

**Sec. 30. REPEALER.**

(a) Minnesota Statutes 1984, sections 298.01, subdivision 2; and 299.01, subdivision 2, are repealed.

(b) Minnesota Statutes 1984, section 477A.04 is repealed.

**Sec. 31. EFFECTIVE DATE.**

Sections 1 to 8 and 10 to 12 are effective for taxes levied in 1985 and thereafter, payable in 1986 and thereafter. Sections 9, 13 to 19 and 26 to 29, are effective the day after final enactment. Sections 20 to 25 and 30, paragraph (a), are effective for ores produced after December 31, 1984.

Approved June 5, 1985

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**CHAPTER 301 — H.F.No. 315**

*An act relating to local government; removing the restriction on the number of mills certain towns may levy to provide fire protection for special fire protection districts; authorizing the city of Carlton to issue general obligation bonds to finance the acquisition and betterment of a new fire hall and permitting participation by other local government units; granting the city of Roseville and the city of White Bear Lake located in Ramsey county the powers of a port authority; permitting the establishment of special service districts in the cities of Sartell, Sauk Rapids, St. Cloud, Isle, Mora, Becker, and Waite Park; amending Minnesota Statutes 1984, sections 161.14, subdivision 6; and 368.85, subdivision 6.*

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

Section 1. Minnesota Statutes 1984, section 161.14, subdivision 6, is amended to read:

Subd. 6. **VETERANS' EVERGREEN MEMORIAL DRIVE.** (a) That portion of road No. 185, known as trunk highway No. 23 in St. Louis, Pine and Carlton Counties, is hereby named and designated "Veterans' Evergreen Memorial Drive" in memory of ~~World War~~ veterans of St. Louis, Pine, and Carlton counties.

(b) The commissioner shall install a bronze plaque with an inscription to read, "In grateful memory of all men and women from Carlton, Pine, and St. Louis Counties who served in World War I, World War II, Korea, Vietnam, and all future conflicts.

Sec. 2. Minnesota Statutes 1984, section 368.85, subdivision 6, is amended to read:

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

Subd. 6. **TAX LEVY.** ~~It shall thereafter be the duty of The town board shall annually to thereafter levy a tax in such an amount as may be necessary but not exceeding one and two-thirds mills on the dollar of the assessed valuation of all property located within such the special fire protection district to be used for the purpose of providing provide fire protection for such special fire protection the district, but this limit shall not apply to a special fire protection district abutting a city of the first or second class, or for the payment of a deficit from a prior fire contract. Such The tax, with a certified copy of the resolution establishing the district, shall be certified by the town board to the county auditor who shall thereupon spread the authorized tax against the property located within such special fire protection the district, and. The same tax shall be collected as other taxes.~~

Sec. 3. **ROSEVILLE; PORT AUTHORITY.**

The governing body of the city of Roseville may exercise all the powers of a port authority provided by Minnesota Statutes, chapter 458.

Sec. 4. **WHITE BEAR LAKE; PORT AUTHORITY.**

The governing body of the city of White Bear Lake may exercise all the powers of a port authority provided by Minnesota Statutes, chapter 458.

Sec. 5. **DIVISIONS.**

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

Subd. 2. "City" means the cities of Sartell, Sauk Rapids, St. Cloud, Isle, Mora, Becker and Waite Park.

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.

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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 6 or 7.

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

#### **Sec. 6. 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 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. 7. 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

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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 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 6 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.

(d) A statement that the petition requirements of section 12 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. 8. ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.**

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Boundaries of a special service district may be enlarged only after hearing and notice as provided in sections 6 and 7. 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 12 and the veto power in section 13 shall only apply to owners, individuals, and business organizations in the area proposed to be added to the district.

#### Sec. 9. 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. 10. 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 proceeds of the tax levied pursuant to section 7, 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. 11. 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

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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. 12. PETITION REQUIRED.

No action may be taken pursuant to section 6 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 7 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 7 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 the ordinance establishing the district or resolution imposing the tax or service charge may become effective.

#### Sec. 13. VETO POWER OF OWNERS.

Subdivision 1. NOTICE OF RIGHT TO FILE OBJECTIONS. Except as provided in section 14, the effective date of any ordinance or resolution adopted pursuant to sections 6 and 7 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 6. 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 6 with the city clerk before the effective date of the ordinance, the ordinance shall

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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 7 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 7 with the city clerk before the effective date of the resolution, the resolution shall not become effective.

#### **Sec. 14. EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.**

The petition requirement of section 12 and the right of owners and those subject to a service charge to veto a resolution in section 13 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 12 and which has not been vetoed under section 13 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 7 and the notice mailed with the adopted resolution pursuant to section 13 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.

(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. 15. LOCAL APPROVAL.**

Section 3 is effective for the city of Roseville the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Roseville.

Section 4 is effective for the city of White Bear Lake the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of White Bear Lake.

#### **Sec. 16. EFFECTIVE DATE.**

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

Sections 5 to 14 are effective the day following final enactment.

Approved June 5, 1985

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**CHAPTER 302 — H.F.No. 384**

*An act relating to the cities of Minneapolis and Blaine; permitting the establishment of special service districts in the city of Minneapolis and providing taxing and other authority; authorizing Blaine city council members to serve as a housing and redevelopment authority.*

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

**Section 1. DEFINITIONS.**

Subdivision 1. TERMS DEFINED. For the purposes of sections 1 to 7, the terms defined in this section have the following meanings.

Subd. 2. CITY. "City" means the city of Minneapolis.

Subd. 3. SPECIAL SERVICES. "Special services" means all services rendered or contracted for by the city for snow, ice, and litter removal and cleaning of sidewalks, curbs, gutters, and streets and for banners and other decorations to be used to identify and promote the commercial area.

Special services do not include services that are ordinarily provided throughout the city from ordinary revenues of the city unless an increased level of service is provided in the special service district.

Subd. 4. SPECIAL SERVICE DISTRICT. "Special service district" means that defined area within the city where special services are rendered and their costs are paid from revenues collected from taxes and service charges imposed within the area.

Subd. 5. ASSESSED VALUE. "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 2 or 3.

Subd. 6. LAND AREA. "Land area" means the land area located within the district that 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 in the part of Minneapolis which is south of 28th Street, west of Fremont Avenue South, north of 31st Street, and east of Humboldt Avenue South.

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