

**August 2013**

**2013 Legislation Relating to  
Local and Metropolitan  
Government**

The Research Department of the Minnesota House of Representatives is a nonpartisan professional office serving the entire membership of the House and its committees. The department assists all members and committees in developing, analyzing, drafting, and amending legislation.

The department also conducts in-depth research studies and collects, analyzes, and publishes information regarding public policy issues for use by all House members.

**Research Department**  
**Minnesota House of Representatives**  
600 State Office Building, St. Paul, MN 55155  
651-296-6753

**August 2013**

**2013 Legislation Relating  
to Local and Metropolitan  
Government**

This report describes legislation enacted in the 2013 regular session relating to local and metropolitan government.

This report was prepared by **Deborah Dyson** and **Patricia Dalton**, legislative analysts in the House Research Department.

Questions may be addressed to **Deb** at [deborah.dyson@house.mn](mailto:deborah.dyson@house.mn) or **Pat** at 651-296-7434.

**Jessica Vogt** provided graphics and production assistance.

Copies of this publication may be obtained by calling 651-296-6753. This document can be made available in alternative formats for people with disabilities by calling 651-296-6753 or the Minnesota State Relay Service at 711 or 1-800-627-3529 (TTY). Many House Research Department publications are also available on the Internet at: [www.house.mn/hrd/](http://www.house.mn/hrd/).

# Contents

---

<b>Introduction.....</b>	<b>1</b>
<b>Local Government Generally .....</b>	<b>2</b>
Powers, Duties, State Funding, and Regulation.....	2
Property Tax Aids and Credits.....	11
Property Taxes .....	15
Public Finance, Economic Development.....	18
<b>Cities.....</b>	<b>22</b>
<b>Counties .....</b>	<b>23</b>
<b>Towns .....</b>	<b>27</b>
<b>Special Legislation .....</b>	<b>27</b>
<b>Metropolitan Government .....</b>	<b>45</b>
<b>Vetoed Legislation .....</b>	<b>49</b>



## Introduction

---

This report describes legislation enacted in the 2013 regular session that deals with local and metropolitan government. This report does *not* cover all legislation that affects local governments. With a few exceptions, it does not cover civil or criminal law, employment or pensions, health and human services, transportation, economic development, or environmental issues.

All the citations in this report are to Laws 2013, unless otherwise indicated. See the acts or act summaries of the omnibus bills, and other major bills, enacted in 2013 for other provisions that may affect local government and are not covered in this report:

Capital Investment .....	Chapter 136
Data Practices .....	Chapter 82
Education – K-12 .....	Chapter 116
Education – Higher Education .....	Chapter 99
Elections.....	Chapter 131
Energy .....	Chapter 132
Environment, Natural Resources, and Agriculture Finance .....	Chapter 114
Environment and Natural Resources Trust Fund Appropriations.....	Chapter 52
Game and Fish .....	Chapter 121
Health, Human Services .....	Chapter 108
Jobs and Economic Development.....	Chapter 85
Lands .....	Chapter 73
Legacy Amendment Appropriations .....	Chapter 137
Liquor .....	Chapter 42
Pensions and Retirement .....	Chapter 111
Public Safety and Judiciary Finance .....	Chapter 86
State Government Finance.....	Chapter 142
Taxes .....	Chapter 143
Transportation Finance .....	Chapter 117
Transportation Policy.....	Chapter 127

Acts are available on the Revisor of Statutes website (<https://www.revisor.mn.gov/laws/current/>).  
Act summaries are available on the House Research website  
(<http://www.house.mn/hrd/actsum.asp>).

## Local Government Generally

---

### Powers, Duties, State Funding, and Regulation

#### Drainage

Recommendations from the Drainage Work Group were enacted. The drainage law definitions were amended to include entities in addition to counties that can be drainage authorities: joint county boards, watershed management organizations, and watershed districts. The act also addresses issues related to drainage system records and authority for wetland and water quality improvement elements in drainage projects.

The Board of Water and Soil Resources (BWSR) established the Drainage Work Group as a stakeholder group to advise BWSR on the Public Drainage Ditch Buffer Study, which was published by BWSR in February 2006. The group has continued to meet to, among other things, develop consensus recommendations for drainage system management and related water management, including recommendations for updating drainage law.

*Ch. 4, amending Minn. Stat. §§ 103E.005, subds. 4, 6, adding subd. 28a; 103E.101, subds. 2, 3, 4, 5, adding subds. 4a, 5a; 103E.227, subd. 1; 103E.525, subd. 1; 103E.701, subds. 1, 6; 103E.715, subd. 6; effective August 1, 2013.*

#### False Claims Act

The state False Claims Act, originally enacted in 2009, was amended to conform to the federal law. The law allows a private individual to sue, on behalf of the state, persons who allegedly made false or fraudulent claims to the state or a political subdivision.

