

## CHAPTER 208 — H.F.No. 227

*An act relating to horse racing; providing for racing days at county fairs; amending Minnesota Statutes 1984, section 240.14, subdivision 3.*

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

Section 1. Minnesota Statutes 1984, section 240.14, subdivision 3, is amended to read:

Subd. 3. **COUNTY FAIR RACING DAYS.** The commission may assign to a class D licensee only these the following racing days, not to exceed ten racing days, which coincide with the days on which the licensee's county fair is running or the weekend preceding or following the county fair:

(1) those racing days, not to exceed ten racing days, that coincide with the days on which the licensee's county fair is running; and

(2) additional racing days, not to exceed ten racing days, immediately before or after the days on which the licensee's county fair is running.

In no event shall the number of racing days assigned by the commission exceed 20 days.

The commission may not assign any days before July 1, 1989, as racing days to a class D licensee.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Approved May 23, 1985

## CHAPTER 209 — H.F.No. 592

*An act relating to local government; permitting the establishment of special service districts in the city of New Ulm; providing taxing and other financial authority for New Ulm.*

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

Section 1. **CITY OF NEW ULM; SPECIAL SERVICE DISTRICTS.**

Subdivision 1. For the purpose of this act the terms defined in this section have the following meanings.

Subd. 2. "City" means the city of New Ulm.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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

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

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

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

Special services do not include any service that is 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 where 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 before the effective date of the ordinance or resolution adopted pursuant to section 2 or 3.

Subd. 6. “Land area” means the land area in the district which is subject to property taxation.

## Sec. 2. ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.

Subdivision 1. **ORDINANCE.** The governing body of the city may adopt an ordinance establishing a special service district. Only property which is zoned for commercial, business, or industrial use under a municipal zoning ordinance may be included in a 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 in 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 district; and

(c) a statement that all persons owning property in the proposed 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 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

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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 district may be heard orally in respect to any issues relevant to the proposed district. The hearing may be adjourned from time to time and the ordinance establishing the 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. 3. TAXING AUTHORITY; NOTICE AND HEARING REQUIREMENTS.**

Subdivision 1. TAXES; HEARING. Ad valorem taxes may be levied on taxable nonhomestead property or service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services within the district. To determine the appropriate mill rate, nonhomestead 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 its general fund revenues unless the service is provided in the district at an increased level, in which case only an amount sufficient 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. Before the levy of taxes or imposition of service charges in a district, for each calendar year, notice shall be given and hearing shall be held pursuant to section 2 and 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) The estimated cost of improvements to be paid for in whole or in part by taxes or service charges imposed pursuant to this section, the estimated cost of operating and maintaining the improvements during the first year after completion of the improvements, 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 district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year.

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(d) A statement that the petition requirements of section 8 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 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, is exempt from any ad valorem taxes imposed pursuant to this act.

**Subd. 3. LEVY LIMIT EXEMPTION.** Taxes and service charges imposed pursuant to this act 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, subdivision 6, 7, 7d, or 14a.

#### **Sec. 4. ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.**

Boundaries of a special service district may be enlarged only after hearing and notice as provided in sections 2 and 3. Notice shall be served in the original district and in the area proposed to be added to the 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 8 and the veto power in section 9 shall only apply to owners, individuals, and business organizations in the area proposed to be added to the district.

#### **Sec. 5. 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 this act 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. 6. BONDS.**

At any time after a contract for the construction of all or part of an improvement authorized pursuant to this act has been entered into or the work has been ordered done by day labor, the governing body of the city may issue obligations, including certificates of indebtedness, in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or the financing. The obligations shall be payable primarily out of the

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proceeds of the tax levied pursuant to section 3, or from any other special assessment or nontax revenues available to be pledged for their payment under charter or other statutory authority, or from any two or more of such sources. The governing body may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit, and taxing power of the municipality to assure payment of the principal and interest if the proceeds of the tax levy in the district are insufficient to pay the principal and interest. The amount of any taxes that are required to be levied outside of the territory of the special services district or taken from the general funds of the municipality to pay principal and interest on the obligations shall be reimbursed to the municipality from taxes levied within the special services district. The obligations shall be issued in accordance with Minnesota Statutes, chapter 475, except that an election shall not be required, and the amount of the obligations shall not be included in determining the net debt of the city under the provisions of any law or charter limiting debt.

#### Sec. 7. **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 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 district and members of the public. Before the adoption of any proposal by the governing body to provide services or impose taxes or service charges within the district, the advisory board of the district shall have an opportunity to review and comment upon the proposal.

#### Sec. 8. **PETITION REQUIRED.**

No action may be taken pursuant to section 2 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 district file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken pursuant to section 3 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 a public hearing on the proposed action with the city clerk. No action may be taken pursuant to section 3 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 a public hearing on the proposed action with the city clerk. If the boundaries of a proposed 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

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the ordinance establishing the district or resolution imposing the tax or service charge may become effective.

**Sec. 9. VETO POWER OF OWNERS.**

Subdivision 1. NOTICE OF RIGHT TO FILE OBJECTIONS. Except as provided in section 10, the effective date of any ordinance or resolution adopted pursuant to sections 2 and 3 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 2. 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 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 district or owners of 35 percent of the assessed value in the district file an objection to the ordinance adopted by the city pursuant to section 2 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 or 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 3 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 3 with the city clerk before the effective date of the resolution, the resolution shall not become effective.

**Sec. 10. EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.**

The petition requirement of section 8 and the right of owners and those subject to a service charge to veto a resolution in section 9 do 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 8 and which has not been vetoed under section 9 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 3 and the notice mailed with the adopted resolution pursuant to section 9 include the following information:

(a) In the case of improvements, 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.

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(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. 11. REPORT TO LEGISLATURE.

The manager of the city of New Ulm shall file a written report with the chairman of the house local and urban affairs committee and the chairman of the senate local and urban government committee on or before January 31, 1986. The report shall apprise the committee as to the activities undertaken pursuant to this act and recommend any changes that should be considered if the legislature were to enact statewide legislation for the establishment of special service districts.

#### Sec. 12. EFFECTIVE DATE.

Sections 1 to 10 are effective the day following final enactment.

Approved May 23, 1985

### CHAPTER 210 — H.F.No. 1045

*An act relating to taxation; making administrative and technical changes to income tax and property tax refund provisions; amending Minnesota Statutes 1984, sections 60A.13, subdivision 1a; 80A.09, subdivision 1; 136D.28, subdivision 4; 136D.741, subdivision 7; 136D.89, subdivision 4; 270.67, by adding a subdivision; 270.75, subdivision 4; 290.06, subdivision 3d; 290.069, subdivision 5; 290.08, subdivision 8; 290.09, subdivision 4; 290.095, subdivision 10; 290.101, subdivision 1; 290.172; 290.18, subdivision 2; 290.42; 290.50, subdivision 2; 290.523, subdivision 2; 290.92, subdivisions 5a, 6, 19, and 28; 290.97; 290.9726, subdivision 2; 290A.03, subdivisions 3 and 11; 290A.11, subdivision 2, and by adding a subdivision; 290A.19; repealing Laws 1983, chapters 213, section 2; and 247, section 122; and Laws 1984, chapter 514, article 2, section 13.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  
**ARTICLE 1**  
**ADMINISTRATIVE**

Section 1. Minnesota Statutes 1984, section 60A.13, subdivision 1a, is amended to read:

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