 days of receiving
 51.20 the application. The publication provisions of section 123B.71, subdivision 12, do not
 51.21 apply to bonds issued under this section.

51.22 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 51.23 later.

153.8 Sec. 10. Minnesota Statutes 2014, section 123B.60, subdivision 1, is amended to read:

153.9 Subdivision 1. **Bonds.** When a building owned by a district is substantially damaged
 153.10 by an act of God or other means beyond the control of the district, the district may issue
 153.11 general obligation bonds without an election to provide money immediately to carry
 153.12 out its adopted health and safety long-term facilities maintenance program. Each year
 153.13 the district must pledge an attributable share of its health and safety long-term facilities
 153.14 maintenance revenue to the repayment of principal and interest on the bonds. The pledged
 153.15 revenue must be ~~transferred to~~ recognized in the debt redemption fund of the district. The
 153.16 district must submit to the department the repayment schedule for any bonds issued under
 153.17 this section. The district must deposit in the debt redemption fund all proceeds received
 153.18 for specific costs for which the bonds were issued, including but not limited to:

153.19 (1) insurance proceeds;

153.20 (2) restitution proceeds; and

153.21 (3) proceeds of litigation or settlement of a lawsuit.

153.22 Before bonds are issued, the district must submit ~~a combined~~ an amended
 153.23 application to the commissioner for ~~health and safety long-term facilities maintenance~~
 153.24 revenue, according to section ~~123B.57, and requesting review and comment, according~~
 153.25 ~~to section 123B.71, subdivisions 8, 9, 11, and 12~~ 123B.595. The commissioner shall
 153.26 complete all procedures concerning the combined application within 20 days of receiving
 153.27 the application. The publication provisions of section 123B.71, subdivision 12, do not
 153.28 apply to bonds issued under this section.

153.29 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 153.30 later.

51.24 Sec. 13. Minnesota Statutes 2014, section 123B.71, subdivision 8, is amended to read:

51.25 Subd. 8. **Review and comment.** A school district, a special education cooperative, 51.26 or a cooperative unit of government, as defined in section 123A.24, subdivision 2, 51.27 must not initiate an installment contract for purchase or a lease agreement, hold a 51.28 referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of 51.29 an educational facility that requires an expenditure in excess of \$500,000 per school site if 51.30 it has a capital loan outstanding, or \$2,000,000 per school site if it does not have a capital 51.31 loan outstanding, prior to review and comment by the commissioner. A facility addition, 51.32 maintenance project, or remodeling project funded only with general education revenue, 51.33 ~~deferred maintenance revenue, alternative facilities bonding and levy program revenue,~~ 51.34 lease levy proceeds, capital facilities bond proceeds, or health and safety long-term 51.35 facilities maintenance revenue is exempt from this provision. A capital project under 52.1 section 123B.63 addressing only technology is exempt from this provision if the district 52.2 submits a school board resolution stating that funds approved by the voters will be used 52.3 only as authorized in section 126C.10, subdivision 14. A school board shall not separate 52.4 portions of a single project into components to avoid the requirements of this subdivision.

52.5 **EFFECTIVE DATE.** This section is effective the day following final enactment
52.6 and applies to review and comments for projects funded with revenue for fiscal year
52.7 2017 and later.

52.8 Sec. 14. Minnesota Statutes 2014, section 123B.79, subdivision 5, is amended to read:

52.9 Subd. 5. **Deficits; exception.** For the purposes of this section, a permanent transfer 52.10 includes creating a deficit in a nonoperating fund for a period past the end of the current 52.11 fiscal year which is covered by moneys in an operating fund. ~~However,~~ A deficit in the 52.12 capital expenditure fund reserve for operating capital account pursuant to section 123B.78, 52.13 subdivision 5, does not constitute a permanent transfer.