*Ch. 16, amending provisions in Minn. Stat. ch. 15C, effective August 1, 2013.*

#### Public Safety, Statewide Radio Board, Regional Radio Boards

The Statewide Radio Board may restructure as the Statewide Emergency Communications Board to integrate the latest interoperable emergency communication technologies—the ARMER system, 911 service, and wireless broadband. Regional radio boards may administer grants on behalf of one or more public safety entities operating in the jurisdiction and may expand the scope of their joint powers agreements to other public safety purposes. Regional boards may elect to become regional emergency communication boards and develop and maintain the Next Generation 911 service in their regions.

*Ch. 32, amending Minn. Stat. §§ 403.21, subds. 2, 13, adding subd. 1a; 403.37, subd. 1; 403.38; 403.39; 403.40, subd. 2; adding 403.382; 402,392; repealing Minn. Stat. §§ 403.21, subd. 6; 403.33, effective August 1, 2013. Also directs the Revisor to renumber Minn. Stat. § 403.21, subd. 2, as subd. 7a.*



**Public Pension  
Funds, Report of  
Suspected Theft**

The law that requires public employees and officers to report suspected theft, embezzlement, or unlawful use of public property to law enforcement and the state auditor was expanded to include public employees and officers of local pension plans.

*Ch. 35, amending Minn. Stat. § 609.456, subd. 1, effective August 1, 2013.*

**Liquor Laws**

*Small brewer license.* Municipalities (cities and counties) may issue a license and charge a licensing fee to small brewers, who are now allowed to sell growlers, which are 64-ounce containers, or bottles containing 750 milliliters, of their brewed products.

*Beer educators.* The Commissioner of Public Safety may issue on-sale liquor licenses to “malt liquor educators.” However, a political subdivision may prohibit “malt liquor education” within its jurisdictions. “Malt liquor educators” teach others about the various aspects of beer. This law mirrors the existing law governing “wine educators.”

*Ch. 42, §§ 3, 6, amending Minn. Stat. §§ 340A.301, adding subd. 6d; 340A.4042, effective July 1, 2013.*

**Solid Waste**

The process for a local government to implement organized solid waste collection was modified. Local governments that had organized collection when the law took effect are exempt from the new law and may continue operating as before.

If there is more than one licensed hauler in the jurisdiction, then the local government gives the public and the haulers notice that it intends to establish organized collection. The haulers and the local government then have a 60-day period to negotiate an agreement on how the organized collection system will work. (The former process was 180 days.) If the negotiations do not result in an agreement between the local government and the collectors, the local government can proceed to form a committee to study collection methods and, after at least one public hearing, implement an organized collection system. Organized collection cannot begin until at least six months after the date of the local government’s decision to implement it.

*Ch. 45, amending Minn. Stat. § 115A.94, subds. 2, 5, adding subds. 4a, 4b, 4c, 4d; repealing Minn. Stat. § 115A.94, subd. 4, effective May 8, 2013.*

**Publication of Bid  
Advertisements**

For a special assessment-funded project, a local government now may advertise its requests for bids on a construction bidding website instead of in the official newspaper.

*Ch. 46, amending Minn. Stat. §§ 331A.01, adding subd. 11; 429.041, subd. 1, effective August 1, 2013.*

**Security for  
Redevelopment  
Demolition Loan**

A development authority may back its loan from the Department of Employment and Economic Development for demolition with either the general obligation of the development authority or other security, subject to approval by the commissioner. “Development authority” includes a statutory or home rule charter city, county, housing and redevelopment authority, economic development authority, or port authority.

*Ch. 64, amending Minn. Stat. § 116J.5764, subd. 1, effective August 1, 2013.*

**Gasoline Sales**

A local government cannot restrict the sale of motor fuel based upon the method of purchase. For example, a local ordinance cannot require gasoline sales to be by credit card only.

*Ch. 67, adding Minn. Stat. § 325E.085, effective May 17, 2013.*

**Safe at Home**

The Safe at Home program, administered by the Office of the Secretary of State, is an identity and location protection program for individuals who may be in physical danger, including victims of domestic violence, sexual assault, or stalking, and other individuals who fear for their safety. This law modifies and adds to procedures and standards. In particular, it establishes several procedures related to handling of data that may be used to identify or locate a participant in the Safe at Home program.

*Ch. 76, amending Minn. Stat. §§ 5B.02; 5B.03, subd. 1; 5B.04; 5B.05; 5B.07, subd. 1, effective January 1, 2014; 13.82, subd. 24, effective July 1, 2013; adding 13.045, effective July 1, 2013. Except as otherwise stated, effective August 1, 2013.*

**Local Government  
E-mail Lists,  
Private Data**

When a local government collects, maintains, or receives information on individuals as part of a subscription list or for notification purposes, that information is considered private data. This information includes a person’s telephone number, e-mail address and Internet user name, password, Internet protocol address, and other similar information related to an individual’s online account or access procedures.

