

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 2344

March 23, 2007

Authored by Brod, Kohls, Zellers, Berns and Peterson, N.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs

1.1 A bill for an act
1.2 relating to state and local government; prohibiting unfunded local mandates;
1.3 establishing a local mandate review board; appropriating money; proposing
1.4 coding for new law in Minnesota Statutes, chapter 3.

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

1.6 Section 1. **[3.99] UNFUNDED MANDATES PROHIBITED; LOCAL MANDATE**
1.7 **REVIEW BOARD.**

1.8 Subdivision 1. **Unfunded mandates prohibited.** No law or rule may impose on a
1.9 local government an unfunded mandate.

1.10 Subd. 2. **Definitions.** For purposes of this section, the terms in this subdivision
1.11 have the meanings given them.

1.12 (a) "Board" means the local mandate review board established in this section.

1.13 (b) "Local government" means a school district or a statutory or home rule charter
1.14 city, town, or county.

1.15 (c) "Unfunded mandate" means a state law or rule enacted or adopted on or after
1.16 the effective date of this section that does not authorize resources to offset the additional
1.17 direct expenditures required for the implementation of the statute or rule by the local
1.18 government. Unfunded mandate does not mean a law or rule (1) required to comply with
1.19 the state constitution or federal laws or rules, or to meet eligibility standards for federal
1.20 entitlements; (2) imposed on both government and nongovernment entities in the same or
1.21 substantially similar circumstances; (3) that stems from a failure to comply with previously
1.22 enacted laws or rules; or (4) enacted after a public hearing on the proposed legislation for
1.23 which reasonable notice is given that unfunded mandates will be considered, for which a
1.24 fiscal analysis is available at the time of the public hearing.

2.1 Subd. 3. **Established.** A local mandate review board is established to hear and
2.2 decide complaints from local governments relating to unfunded mandates.

2.3 Subd. 4. **Membership; qualifications; appointment; terms; compensation.** The
2.4 board consists of eight members and a chair appointed by the governor. Persons appointed
2.5 to the board must not hold any other elected or appointed office. Section 15.0575 applies
2.6 to the appointment, terms, compensation, removal, and filling of vacancies of members of
2.7 the board.

2.8 Subd. 5. **Administration.** The Office of Administrative Hearings shall provide
2.9 administrative support and space for meetings and hearings held by the board.

2.10 Subd. 6. **Powers; duties.** (a) The board shall review and issue rulings on complaints
2.11 filed with the board by a local government asserting that a law enacted or a rule adopted by
2.12 a state agency, on or after the effective date of this section, is an unfunded mandate. The
2.13 board shall determine the form and required contents for complaints but at a minimum
2.14 a complaint must be supported by a resolution adopted by the governing body of the
2.15 local government.

2.16 (b) The board may hold hearings on any complaint filed with the board. All meetings
2.17 and hearings of the board must be open to the public.

2.18 (c) The board may consolidate complaints related to the same provision of law or
2.19 rule.

2.20 (d) Any group or individual may file a written request with the board to appear as
2.21 amicus curiae.

2.22 (e) The board's decision must be supported by a written opinion agreed to by a
2.23 majority of the board. The decision and majority opinion may be accompanied by any
2.24 concurring or dissenting opinions. Decisions, including any concurring or dissenting
2.25 opinions, must be published on a Web site established for the board on the Web site of the
2.26 Office of Administrative Hearings and mailed to any party who filed a complaint.

2.27 (f) If the board decides that the law or rule complained of is an unfunded mandate,
2.28 the board may enjoin enforcement of the law or rule as to any local government affected
2.29 by the law or rule, as provided in the board's decision.

2.30 Subd. 7. **Report to legislature.** By January 15 each year, the board must report
2.31 on the board's activities during the prior year to the chairs of the legislative committees
2.32 with jurisdiction over taxes, finance, and local government. The report must include a
2.33 summary of each complaint, the disposition of the matter, and any recommendations the
2.34 board has relating to the laws or rules in the complaints.

2.35 Sec. 2. **APPROPRIATION.**

- 3.1 \$..... is appropriated from the general fund in each year of the 2008-2009 biennium
- 3.2 to the Office of Administrative Hearings to pay the per diem and expenses of the board
- 3.3 established in section 1.