52.14 Sec. 15. Minnesota Statutes 2014, section 123B.79, subdivision 8, is amended to read:

153.31 Sec. 11. Minnesota Statutes 2014, section 123B.71, subdivision 8, is amended to read:

153.32 Subd. 8. **Review and comment.** A school district, a special education cooperative, 153.33 or a cooperative unit of government, as defined in section 123A.24, subdivision 2, 154.1 must not initiate an installment contract for purchase or a lease agreement, hold a 154.2 referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of 154.3 an educational facility that requires an expenditure in excess of \$500,000 per school site if 154.4 it has a capital loan outstanding, or \$2,000,000 per school site if it does not have a capital 154.5 loan outstanding, prior to review and comment by the commissioner. A facility addition, 154.6 maintenance project, or remodeling project funded only with general education revenue, 154.7 ~~deferred maintenance revenue, alternative facilities bonding and levy program revenue,~~ 154.8 lease levy proceeds, capital facilities bond proceeds, or health and safety long-term 154.9 facilities maintenance revenue is exempt from this provision. A capital project under 154.10 section 123B.63 addressing only technology is exempt from this provision if the district 154.11 submits a school board resolution stating that funds approved by the voters will be used 154.12 only as authorized in section 126C.10, subdivision 14. A school board shall not separate 154.13 portions of a single project into components to avoid the requirements of this subdivision.

154.14 **EFFECTIVE DATE.** This section is effective the day following final enactment
154.15 and applies to review and comments for projects funded with revenue for fiscal year
154.16 2017 and later.

154.17 Sec. 12. Minnesota Statutes 2014, section 123B.79, subdivision 5, is amended to read:

154.18 Subd. 5. **Deficits; exception.** For the purposes of this section, a permanent transfer 154.19 includes creating a deficit in a nonoperating fund for a period past the end of the current 154.20 fiscal year which is covered by moneys in an operating fund. ~~However,~~ A deficit in the 154.21 capital expenditure fund reserve for operating capital account pursuant to section 123B.78, 154.22 subdivision 5, does not constitute a permanent transfer.

154.23 Sec. 13. Minnesota Statutes 2014, section 123B.79, subdivision 8, is amended to read:

52.15 Subd. 8. **Account transfer for reorganizing districts.** A district that has
 52.16 reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has
 52.17 conducted a successful referendum on the question of combination under section
 52.18 123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has
 52.19 been assigned an identification number by the commissioner under section 123A.48,
 52.20 subdivision 16, may make permanent transfers between any of the funds or accounts in
 52.21 the newly created or enlarged district with the exception of the debt redemption fund,
 52.22 building construction fund, food service fund, and health and safety long-term facilities
 52.23 maintenance account of the capital expenditure general fund. Fund transfers under this
 52.24 section may be made for up to one year prior to the effective date of combination or
 52.25 consolidation by the consolidating boards and during the year following the effective date
 52.26 of reorganization by the consolidated board. The newly formed board of the combined
 52.27 district may adopt a resolution on or before August 30 of the year of the reorganization
 52.28 authorizing a transfer among accounts or funds of the previous independent school
 52.29 districts which transfer or transfers shall be reported in the affected districts' audited
 52.30 financial statements for the year immediately preceding the consolidation.

52.31 Sec. 16. Minnesota Statutes 2014, section 123B.79, subdivision 9, is amended to read:

52.32 Subd. 9. **Elimination of reserve accounts.** ~~A school board shall eliminate all~~
 52.33 ~~reserve accounts established in the school district's general fund under Minnesota Statutes~~
 53.1 ~~before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007.~~
 53.2 Any balance in the district's reserved for bus purchases account for deferred maintenance
 53.3 as of June 30, 2007 2016, shall be transferred to the reserved account for operating capital
 53.4 long-term facilities maintenance in the school district's general fund. Any balance in
 53.5 other reserved accounts established in the school district's general fund under Minnesota
 53.6 Statutes before July 1, 2006, for which no specific authority remains in statute as of June
 53.7 30, 2007, shall be transferred to the school district's unreserved general fund balance.
 53.8 A school board may, upon adoption of a resolution by the school board, establish a
 53.9 designated account for any program for which a reserved account has been eliminated.
 53.10 Any balance in the district's reserved account for health and safety as of June 30, 2019,
 53.11 shall be transferred to the unassigned fund balance account in the district's general fund.
 53.12 Any balance in the district's reserved account for alternative facilities as of June 30, 2016,
 53.13 shall be transferred to the reserved account for long-term facilities maintenance in the
 53.14 district's building construction fund.