*Ch. 82, § 1, adding Minn. Stat. § 13.356, effective for data, whether collected before, on, or after May 24, 2013.*

**Paper Purchasing**

A public entity must, whenever practicable, purchase paper that has been made on a paper machine located in Minnesota.

*Ch. 85, art. 5, § 1, amending Minn. Stat. § 16B.122, subd. 2, effective July 1, 2013.*

**Subdivision  
Development,  
Dedication**

In the statute governing city and town subdivision regulations and dedication of land, “fair market value” is now defined to mean the value of the land as determined by the city or town annually based on tax valuation or other relevant data. If the applicant objects to the city’s or town’s calculation of valuation, then the value is as negotiated between the city or town and the applicant, or based on the market value as determined by the city or town based on an independent appraisal of land

in a same or similar land use category.

*Ch. 85, art. 5, § 41, amending Minn. Stat. § 462.358, subd. 2b, effective July 1, 2013.*

**PACE - Property  
Assessed Clean  
Energy Finance**

The PACE program authority, originally enacted in 2010, was modified to specify that an energy improvement may have a payback of up to 20 years, and the financing for the improvement may be bonds payable over 20 years. It also allows the special assessments that are to repay the loans to be collected over 20 years. Finally, the law states that the program cannot prohibit the financing of all cost-effective energy improvements.

*Ch. 85, art. 8, amending Minn. Stat. §§ 216C.435, subds. 3a, 8; 216C.436, subds. 2, 7, 8; 429.101, subd. 2, effective May 24, 2013. See also ch. 143, art. 12, § 3, amending Minn. Stat. § 216C.436, subd. 7, effective May 24, 2013.*

**Sick Leave  
Benefits, Care of  
Relatives**

Employees, public or private, may use sick leave benefits to care for an adult child, spouse, sibling, parent, grandparent or stepparent, in addition to a minor child as provided under the previous law. The use of leave to care for an adult child, spouse, sibling, parent, grandparent or stepparent may be limited by an employer to 160 hours in any 12-month period. An employer may provide more generous benefits. In general, this law applies to employers with 21 or more employees at at least one site. The Commissioner of Management and Budget must analyze and report by August 1, 2014, on the impact of the changes in the leave law.

*Ch. 87, amending Minn. Stat. § 181.9413, effective August 1, 2013, and applies to sick leave used on or after that date.*

**Geospatial Data**

Electronic geospatial government data created by a government entity must be shared at no cost with other government entities, the Gopher State One Call notification center, and federal and tribal agencies. A release of data must include the metadata or other documentation that identifies the original authoritative data source. Government entities providing data are not required to provide data in an alternate format and are not required to provide the same data to the same requester more than four times per year. Government entities sharing and receiving data under this law are immune from liability arising out of the data shared. This law does not authorize the release of data that are not public data.

“Electronic geospatial data” means digital data using geographic or projected map coordinate values, identification codes, and associated descriptive data to locate and describe boundaries or features on, above, or below the surface of the earth or characteristics of the earth’s inhabitants or its natural or human-constructed features.

*Ch. 95, §§ 3, 4, 5, amending Minn. Stat. § 16E.30, adding subds. 10, 11; repealing § 16E.30, subds. 4, 5, effective August 1, 2013.*

**Certification of  
Wastewater Labs**

Laboratories that perform wastewater analysis to be sent to the Pollution Control Agency (PCA) to determine compliance with the national pollution discharge elimination system (NPDES) permit or other regulatory documents must be certified. Labs must be certified by a recognized certification authority until the PCA adopts rules governing the certification requirements. The PCA must collect fees to cover costs. This does not apply to private for-profit labs and labs performing drinking water or remediation analyses.

*Ch. 114, art. 4, § 76, adding Minn. Stat. § 115.84, effective July 1, 2013.*

**Architectural Paint  
Stewardship  
Program**

The legislature established a new program for stewardship of architectural paint (for example, house paint) that requires paint manufacturers to organize and implement waste collection and recycling programs. The new law encourages local governments to participate in a product stewardship plan.

*Ch. 114, art. 4, § 78, adding Minn. Stat. § 115A.1415, effective July 1, 2013.*

**Silica Sand Mining**

By October 1, 2013, the Environmental Quality Board (EQB), in consultation with local units of government, must develop model standards and criteria for mining, processing, and transporting silica sand. These standards and criteria may be used by local units of government in developing local ordinances.

In addition, by October 1, 2013, the EQB must assemble a technical assistance team of experts from the Departments of Natural Resources, Transportation, and Health, Minnesota Pollution Control Agency, Board of Water and Soil Resources, University of Minnesota, Minnesota State Colleges and Universities, and federal agencies. The technical assistance team is to assist local governments, at their request, with ordinance development, zoning, environmental review and permitting, monitoring, or other issues arising from silica sand mining and processing operations.

