

employment with the department of revenue transferred to the supplemental fund in accordance with section 352D.02, subdivision 4 and section 352D.03.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective July 1, 1983.

Approved June 14, 1983

CHAPTER 361 — S.F.No. 823

An act relating to cities; authorizing the issuance of capital notes for certain equipment acquisitions; permitting establishment of special service districts and providing taxing and other authority for the city of Bloomington; proposing new law coded in Minnesota Statutes, chapter 410.

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

Section 1. [410.32] CITIES AUTHORIZED TO ISSUE CAPITAL NOTES FOR CERTAIN EQUIPMENT ACQUISITIONS.

Notwithstanding any contrary provision of other law or charter, a home rule charter city may, by resolution and without public referendum, issue capital notes subject to the city debt limit to purchase public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment having an expected useful life at least as long as the term of the notes. The notes shall be payable in not more than five years and be issued on terms and in the manner the city determines. The total principal amount of the capital notes issued in a fiscal year shall not exceed one-tenth of one percent of the assessed value of the city for that year. A tax levy shall be made for the payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds. Notes issued under this section shall require an affirmative vote of two-thirds of the governing body of the city.

Sec. 2. DEFINITIONS.

Subdivision 1. For the purpose of sections 2 to 11 the terms defined in this section have the following meanings.

Subd. 2. "City" means the city of Bloomington.

Subd. 3. "Special services" means all services rendered or contracted for by the city, including, but not limited to,

(a) the repair, maintenance, and operation of any improvements authorized by Minnesota Statutes, section 429.021;

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(b) parking services rendered or contracted for by the city; and

(c) any other service provided to the public by the city authorized by any law or charter provision.

Special services shall not include services which are ordinarily provided throughout the city from general fund revenues of the city unless an increased level of the service is provided in the special service district.

Subd. 4. "Special service district" means a defined area within the city in which special services are rendered and the costs of the special services are paid from revenues collected from taxes and service charges imposed within that area.

Subd. 5. "Assessed value" means the assessed value as most recently certified by the commissioner of revenue on the effective date of the ordinance or resolution adopted pursuant to section 3 or 4.

Subd. 6. "Land area" means the land area located within the district which is subject to property taxation.

Sec. 3. ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.

Subdivision 1. ORDINANCE. The governing body of the city may adopt an ordinance establishing a special service district in that part of the city of Bloomington which is east of East Bush Lake Road, north of 84th Street and west of Penn Avenue South; that part east of Penn Avenue South, north of 82nd Street and west of State Highway No. 77; that part east of State Highway No. 77 and north of 86th Street; and that part south of 90th Street, west of Nicollet, north of 100th and east of Humboldt. Only property which is zoned for commercial, business, or industrial use under a municipal zoning ordinance may be included in a special service district. The ordinance shall describe with particularity the area within the city to be included in the district and the special services to be furnished within the district. The ordinance may not be adopted until after a public hearing has been held on the question. Notice of the hearing shall include:

(a) The time and place of hearing;

(b) A map showing the boundaries of the proposed special service district; and

(c) A statement that all persons owning property in the proposed special service district will be given opportunity to be heard at the hearing.

Subd. 2. NOTICE. Notice of the hearing shall be given by publication in two issues of the official newspaper of the city. The two publications shall be a week apart and the hearing shall be held at least three days after the last publication. Not less than ten days before the hearing, notice shall also be mailed to the owner of each parcel within the area proposed to be included in the

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special service district. For the purpose of giving mailed notice, owners shall be those shown on the records of the county auditor. Other records may be used to supply the necessary information. For properties which are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and are not listed on the records of the county auditor, the owners shall be ascertained by any practicable means and mailed notice given them. At the public hearing any person affected by the proposed special services district may be heard orally in respect to any issues embodied in the notice. The hearing may be adjourned from time to time and the ordinance establishing the special services district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Sec. 4. TAXING AUTHORITY; NOTICE AND HEARING REQUIREMENTS.