53.15 **EFFECTIVE DATE.** This section is effective July 1, 2016, for fiscal year 2017
 53.16 and later.

57.26 Sec. 18. Minnesota Statutes 2014, section 126C.40, subdivision 5, is amended to read:

154.24 Subd. 8. **Account transfer for reorganizing districts.** A district that has
 154.25 reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has
 154.26 conducted a successful referendum on the question of combination under section
 154.27 123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has
 154.28 been assigned an identification number by the commissioner under section 123A.48,
 154.29 subdivision 16, may make permanent transfers between any of the funds or accounts in
 154.30 the newly created or enlarged district with the exception of the debt redemption fund,
 154.31 building construction fund, food service fund, and health and safety long-term facilities
 154.32 maintenance account of the capital expenditure general fund. Fund transfers under this
 154.33 section may be made for up to one year prior to the effective date of combination or
 154.34 consolidation by the consolidating boards and during the year following the effective date
 155.1 of reorganization by the consolidated board. The newly formed board of the combined
 155.2 district may adopt a resolution on or before August 30 of the year of the reorganization
 155.3 authorizing a transfer among accounts or funds of the previous independent school
 155.4 districts which transfer or transfers shall be reported in the affected districts' audited
 155.5 financial statements for the year immediately preceding the consolidation.

155.6 **EFFECTIVE DATE.** This section is effective July 1, 2016, for fiscal year 2017
 155.7 and later.

155.8 Sec. 14. Minnesota Statutes 2014, section 123B.79, subdivision 9, is amended to read:

155.9 Subd. 9. **Elimination of reserve accounts.** ~~A school board shall eliminate all~~
 155.10 ~~reserve accounts established in the school district's general fund under Minnesota Statutes~~
 155.11 ~~before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007.~~
 155.12 Any balance in the district's reserved for bus purchases account for deferred maintenance
 155.13 as of June 30, 2007 2016, shall be transferred to the reserved account for operating capital
 155.14 long-term facilities maintenance in the school district's general fund. Any balance in
 155.15 other reserved accounts established in the school district's general fund under Minnesota
 155.16 Statutes before July 1, 2006, for which no specific authority remains in statute as of June
 155.17 30, 2007, shall be transferred to the school district's unreserved general fund balance.
 155.18 A school board may, upon adoption of a resolution by the school board, establish a
 155.19 designated account for any program for which a reserved account has been eliminated.
 155.20 Any balance in the district's reserved account for health and safety as of June 30, 2019,
 155.21 shall be transferred to the unassigned fund balance account in the district's general fund.
 155.22 Any balance in the district's reserved account for alternative facilities as of June 30, 2016,
 155.23 shall be transferred to the reserved account for long-term facilities maintenance in the
 155.24 district's building construction fund.

155.25 **EFFECTIVE DATE.** This section is effective July 1, 2016, for fiscal year 2017
 155.26 and later.

155.27 Sec. 15. Minnesota Statutes 2014, section 126C.40, subdivision 5, is amended to read:

57.27 Subd. 5. **Energy conservation.** For loans approved before March 1, 1998, the
 57.28 district may annually include as revenue under section 123B.53, without the approval of a
 57.29 majority of the voters in the district, an amount sufficient to repay the annual principal and
 57.30 interest of the loan made pursuant to sections 216C.37 and 298.292 to 298.298. For energy
 57.31 loans approved after March 1, 1998, under sections 216C.37 and 298.292 to 298.298,
 57.32 school districts must annually transfer from the general fund to the debt redemption fund
 57.33 the amount sufficient to pay interest and principal on the loans.

57.34 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 57.35 later.

58.1 Sec. 19. Minnesota Statutes 2015 Supplement, section 126C.48, subdivision 8, is
 58.2 amended to read:

58.3 Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies
 58.4 pursuant to subdivision 1 must be made prior to the reductions in clause (2).

