A bill for an act

relating to education finance; authorizing a school district to include energy efficiency improvement projects in its alternative facilities plan; amending Minnesota Statutes 2006, sections 123B.59, subdivisions 1, 2; 216C.37, subdivision 2.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2006, section 123B.59, subdivision 1, is amended to read:

Subdivision 1. **To qualify.** (a) An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

(1) more than 66 students per grade;

(2) over 1,850,000 square feet of space and the average age of building space is 15 years or older or over 1,500,000 square feet and the average age of building space is 35 years or older;

(3) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, <u>to make energy conservation investments,</u> or to make fire, safety, or health repairs; and

(4) a ten-year facility plan approved by the commissioner according to subdivision 2.

(b) An independent or special school district not eligible to participate in the alternative facilities bonding and levy program under paragraph (a) qualifies for limited participation in the program if the district has:

(1) one or more health and safety projects with an estimated cost of $500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b); and

(2) insufficient funds from capital facilities revenue to fund those projects.

EFFECTIVE DATE. This section is effective for taxes payable in 2008.

Sec. 2. Minnesota Statutes 2006, section 123B.59, subdivision 2, is amended to read:

Subd. 2. **Facility plan.** (a) A district qualifying under subdivision 1, paragraph (a), must have a ten-year facility plan approved by the commissioner that includes an inventory of projects and costs that would be eligible for:

(1) health and safety revenue, without restriction as to project size;

(2) disabled access levy; and

(3) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities.

(b) A district qualifying under subdivision 1, paragraph (b), must have a five-year plan approved by the commissioner that includes an inventory of projects and costs for health and safety projects with an estimated cost of $500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b).

(c) The school district must:

(1) annually update the plans;

(2) biennially submit a facility maintenance plan; and

(3) indicate whether the district will issue bonds to finance the plan or levy for the costs.

(d) In order to make energy conservation investments to a school facility under this section, a school district must first receive approval of its energy project study under section 216C.37.

EFFECTIVE DATE. This section is effective for taxes payable in 2008.

Sec. 3. Minnesota Statutes 2006, section 216C.37, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) The commissioner shall approve loans to municipalities for energy conservation investments. A loan may be made to a municipality that has demonstrated that it has complied with all the appropriate provisions of this section and has made adequate provisions to assure proper and efficient operation of the municipal facilities after improvements and modifications are completed.

(b) The commissioner may also approve a school district's energy project study submitted under this section for inclusion in the school district's alternative facilities plan.

EFFECTIVE DATE. This section is effective July 1, 2007.