Subdivision 1. TAXES; HEARING. Ad valorem taxes may be levied on taxable property or service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce revenues required to provide special services within the district. For purposes of determining the appropriate mill rate, taxable property or value shall be determined without regard to captured or original assessed value under Minnesota Statutes, section 273.76 or to the distribution or contribution value under Minnesota Statutes, section 473F.08. Taxes and service charges shall not be imposed to finance a special service if the service is ordinarily provided by the city from general fund revenues of the city unless the service is provided in the special service district at an increased level, in which case only an amount to pay for the increased level may be imposed. A service charge shall not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Prior to the levy of taxes or imposition of service charges in a special service district, for each calendar year, notice shall be given and hearing shall be held pursuant to section 3 except that notice shall also be mailed to any individual or business organization subject to a service charge. For purposes of this section the notice shall also include:

(a) A statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed tax levy or service charge.

(b) When the tax or service charge is to pay for the cost of repairing, operating, or maintaining public improvement or facilities, the estimated cost of operating and maintaining the improvements during the first year after completion of the improvements, and the proposed method and source of financing the improvements and the annual cost of operating and maintaining the improvements.

(c) The proposed rate or amount of taxes to be extended or the proposed service charge to be imposed in the special service district during the calendar year and the nature and character of special services to be rendered in the special service district during the calendar year.

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(d) A statement that the petition requirements of section 9 have either been met or do not apply to the proposed taxes or service charge.

Within six months of the public hearing, the city may adopt a resolution levying a tax or imposing a service charge within the special service district not exceeding the amount or rate expressed in the notice issued pursuant to this section.

Subd. 2. EXEMPTION OF CERTAIN PROPERTIES FROM TAXES. Property exempted from taxation by Minnesota Statutes, section 272.02, shall be exempted from any ad valorem taxes imposed pursuant to sections 2 to 11.

Subd. 3. LEVY LIMIT EXEMPTION. Taxes and service charges imposed pursuant to sections 2 to 11 shall not be included in the calculation of levies or limits on levies provided by other law or home rule charter provision.

Subd. 4. EXCLUSION FROM HOMESTEAD CREDIT. Taxes levied under this section shall not be reduced pursuant to Minnesota Statutes, section 273.13, subdivisions 6, 7, 7d, or 14a. State reimbursement pursuant to Minnesota Statutes, section 273.139 shall not apply to any taxes levied pursuant to sections 2 to 11.

Sec. 5. ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.

Boundaries of a special service area may be enlarged only after hearing and notice as provided in sections 3 and 4. Notice shall be served in the original special service district and in the area proposed to be added to the special service district. Property added to the district shall be subject to all taxes levied and service charges imposed within the district after the property becomes a part of the district. The petition requirement in section 9 and the veto power in section 10 shall only apply to owners and individuals and business organizations in the area proposed to be added to the special service district.

Sec. 6. COLLECTION OF TAXES.

Ad valorem taxes levied within a special service district shall be collected and paid over as other ad valorem taxes, but shall be spread only upon the assessed value of property described in the ordinance. Service charges imposed shall be collected as provided by ordinance. Taxes collected pursuant to sections 2 to 11 shall not be included in computations under Minnesota Statutes, section 273.76, chapter 473F, or any other law that applies to general ad valorem levies.

Sec. 7. CERTIFICATES OF INDEBTEDNESS.

The city council may issue certificates of indebtedness within existing debt limits for purposes of any work or service authorized pursuant to sections 2 to 11. The certificates shall be payable in not more than five years and shall be issued on such terms and in such manner as determined by the council. A tax levy

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shall be made on the taxable property within the special service district for the payment of the principal and interest on the certificates as in the case of bonds.

Sec. 8. **ADVISORY BOARD.**

The governing body of the city may create and appoint an advisory board for each special service district in the city to advise the governing body in connection with the construction, maintenance, and operation of improvements and the furnishing of special services in a special service district. The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants, and users of property within the special service district and members of the public. Prior to the adoption of any proposal by the governing body to provide services or impose taxes or service charges within the special service district, the advisory board of the special service district shall have an opportunity to review and comment upon the proposal.

Sec. 9. **PETITION REQUIRED.**

No public hearing may be held pursuant to section 3 unless owners of 15 percent or more of the land area of the proposed special service district and owners of 15 percent or more of the assessed value of the proposed special service district file a petition requesting the public hearing with the city clerk. No public hearing may be held pursuant to section 4 to impose an ad valorem tax unless owners of 15 percent or more of the land area subject to a proposed tax and owners of 15 percent or more of the assessed value subject to a proposed tax file a petition requesting the public hearing with the city clerk. No public hearing may be held pursuant to section 4 to impose a service charge unless 15 percent or more of the individual or business organizations subject to the proposed service charge file a petition requesting the public hearing with the city clerk. If the boundaries of the proposed special service district are changed or the land area or assessed value subject to a tax or the individuals or business organizations subject to a service charge are changed after the public hearing, a petition meeting the requirements of this section must be filed with the city clerk before the ordinance establishing the district or resolution imposing the tax or service charge may become effective.