58.5 (2) Notwithstanding any other law to the contrary, districts that have revenue
 58.6 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed
 58.7 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to
 58.8 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed
 58.9 mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A,
 58.10 123A, 123B, 124A, 124D, 125A, and 127A, excluding the student achievement levy
 58.11 under section 126C.13, subdivision 3b, by 95 percent of the sum of the previous year's
 58.12 revenue specified under this clause and the amount attributable to the same production
 58.13 year distributed to the cities and townships within the school district under section 298.28,
 58.14 subdivision 2, paragraph (c).

58.15 (3) The amount of any voter approved referendum, facilities down payment, and
 58.16 debt levies shall not be reduced by more than 50 percent under this subdivision, except
 58.17 that payments under section 298.28, subdivision 7a, may reduce the debt service levy by
 58.18 more than 50 percent. In administering this paragraph, the commissioner shall first reduce
 58.19 the nonvoter approved levies of a district; then, if any payments, severed mineral value
 58.20 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
 58.21 reduce any voter approved referendum levies authorized under section 126C.17; then, if
 58.22 any payments, severed mineral value tax revenue or recognized revenue under paragraph
 58.23 (2) remains, the commissioner shall reduce any voter approved facilities down payment
 58.24 levies authorized under section 123B.63 and then, if any payments, severed mineral value
 58.25 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
 58.26 reduce any voter approved debt levies.

155.28 Subd. 5. **Energy conservation.** For loans approved before March 1, 1998, the
 155.29 district may annually include as revenue under section 123B.53, without the approval of a
 155.30 majority of the voters in the district, an amount sufficient to repay the annual principal and
 155.31 interest of the loan made pursuant to sections 216C.37 and 298.292 to 298.298. For energy
 155.32 loans approved after March 1, 1998, under sections 216C.37 and 298.292 to 298.298,
 156.1 school districts must annually transfer from the general fund to the debt redemption fund
 156.2 the amount sufficient to pay interest and principal on the loans.

156.3 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 156.4 later.

156.5 Sec. 16. Minnesota Statutes 2015 Supplement, section 126C.48, subdivision 8, is
 156.6 amended to read:

156.7 Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies
 156.8 pursuant to subdivision 1 must be made prior to the reductions in clause (2).

156.9 (2) Notwithstanding any other law to the contrary, districts that have revenue
 156.10 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed
 156.11 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to
 156.12 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed
 156.13 mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A,
 156.14 123A, 123B, 124A, 124D, 125A, and 127A, excluding the student achievement levy
 156.15 under section 126C.13, subdivision 3b, by 95 percent of the sum of the previous year's
 156.16 revenue specified under this clause and the amount attributable to the same production
 156.17 year distributed to the cities and townships within the school district under section 298.28,
 156.18 subdivision 2, paragraph (c).

156.19 (3) The amount of any voter approved referendum, facilities down payment, and
 156.20 debt levies shall not be reduced by more than 50 percent under this subdivision, except
 156.21 that payments under section 298.28, subdivision 7a, may reduce the debt service levy by
 156.22 more than 50 percent. In administering this paragraph, the commissioner shall first reduce
 156.23 the nonvoter approved levies of a district; then, if any payments, severed mineral value
 156.24 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
 156.25 reduce any voter approved referendum levies authorized under section 126C.17; then, if
 156.26 any payments, severed mineral value tax revenue or recognized revenue under paragraph
 156.27 (2) remains, the commissioner shall reduce any voter approved facilities down payment
 156.28 levies authorized under section 123B.63 and then, if any payments, severed mineral value
 156.29 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
 156.30 reduce any voter approved debt levies.

58.27 (4) Before computing the reduction pursuant to this subdivision of the ~~health and~~
 58.28 ~~safety long-term facilities maintenance~~ levy authorized by ~~sections 123B.57 and 126C.40,~~
 58.29 ~~subdivision 5 section 123B.595,~~ the commissioner shall ascertain from each affected
 58.30 school district the amount it proposes to levy ~~under each section or subdivision.~~ The
 58.31 reduction shall be computed on the basis of the amount so ascertained.

