

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Allowing local governments to opt out of certain state mandates

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### Overview

Establishes a process and conditions by which local governments may opt out of certain state mandates.

#### Section

#### 1 Definitions.

**Subd. 1. Scope.** Declares that the terms in this section have the meaning given them.

**Subd. 2. Local government.** Defines "local government" to mean a county, town, school district, or statutory home rule charter city.

**Subd. 3. Local government of the same kind.** Defines the term to mean all cities, all counties, all school districts, or all towns.

**Subd. 4. Same class.** Defines term to mean all cities of the same class.

**Subd. 5. School district.** Defines "school district" to mean a common, independent or special school district but not a charter school.

**Subd. 6. State mandate.** Defines "state mandate" to mean a state law or rule that affects local government structure, operation, services, programs or financing and imposes a cost on local government, decreases revenue without decreasing required programs or services, establishes local goals or policies, makes local government or its officials liable for failing to comply with a law or rule, restricts the ability of local government to operate or obtain funding, or alters federal law requirements.

#### 2 Opt out proposals and procedures.

**Subd. 1. Local procedure.** Allows a local government to formally resolve to opt out of a state mandate except a mandate listed under section 3. Specifies the notice requirements and procedures for this opt out process. Requires a local government to file each resolution with the state auditor and pay a \$75 filing fee that the state auditor may adjust to reflect actual costs.

**Subd. 2. State procedure.** (a) Requires the state auditor to post information on local governments' opt out resolutions and to notify the legislature, local governments and the revisor of statutes when at least 10 percent of local governments of the same kind (and class, is applicable) have filed the same opt out resolution.

(b) Directs the revisor to publish a list of local governments and the laws from which the districts are opting out and to provide the means by which statute users can determine the local governments and laws affected by this act.

**Subd. 3. Threshold and certification for opting out; Legislative oversight.** Allows a statutory mandate to be waived after the regular legislative session adjourns if at least 10 percent of local governments of the same kind (and class, if applicable) resolve to opt out of a mandate.

**Subd. 4. Opt out implementation and later opting out.** Causes the opt out resolutions to become effective 30 days after adjournment of the regular session. Waives the statutory mandate for other local governments that opt out of the same mandate after the waiver of the mandate goes into effect.

### 3 **Exceptions.**

**Subd. 1. Scope.** Excludes the laws listed in this section from the provisions under section 2.

**Subd. 2. Election law.** Excludes election laws from section 2 provisions.

**Subd. 3. Administration of the property tax system.** Excludes property tax laws from section 2 provisions.

**Subd. 4. Accounting, financial management procedures; audit requirements.** Excludes accounting, financial management and audit requirements applicable to local governments from section 2 provisions. Allows school districts to opt out of a state-mandated account or fund restriction.

**Subd. 5. Nonpublic students.** Excludes laws governing nonpublic schools and students from section 2 provisions.