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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2368**

02/20/2012 Authored by Runbeck, Lohmer, Drazkowski and Barrett

The bill was read for the first time and referred to the Committee on Government Operations and Elections

1.1 A bill for an act
1.2 relating to local government; requiring voter approval of certain lease financings;
1.3 proposing coding for new law in Minnesota Statutes, chapter 416.

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

1.5 Section 1. **[416.17] VOTER APPROVAL REQUIRED; LEASES OF PUBLIC**
1.6 **BUILDINGS.**

1.7 Subdivision 1. **Voter approval of certain leases.** (a) A municipality must obtain the
1.8 approval of a majority of the electors voting on the question before executing a lease for
1.9 its use of public land, all or part of a public building, or other public facilities consisting of
1.10 real property for a term of three or more years as a lessee if:

1.11 (1) the property to be leased to the municipality was acquired or improved with
1.12 the proceeds of obligations, as defined in section 475.51, subdivision 3, issued by an
1.13 authority; or

1.14 (2) the sum of the municipality's maximum payments under the lease, in any year,
1.15 exceeds the lesser of 0.05 percent of the estimated market value of taxable property in the
1.16 municipality or five percent of the municipality's most recently approved property tax levy.

1.17 (b) The notice of the election and submission of the question is governed by section
1.18 475.59, except the question to be submitted to the voters must state the maximum annual
1.19 amount of the lease payment in lieu of the maximum amount of the bond issue.

1.20 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have
1.21 the meanings given them.

1.22 (b) "Authority" includes any of the following governmental units, the boundaries of
1.23 which include all or part of the geographic area of the municipality:

1.24 (1) a housing and redevelopment authority, as defined in section 469.002;

- 2.1 (2) a port authority or seaway port authority, as defined in section 469.048;
2.2 (3) an economic development authority, as defined in section 469.090; or
2.3 (4) an entity established or exercising powers under a special law with powers
2.4 similar to those of an entity described in clauses (1) to (3).
2.5 (c) "Municipality" means a statutory or home rule charter city, a county, or a town
2.6 described in section 368.01.