58.32 (5) To the extent the levy reduction calculated under paragraph (2) exceeds the
 58.33 limitation in paragraph (3), an amount equal to the excess must be distributed from the
 58.34 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following
 58.35 year to the cities and townships within the school district in the proportion that their
 58.36 taxable net tax capacity within the school district bears to the taxable net tax capacity of
 59.1 the school district for property taxes payable in the year prior to distribution. No city or
 59.2 township shall receive a distribution greater than its levy for taxes payable in the year prior
 59.3 to distribution. The commissioner of revenue shall certify the distributions of cities and
 59.4 towns under this paragraph to the county auditor by September 30 of the year preceding
 59.5 distribution. The county auditor shall reduce the proposed and final levies of cities and
 59.6 towns receiving distributions by the amount of their distribution. Distributions to the cities
 59.7 and towns shall be made at the times provided under section 298.27.

59.8 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 59.9 later.

59.10 Sec. 20. Minnesota Statutes 2014, section 126C.63, subdivision 7, is amended to read:

59.11 Subd. 7. **Required debt service levy.** "Required debt service levy" means the total
 59.12 dollar amount needed to be included in the taxes levied by the district in any year for
 59.13 payment of interest and principal falling due on its debts prior to collection of the next
 59.14 ensuing year's debt service levy excluding the debt service levy for obligations under
 59.15 sections 123B.595, 123B.61, and 123B.62.

59.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 59.17 later.

UEH2749-1

271.27 Sec. 12. Laws 2011, First Special Session chapter 11, article 4, section 8, is amended to
 271.28 read:

271.29 Sec. 8. **EARLY REPAYMENT.**

156.31 (4) Before computing the reduction pursuant to this subdivision of the ~~health and~~
 156.32 ~~safety long-term facilities maintenance~~ levy authorized by ~~sections 123B.57 and 126C.40,~~
 156.33 ~~subdivision 5 section 123B.595,~~ the commissioner shall ascertain from each affected
 156.34 school district the amount it proposes to levy ~~under each section or subdivision.~~ The
 156.35 reduction shall be computed on the basis of the amount so ascertained.

157.1 (5) To the extent the levy reduction calculated under paragraph (2) exceeds the
 157.2 limitation in paragraph (3), an amount equal to the excess must be distributed from the
 157.3 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following
 157.4 year to the cities and townships within the school district in the proportion that their
 157.5 taxable net tax capacity within the school district bears to the taxable net tax capacity of
 157.6 the school district for property taxes payable in the year prior to distribution. No city or
 157.7 township shall receive a distribution greater than its levy for taxes payable in the year prior
 157.8 to distribution. The commissioner of revenue shall certify the distributions of cities and
 157.9 towns under this paragraph to the county auditor by September 30 of the year preceding
 157.10 distribution. The county auditor shall reduce the proposed and final levies of cities and
 157.11 towns receiving distributions by the amount of their distribution. Distributions to the cities
 157.12 and towns shall be made at the times provided under section 298.27.

157.13 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 157.14 later.

157.15 Sec. 17. Minnesota Statutes 2014, section 126C.63, subdivision 7, is amended to read:

157.16 Subd. 7. **Required debt service levy.** "Required debt service levy" means the total
 157.17 dollar amount needed to be included in the taxes levied by the district in any year for
 157.18 payment of interest and principal falling due on its debts prior to collection of the next
 157.19 ensuing year's debt service levy, excluding the debt service levy for obligations under
 157.20 sections 123B.595, 123B.61, and 123B.62.

157.21 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 157.22 later.

157.23 Sec. 18. Laws 2011, First Special Session chapter 11, article 4, section 8, is amended to
 157.24 read:

157.25 Sec. 8. **EARLY REPAYMENT.**

271.30 (a) A school district that received a maximum effort capital loan prior to January 271.31 1, 1997, may repay the full outstanding original principal on its capital loan prior to 271.32 July 1, 2012, and the liability of the district on the loan is satisfied and discharged and 271.33 interest on the loan ceases.

271.34 (b) A school district with an outstanding capital loan balance that received a 271.35 maximum effort capital loan prior to January 1, 2007, may repay to the commissioner of 272.1 education by November 30, 2016, the full outstanding original principal on its capital 272.2 loan and the liability of the district on the loan is satisfied and discharged and interest 272.3 on the loan ceases.