When approving or denying a project, a local government that has requested assistance from the technical assistance team must consider the team's findings or recommendations related to the proposed silica sand project that are to protect human health and the environment. A silica sand project proposer must cooperate in providing local government and members of the technical assistance team with information regarding the project. A local unit of government may assess a project proposer for reasonable costs of the technical assistance team.

*Ch. 114, art. 4, § 91, adding Minn. Stat. § 116C.99, effective May 24, 2013.*

By October 1, 2013, the EQB, in consultation with local units of government, must create and maintain a library on local government

ordinances and local government permits that have been approved for regulation of silica sand projects for use by local governments.

*Ch. 114, art. 4, § 93, adding Minn. Stat. § 116C.992, effective July 1, 2013.*

Until March 1, 2015, notwithstanding the laws that authorize interim ordinances (development moratoriums), a local unit of government may extend for one year an interim ordinance or renew an expired ordinance prohibiting new or expanded silica sand projects. A local unit of government may also extend the ordinance an additional year by resolution.

*Ch. 114, art. 4, § 106, effective retroactively from March 1, 2013.*

### **Bond Sureties**

The general bond security law was amended to provide that the bond need be signed by one or more of the sureties, not two or more. An example of a bond security under this statute is a performance bond not governed by other law. The act also eliminated the requirement that the sureties be “residents and freeholders of the state.”

*Ch. 119, amending Minn. Stat. § 574.01, effective August 1, 2013.*

### **Bullion Coin Dealers**

A new law regulating bullion coin dealers expressly preserves the authority of local governments to regulate precious metal dealers.

*Ch. 120, § 9, adding Minn. Stat. § 80G.09, effective August 1, 2013.*

### **Relief Associations’ Financial Reports, Asset Threshold**

The legislature increased the threshold at which the board of a salaried firefighters relief association, police relief association, and volunteer firefighters relief association must prepare a financial report from assets of at least \$200,000 to assets of at least \$500,000.

*Ch. 123, amending Minn. Stat. § 69.051, subd. 1, effective August 1, 2013.*

### **Scrap Metal; Scrap Vehicles**

The legislature amended and expanded licensing and regulatory provisions in chapters 168, 168A, and 325E relating to scrap metal and scrap vehicle purchases. The law states that local ordinances relating to these matters are preempted by state statute.

*Ch. 126, §§ 5, 15, adding Minn. Stat. § 168A.1501; amending Minn. Stat. § 325E.21, adding subd. 10, effective August 1, 2013.*

### **Snow Plowing in Uncompleted Subdivisions**

In 2010, the legislature provided temporary authority for a road authority (Commissioner of Transportation, county, city, or town) to plow snow in an uncompleted subdivision development, if the subdivision has at least five lots and the road authority passes a resolution finding that (1) the subdivision developer is unable to plow due to insolvency or pending foreclosure and (2) public safety could be jeopardized due to lack of vehicle access. Plowing does not transfer ownership of the road or open it

to public use. The road authority may charge the property owners for the service and, if unpaid, the charges may constitute a lien upon the properties within the subdivision and may be collected as a special assessment.

Expiration of this law was changed from May 2, 2013, to May 2, 2014.

*Ch. 127, § 1, amending Minn. Stat. § 160.21, subd. 6, effective retroactively from May 1, 2013.*

**Eminent Domain,  
Buy the Farm**

The “Buy the Farm” law, originally enacted in 1977, allows the owner of real property that is “agricultural or nonagricultural homestead, nonhomestead agricultural land, rental residential property, and both commercial and noncommercial seasonal residential recreational property” to require a utility acquiring land for the route of a high-voltage transmission line to condemn and purchase any amount of land contiguous to the parcel needed for the project, up to and including the entire property.

This year, the legislature set time deadlines in the Buy the Farm statute. Within 60 days after receipt by the utility of an owner’s election to exercise this option, the utility must provide written notice to the owner of any objection the utility has to the owner’s election, and if no objection is made within that time, any objection is deemed waived. Within 120 days of the service of an objection by the utility, the district court having jurisdiction over the eminent domain proceeding must hold a hearing to determine whether the utility’s objection is upheld or rejected. The utility must prove by a preponderance of the evidence that the property elected by the owner is not commercially viable.

Within 120 days of an owner’s election to require the utility to acquire land, or 120 days after a district court decision overruling a utility objection to an election, the utility must make a written offer to acquire that land and amend its condemnation petition to include the additional land.