Sec. 10. **VETO POWER OF OWNERS.**

Subdivision 1. NOTICE OF RIGHT TO FILE OBJECTIONS. Except as provided in section 11, the effective date of any ordinance or resolution adopted pursuant to sections 3 and 4 shall be at least 45 days after it is adopted. Within five days after adoption of the ordinance or resolution, a copy of the ordinance or resolution shall be mailed to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge in the same manner that notice is mailed pursuant to section 3. The mailing shall include a notice that owners subject to a tax and individuals and business organizations subject to a service charge have a right to veto the

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ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution.

Subd. 2. REQUIREMENT FOR VETO. If owners of 35 percent of the land area in the special service district and owners of 35 percent of the assessed value in the special service district file an objection to the ordinance adopted by the city pursuant to section 3 with the city clerk before the effective date of the ordinance, the ordinance shall not become effective. If owners of 35 percent of the land area subject to a tax and owners of 35 percent of the assessed value subject to a tax file an objection to the resolution adopted levying an ad valorem tax pursuant to section 4 with the city clerk before the effective date of the resolution, the resolution shall not become effective. If 35 percent of individuals and business organizations subject to a service charge file an objection to the resolution adopted imposing a service charge pursuant to section 4 with the city clerk before the effective date of the resolution, the resolution shall not become effective.

Sec. 11. EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.

The petition requirement of section 9 and the right of owners and those subject to a service charge to veto a resolution in section 10 shall not apply to second or subsequent years' applications of a tax or service charge which is authorized to be in effect for more than one year pursuant to a resolution which has met the petition requirements of section 9 and which has not been vetoed under section 10 for the first year's application. A resolution levying a tax or imposing a service charge for more than one year shall not be adopted unless the notice of public hearing required by section 4 and the notice mailed with the adopted resolution pursuant to section 10 include the following information:

(a) In the case where the costs of repairing, operating, or maintaining of public improvements or facilities are to be paid by a tax or service charge, the maximum rate or amount of taxes to be levied or the maximum service charge to be imposed in any year and the maximum number of years the taxes will be levied or service charges imposed to pay for the improvement.

(b) In the case of operating and maintenance services, the maximum rate or amount of taxes to be levied or the maximum service charge to be imposed in any year and the maximum number of years, or a statement that the tax will be imposed for an indefinite number of years, the taxes will be levied or service charges imposed to pay for operation and maintenance services.

The resolution may provide that the maximum amount of tax to be levied or maximum service charge to be imposed in any year will increase or decrease from the maximum amount authorized in the preceding year based on an indicator of increased cost or a percentage amount established by the resolution.

Sec. 12. EFFECTIVE DATE.

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Sections 2 to 11 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Bloomington.

Approved June 14, 1983

CHAPTER 362 — S.F.No. 845

An act relating to tort liability; providing for parallel exceptions for unimproved property of the state and municipalities; amending Minnesota Statutes 1982, section 466.03, by adding a subdivision.

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

Section 1. Minnesota Statutes 1982, section 466.03, is amended by adding a subdivision to read:

Subd. 6b. UNIMPROVED PROPERTY. Any claim based upon the condition of unimproved real property owned by the municipality.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment and applies to all causes of action arising on or after that date.

Approved June 14, 1983

CHAPTER 363 — S.F.No. 855

An act relating to motor vehicles; exempting certain vehicles from license fees; authorizing the use of certain state department vehicles without uniform coloring or marking; amending Minnesota Statutes 1982, sections 16.75, subdivision 7; and 168.012, subdivision 1.

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

Section 1. Minnesota Statutes 1982, section 16.75, subdivision 7, is amended to read:

Subd. 7. The commissioner of administration shall establish all rules necessary for the efficient and economical operation, maintenance, repair, and replacement of state-owned motor vehicles in the central motor pool or any branch thereof. The rules shall include the requirements for keeping records and

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