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

334.1 Sec. 6. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision 2, 334.2 is amended to read:

334.3 Subd. 2. **Long-term maintenance equalization aid.** For long-term maintenance 334.4 equalization aid under Minnesota Statutes, section 123B.595:

334.5	\$	0	2016
334.6		52,088,000		
334.7	\$	<u>52,844,000</u>	2017

334.8 The 2017 appropriation includes \$0 for 2016 and ~~\$52,088,000~~ \$52,844,000 for 2017.

334.20 Sec. 8. **GENERATION CONNECT AID.**

334.21 (a) For fiscal year 2017 only, generation connect aid for a school district or charter 334.22 school equals \$10.88 times the adjusted pupil units for the school year. Aid under this 334.23 section may be used for any allowable purpose under Minnesota Statutes, section 126C.10, 334.24 subdivision 14, or Minnesota Statutes, section 124E.20, subdivision 2.

334.25 (b) One hundred percent of the aid in this section must be paid in fiscal year 2017.

157.26 (a) A school district that received a maximum effort capital loan prior to January 157.27 1, 1997, may repay the full outstanding original principal on its capital loan prior to 157.28 July 1, 2012, and the liability of the district on the loan is satisfied and discharged and 157.29 interest on the loan ceases.

157.30 (b) A school district with an outstanding capital loan balance that received a 157.31 maximum effort capital loan prior to January 1, 2007, may repay to the commissioner of 157.32 education by November 30, 2016, the full outstanding original principal on its capital 158.1 loan and the liability of the district on the loan is satisfied and discharged and interest 158.2 on the loan ceases.

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

183.7 Sec. 14. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision 183.8 2, is amended to read:

183.9 Subd. 2. **Long-term maintenance equalization aid.** For long-term maintenance 183.10 equalization aid under Minnesota Statutes, section 123B.595:

183.11	\$	0	2016
183.12		52,088,000		
183.13	\$	<u>52,553,000</u>	2017

183.14 The 2017 appropriation includes \$0 for 2016 and ~~\$52,088,000~~ \$52,553,000 for 2017.

158.4 Sec. 19. **INTERNET BROADBAND EXPANSION FOR STUDENTS;**
158.5 **INNOVATIVE GRANTS.**

158.6 Subdivision 1. **Broadband Wi-Fi hot spots.** (a) A school district is eligible for a
158.7 broadband hot spot grant not to exceed \$100,000 to support wireless off-campus learning
158.8 through a student's use of a data card, USB modem, or other mobile broadband device
158.9 that enables the student to access learning materials available on the Internet through a
158.10 mobile broadband connection. A district's application for a grant under this subdivision
158.11 must describe its approach for identifying and prioritizing access for low-income students
158.12 and others otherwise unable to access the Internet and may include a description of
158.13 local or private matching grants or in-kind contributions. When evaluating applications,
158.14 the commissioner may give priority to grant applications that include local in-kind
158.15 contributions.

158.16 (b) A school district may develop its application in cooperation with its community
158.17 education department, its adult basic education program provider, a public library, or other
158.18 community partner. A cooperative grant award under this paragraph may not exceed
158.19 \$200,000.

158.20 (c) A school district that qualifies for general education transportation sparsity
158.21 revenue under Minnesota Statutes, section 126C.10, may apply to the commissioner of
158.22 education for a school bus Internet access grant as a part of its grant application under
158.23 paragraph (a). The commissioner of education must prioritize grants to districts with the
158.24 longest bus routes. A school district that receives a grant under this subdivision may use
158.25 the grant to purchase or lease equipment designed to make Internet access available on
158.26 school buses, including routers and mobile Wi-Fi hot spots to connect to the Internet, and
158.27 may also purchase or lease one-to-one devices for students. The one-to-one devices may
158.28 be connected to the Internet through the Wi-Fi hot spot or otherwise contain content
158.29 for age-appropriate, self-directed learning.