The other change in the Buy the Farm law relates to changes in the eminent domain law made in 2010, which required public service corporations, including utilities and pipelines, to abide by provisions of law from which they had previously been exempt. These provisions govern compensation to landowners for attorneys’ fees, loss of an on-going business, relocation, and appraisals, as well as petition and notice requirements. Now the law states that all rights and protections provided to an owner under Minnesota Statutes, chapter 117, apply to acquisition of land or an interest in land under the Buy the Farm law. The changes in the statute do not apply to proceedings or actions before the Minnesota Supreme Court on May 1, 2013. However, on May 29, 2013, the state

supreme court ruled that the minimum compensation and relocation benefits were available to landowners who opted to have their entire properties taken under the Buy the Farm law. *Northern State Power Co. v. Aleckson*, 831 N.W.2d 303 (Minn. 2013).

*Ch. 132, § 4, amending Minn. Stat. § 216E.12, subd. 4. The portions relating to time deadlines are effective May 25, 2013, and apply to actions pending or commenced on or after that date. The portions relating to compensation are effective May 25, 2013, and apply to actions commenced on or after that date.*

**Election System  
Technology  
Projects**

The secretary of state may enter into agreements with units of local government for technological projects to enhance the state's election system and the secretary of state may accept federal funds for election officials. The secretary of state must report annually on the amount, source, and use of funds. "Local governmental unit" means a county, home rule charter or statutory city, town, or school district.

*Ch. 142, art. 3, § 8, adding Minn. Stat. § 5.38, effective May 24, 2013.*

**City and Town  
Accounting  
Software**

The state auditor may charge user fees to local government entities for the small city and town accounting system.

*Ch. 142, art. 3, § 10, adding Minn. Stat. § 6.475, effective July 1, 2013.*

**State Auditor  
Enterprise Fund  
Established**

A state auditor enterprise fund was established to receive the fees paid by entities audited. Money in the fund is appropriated to the state auditor to pay costs of audits performed. Fees must be reviewed, and if necessary adjusted, annually and must be approved by the Commissioner of Management and Budget.

*Ch. 142, art. 3, §§ 11 to 13, 33, 37 (part), amending Minn. Stat. §§ 6.48; 6.56, subd. 2; 471.699; adding § 6.581; repealing § 6.58, effective July 1, 2013.*

**Military Leave for  
Public Officers and  
Employees**

Public officers and employees who are members of the National Guard or military reserves may take up to 15 days of leave from their jobs each year without loss of pay, seniority, or other benefits. Now, the officer or employee may choose when during the calendar year to take the 15 days of paid military leave and whether to use all of the 15 days of paid military leave at one time or divided up and taken throughout the calendar year.

*Ch. 142, art. 4, § 1, amending Minn. Stat. § 192.26, effective July 1, 2013.*

**Veteran-owned  
Small Business  
Preferences**

Cities and towns may create a bid preference program for veteran-owned small businesses competing for public contracts for goods and services, including construction-related services. This program is modeled on existing law for state agencies and counties.

*Ch. 142, § 10, adding Minn. Stat. § 471.3457, effective July 1, 2013.*

## **Sales Taxes**

*Exemption.* Most purchases by cities and counties will be exempt from sales taxes beginning January 1, 2014. Most purchases by towns are already exempt. The sales tax continues to apply to goods or services purchased as inputs to goods and services generally provided by a private business, such as those provided by liquor stores, utilities, golf courses, marinas, health and fitness centers, campgrounds, cafes, and laundromats. Goods and services generally provided by a private business do not include housing services, sewer and water services, wastewater treatment, ambulance and other public safety services, correctional services, chore or homemaking services provided to elderly or disabled individuals, or road and street maintenance or lighting.

Purchases by special taxing districts remain taxable. In addition, counties and cities will have to pay sales tax from July 1, 2013, through December 31, 2013, on some new items such as commercial and industrial equipment repair, and digital goods.

*Ch. 143, art. 8, § 29, amending Minn. Stat. § 297A.70, subd. 2, effective beginning with sales and purchases made after December 31, 2013.*

*Report, TNT process.* Each city with a population over 500 and each county must include along with its truth in taxation (TNT) certification of its proposed levy, the amount of sales and use tax paid or estimated to have been paid in 2012. The TNT notice must include a separate statement providing a list of sales and use tax amounts certified by the county and cities, and the county and city must discuss the savings as a result of the sales tax exemption at the TNT hearing.

*Ch. 143, art. 4, § 47, effective May 24, 2013, for taxes levied in 2013, payable in 2014.*

## **Local Sales Taxes**

A political subdivision may now expend funds to (1) disseminate information included in a city council or county board resolution adopting the imposition of a local sales tax; (2) provide notice of and conduct forums for expression of public opinion on the referendum; and (3) provide facts and data on the impact of a proposed sales tax and on the programs and projects that are proposed to be funded with the local sales tax. Previously, a political subdivision could only spend funds to conduct the required referendum for a local sales tax.

