## HOUSE RESEARCH

# Bill Summary

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**Version:** First Engrossment

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**Subject:** Allowing school districts to opt out of certain state mandates

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## **Overview**

Establishes a process and conditions by which school districts 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 includes a school district.** Declares that the term "local government" includes a common, independent or special school district but not a charter school.
- **Subd. 3. 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 school district 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 school district 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 districts' opt out resolutions and to notify the legislature, school districts and the revisor of statutes when at least 10 percent of districts have filed the same opt out resolution.
- (b) Directs the revisor to publish a list of school districts and the laws from which the districts are opting out and to provide the means by which statute users can determine the districts 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 school districts 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 school districts 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 school districts from section 2 provisions. Allows districts to opt out of a statemandated account or fund restriction.
- **Subd. 5. Nonpublic students.** Excludes laws governing nonpublic schools and students from section 2 provisions.

Makes this section effective for the 2003-2004 school year.