158.30 Subd. 2. **Capacity-building grants.** A school district that is a member of
158.31 a telecommunications access cluster may submit an application approved by its
158.32 telecommunications access cluster to the commissioner of education for a broadband
158.33 access grant. The grant application may include a description of local or private matching
158.34 grants or in-kind contributions. When evaluating applications, the commissioner may give
159.1 priority to grant applications that include local in-kind contributions. The maximum
159.2 amount of each grant may not exceed \$100,000. The grant may be used in any manner and
159.3 with any community partners that allow the school district to expand telecommunications
159.4 access to its students, teachers, and community members.

159.5 Subd. 3. **Internet access for students.** Consistent with Minnesota Statutes, section
159.6 125B.15, all grant applications submitted under this section must demonstrate to the
159.7 commissioner's satisfaction that the Internet access provided through the grant proceeds
159.8 will include filtering technology or other effective methods to limit student access to
159.9 material that is reasonably believed to be obscene, child pornography, or material harmful
159.10 to minors under federal or state law.

334.26 Sec. 9. **APPROPRIATION.**

159.11 Sec. 20. **APPROPRIATIONS.**

334.27 Subdivision 1. **Department of Education.** The sum indicated in this section is
 334.28 appropriated from the general fund to the Department of Education for the fiscal year
 334.29 designated.

334.30 Subd. 2. **Generation connect aid.** For generation connect aid:

334.31 \$ 10,104,000 2017

334.32 This is a onetime appropriation.

335.1 Subd. 3. **Regional office of career and technical education.** For a grant to
 335.2 the SW/WC Service Cooperative to establish a regional office of career and technical
 335.3 education:

335.4 \$ 70,000 2017

335.5 The regional office of career and technical education must:

335.6 (1) facilitate the development of highly trained and knowledgeable students who
 335.7 are equipped with technical and workplace skills needed by regional employers, in
 335.8 collaborative participation with three or more school districts;

335.9 (2) improve access to career and technical education programs for students who
 335.10 attend sparsely populated rural school districts by developing public/private partnerships
 335.11 with business and industry leaders and by increasing coordination of high school and
 335.12 postsecondary program options; and

335.13 (3) increase family and student awareness of the availability and benefit of career
 335.14 and technical education courses and training opportunities.

335.15 This is a onetime appropriation.

335.16 Subd. 4. **Regional career and technical education advisory committee.** For a
 335.17 grant to the SW/WC Service Cooperative for a regional career and technical education
 335.18 advisory committee:

335.19 \$ 280,000 2017

159.12 Subdivision 1. **Department of Education.** The sums indicated in this section are
 159.13 appropriated from the general fund to the commissioner of education for the fiscal years
 159.14 designated.

159.15 Subd. 2. **Broadband expansion grants.** For broadband expansion grants:

159.16 \$ 7,000,000 2017

159.17 Of this amount, \$5,000,000 is for broadband Wi-Fi hot spots under section 19,
 159.18 subdivision 1, and \$2,000,000 is for capacity-building grants under section 19, subdivision
 159.19 2. This is a onetime appropriation. This appropriation is available until June 30, 2019.

335.20 Eligible uses of this grant are:

335.21 (1) capital start-up costs for such items as determined by the committee including,

335.22 but not limited to, a mobile welding lab, medical equipment and lab, and industrial

335.23 kitchen equipment;

335.24 (2) informational materials for students, families, and residents of the region that

335.25 communicate the relationship between career and technical education programs, labor

335.26 market needs, and well-paying employment;

335.27 (3) incentive and training grants to develop career and technical education

335.28 instructors; and

335.29 (4) transportation reimbursement grants to provide equitable opportunities

335.30 throughout the region for students to participate in career and technical education.

335.31 This is a onetime appropriation.

S2744-2

59.18 Sec. 21. **REPEALER.**

59.19 Minnesota Statutes 2014, sections 123B.60, subdivision 2; and 123B.79,

59.20 subdivisions 2 and 6, are repealed for fiscal year 2017 and later.

159.20 Sec. 21. **REPEALER.**

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159.22 subdivisions 2 and 6, are repealed for fiscal year 2017 and later.