*Ch. 143, art. 8, § 43, amending Minn. Stat. § 297A.99, subd. 1, effective May 24, 2013.*



## Property Tax Aids and Credits

### **Disparity Reduction Credit**

The disparity reduction credit for commercial-industrial and apartment properties in the four border cities of Moorhead, Dilworth, East Grand Forks, and Breckenridge is increased by reducing the maximum property tax rate from 2.3 percent to 1.9 percent beginning with taxes payable in 2014.

The state directly reimburses the local governments for the lost property tax revenue due to the credit. The amount received by each local government is proportional to its share of the total taxes on that property.

*Ch. 143, art. 2, § 1, amending Minn. Stat. § 273.1398, subd. 4, effective beginning with property taxes payable in 2014.*

### **Supplemental Aid for Police and Firefighter Retirement**

Annual state payments of \$15.5 million per year will be made to the various police and firefighter pension funds. Each year, \$9 million will be paid to the Public Employees Retirement Association (PERA) for the police and fire fund; \$5.5 million per year will be paid by formula to municipalities with voluntary firefighters that do not participate in the PERA; and \$1 million will be paid to the Minnesota State Retirement System for deposit in the state patrol fund. The payments are made by October 1 of each year.

The payment of the \$5.5 million to municipalities with non-PERA firefighters will be based on their share of fire state aid compared to the total fire state aid for all municipalities in this group. The aid allocated to any municipality participating in the voluntary statewide lump sum volunteer firefighter retirement plan will have its supplemental aid paid directly to that fund.

These supplemental aid payments to a retirement plan end the year after the fund meets or exceeds 90 percent funding according to an actuarial evaluation.

*Ch. 143, art. 2, § 6, adding Minn. Stat. § 423A.022, effective beginning in fiscal year 2014, with first payment on October 1, 2013.*

### **Local Government Aid (LGA) Payments to Cities**

The LGA program for cities underwent a major restructuring this year. The old distribution formula was replaced, the majority of money distributed “off formula” was eliminated, and the appropriation was increased by \$80 million, to \$507.6 million for aids payable in 2014.

The new formula distributes new money based on the gap between a city’s unmet need determined by the LGA formula and its aid in the previous year. “Unmet need” is equal to a percentage of the difference between (1) a city’s need per capita multiplied by its population, and (2) the average city tax rate multiplied by a city’s equalized tax base. The percent, which is about 19 percent for 2014, is whatever is necessary to

distribute the entire LGA appropriation.

The “need per capita” for cities is determined as follows:

- **For small cities (population less than 2,500):** need per capita is based solely on city size
- **For medium size cities (population between 2,500 and 10,000):** need per capita is based on (1) percent of housing built before 1940, (2) household size, and (3) population decline from a city’s peak population in the last 40 years
- **For large cities (population over 10,000):** need per capita is determined by (1) jobs per capita, and (2) age of housing stock (both housing built before 1940 and housing built between 1940 and 1970), and (3) a sparsity adjustment for cities with a population less than 150 per square mile

No city may receive less in 2014 than its 2013 amount plus adjustments. In future years, a city’s aid may decrease if its current aid is more than enough to fund its total unmet need. Decreases are limited to the lesser of 5 percent of the city’s levy in the previous year or \$10 per capita.

Three additional payments are made to individual cities, outside of the formula as follows:

- Warroad: \$150,000 per year for five years
- Red Wing: \$1,000,000 for 2014 only
- Mahnomen: \$160,000 per year permanently

The LGA appropriation increases to \$509.1 million for 2015 and \$511.6 million for 2016 and thereafter.

*Ch. 143, art. 2, §§ 7 to 12, 14 to 16, 18, 36, para. (a), amending Minn. Stat. §§ 477A.011, subds. 30, 34, 42, adding subds. 30a, 44, 45; 477A.013, subds. 8, 9, adding subd. 13; 477A.03, subd. 2a; repealing §§ 477A.011, subd. 2a, 19, 29, 31 to 33, 36, 39 to 41; 477A.0133; 477A.0134; effective for aids payable in 2014 and thereafter.*

### **Early LGA for Cities Located in a Disaster Area**

A city that is located in a disaster area for a severe ice storm that occurred in April 2013 will get its entire 2013 LGA payment on July 20, 2013. Normally LGA payments are divided with the second half paid on December 26. The disaster covers portions of Cottonwood, Jackson, Murray, Nobles, and Rock counties.

*Ch. 143, art. 2, § 17, amending Minn. Stat. § 477A.015, effective for aids payable in 2013.*

**LGA Payments to Towns**

Beginning in 2014, towns will once again receive LGA payments. Town LGA was last paid in 2001. The new formula for town aid is equal to the product of: (1) a town's agricultural property factor; (2) its town area factor; (3) its population factor; and (4) 0.0045.

"Agricultural property factor" is defined as the ratio of (1) the total value of the sum of homestead and nonhomestead agricultural property, rural vacant land, and noncommercial seasonal recreational property to (2) total value of all property in the town. This factor may not exceed 8.

"Town area factor" is the total acreage in the town, up to a maximum of 50,000 acres.

"Population factor" is the square root of the town's population.

The appropriation of town LGA is set at \$10 million annually. If the total aid for all towns calculated under the formula exceeds the \$10 million, the distribution to each town must be reduced proportionately.

*Ch. 143, art. 2, §§ 13, 20, amending Minn. Stat. §§ 477A.013, subd. 1; 477A.03, adding subd. 2c, effective beginning with aids payable in 2014.*

**County Program Aid (CPA)**

The appropriation for county program aid is increased by \$40 million per year for aids payable in 2014 and thereafter by increasing the appropriation for "need aid" and "tax base equalization aid" each by \$20 million. The amount paid annually under "need aid" is increased to \$100,795,000, and the amount paid under tax-base equalization aid is increased to \$104,909,575. No change was made to the distribution formulas.

*Ch. 143, art. 2, § 19, amending Minn. Stat. § 477A.03, subd. 2b, effective beginning with aids payable in 2014.*

**Payments in Lieu of Taxes (PILT)**

A number of changes were made to the payment in lieu of taxes (PILT) program. Some of the changes were recommendations from the Department of Natural Resource's report to the legislature *Payment in Lieu of Taxes for State Natural Resources Lands*, issued December 1, 2012.

Recommendations from the report that were adopted include:

- providing a purpose statement for the program;
- changing the appraisal schedule of acquired natural resources land from five years to six years to match the appraisal schedule for other tax-exempt property;
- requiring that 10 percent of the amount received by the county for each acre of acquired natural resource, transportation wetland,

- county-administered, land-utilization, and commissioner-administered land must be paid to each organized township; and
- consolidating all the PILT payments into Minnesota Statutes, chapter 477A, including the PILT payments in Minnesota Statutes, chapter 97A, for goose crop lands, public hunting lands, and Camp Ripley game refuge, as well as a payment to Chisago County for land in St. Croix Wild River State Park under special law. The payment and distribution schedules for these lands were not changed.

In addition to the report recommendations, PILT payments rates are increased for some, but not all, types of natural resource lands. Increased payments include:

- an increase from \$1.283 per acre to \$1.50 per acre for county-administered other natural resource land;
- an increase from \$1.283 per acre to \$5.33 per acre for land utilization project (LUP) land; and
- an increase from \$0.642 per acre to \$1.50 per acre for commissioner-administered other natural resources land.

The Commissioner of Natural Resources is also provided \$300,000 annually under the PILT program to pay for local drainage special assessments on natural resource land.

*Ch. 143, art. 2, §§ 22 to 32, 36, para. (b), adding Minn. Stat. § 477A.10; amending Minn. Stat. §§ 477A.011, subds. 3, 4, adding subds. 6, 7, 8; 477A.12, subds. 1 to 3, as amended by ch. 144, § 17; 477A.14, subd. 1, adding subd. 3; repealing § 97A.061, Laws 1973, ch. 567, § 7, as amended by Laws 1977, ch. 403, § 12; effective for aids payable in 2014 and thereafter.*

## **Taconite Aids and Credits**

*Taconite homestead credit.* The production tax distribution to the fund that pays for the taconite homestead credit is reduced by nine cents per ton (from 43.8 cents per ton to 34.8 cents per ton). The distribution is reduced to allow increased taconite payments to school districts made in the tax bill. This fund has a large surplus so this change will have no effect on taconite homestead credit payments in the foreseeable future.

*Ch. 143, art. 11, § 6, amending Minn. Stat. § 298.28, subd. 6, effective beginning with the 2014 distribution.*

*2013 onetime taconite tax distributions.* When a surplus builds up in a taconite fund, the excess is often used to make onetime distributions to finance specific infrastructure projects in the area. The list for this year is unusually long. The list in chapter 143 supersedes the original list in chapter 85. The corrections bill (chapter 144) included the payment to Grand Marais, which was erroneously listed as a payment to Grand Rapids in chapter 143. The final corrected list of payments are as follows:

- Biwabik: 2.5 cents per ton for city water system
- Buhl: 2.5 cents per ton for a roof on the Mesabi Academy
- Chisholm: 0.7 cents per ton for public works infrastructure
- Cook: 1.5 cents per ton for street improvements, a business park, and a maintenance garage and 0.5 cents per ton for a water line project
- Crane Lake Water and Sanitary District: 1.8 cents per ton for a sewer extension
- Crystal Bay: 0.6 cents per ton for a transportation center
- Ely: 0.9 cents per ton for a sanitary sewer replacement
- Eveleth: 1.8 cents per ton for street reconstruction and a city auditorium
- Gilbert: 1.2 cents per ton for a street project
- Grand Marais: 0.5 cents per ton for an economic development project
- Grand Rapids: 2.4 cents per ton for a heat-transfer system and parking lot repair
- Greenway Joint Recreation Board: 0.5 cents per ton for the Coleraine hockey arena renovation
- Hibbing: 5.1 cents per ton for its water supply system and 2.5 cents for the Memorial Building
- Keewatin: 0.5 cents per ton for utility improvements
- Mountain Iron: 4.3 cents per ton for moving utilities
- Tower: 2 cents per ton for a marina
- Two Harbors: 2.4 cents per ton for its wastewater treatment plant
- Virginia: 3.3 cents per ton for street infrastructure and park improvements
- West Range Regional Fire Hall and Training Center: 1.2 cents per ton to merge the fire services for Coleraine, Bovey, Taconite, Marble, Calumet, and Greenway Township

*Ch. 143, art. 11, § 10, as amended by ch. 144, § 27, effective for 2013 distributions only. Supersedes ch. 85, art. 5, § 46.*

## **Property Taxes**

### **Water Plans and Soil and Conservation Plans**

A number of minor changes were made to the financing and administration of water management plans and soil and conservation plans.

*Levy authority.* The authority for local governments (city, county, or town) to levy to implement local water management plans adopted by county boards is expanded to include implementation costs related to comprehensive watershed management plans developed by a watershed district and county groundwater plans. A county may also levy for *all* reasonable costs of soil and water conservation districts and watershed

districts rather than just *increased* costs.

*Ch. 143, art. 4, § 2; amending Minn. Stat. § 103B.335, effective July 1, 2013.*

*Financial assistance.* A county that implements a water implementation tax to raise matching funds for base grants awarded by the Board of Water and Soil Resources (BWSR) must now levy at a rate high enough to raise a minimum amount determined by BWSR; previously BWSR set the rate rather than the amount. A metropolitan county may now use its conservation fees (a \$5 fee on mortgage and deed recordings/registrations) as matching funds for the base grants or to supplement state funding and to address high-priority needs in local water management plans or comprehensive watershed management plans.

*Ch. 143, art. 4, § 3; amending Minn. Stat. § 103B.3369, subd. 5; effective July 1, 2013.*

*Cost-sharing funds.* BWSR now has more flexibility in allocating cost-sharing funds. The old law required 70 percent of the funds to go to high-priority problems selected based on statewide priorities and no more than 20 percent for technical and administrative assistance. The allocation percentages have been eliminated. Funds for technical assistance are to be used to leverage federal or other nonstate funds or address high-priority needs in local water management plans or comprehensive watershed management plans.

*Ch. 143, art. 4, § 4; amending Minn. Stat. § 103C.501, subd. 4; effective July 1, 2013.*

*Soil loss ordinances.* Counties, cities, and towns may now use the soil loss tolerance for each soil type developed by BWSR, in addition to those in the United States National Resources Conservation Service Field Office Technical Guide, which is currently the only approved source. (Soil loss tolerance is the maximum annual rate of soil loss by erosion that will permit crop productivity to be sustained.) The soil loss ordinances must be consistent with the local water management plan, adopted under any of the existing statutes.

*Ch. 143, art. 4, § 5; amending Minn. Stat. § 103F.405, subd. 1; effective July 1, 2013.*

### **Holding Property for Economic Development**

The allowed time that a political subdivision may hold property awaiting development as exempt and off the tax rolls is increased from nine years to 15 years under either of two conditions: (1) the property was acquired after January 1, 2000, and before December 31, 2010, regardless of location; or (2) the property is located in a city with a population of 20,000 or less located outside the seven-county metropolitan area. Previously only cities with a population of 5,000 or less located outside the metropolitan area were allowed to hold the property for 15 years; the limit was nine years for property in all other cities.

*Ch. 143, art. 4, § 12; amending Minn. Stat. § 272.02, subd. 39; effective for assessment year 2013 and thereafter and for taxes payable in 2014 and thereafter.*

**Delinquent  
Property Taxes**

A confession of judgment for delinquent property taxes for any commercial or industrial property (class 3a) now must be approved by the county auditor. Previously confessions of judgment for class 3a properties were limited to properties valued at \$500,000 or less and didn't require county auditor approval. The county auditor may also require conditions including, but not limited to, environmental remediation when considering eligibility for class 3a properties. A "confession of judgment" is a written agreement or statement by the property owner that payment of property taxes is delinquent.

Special assessment authorities may now waive or abate repayment of a portion of special assessments on class 3a property. They also have the option, as a precondition of the confession of judgment, to abate and reassess the special assessments.

*Ch. 143, art. 4, § 22; amending Minn. Stat. § 279.37, subd. 1a; effective for assessment year 2013 and thereafter and for taxes payable in 2014 and thereafter.*

**Levy Limits**

Counties with a population over 5,000 and cities with a population over 2,500 are subject to levy limits for taxes payable in 2014 only. The levy limit base is 103 percent of the certified levy plus the certified county program aid (CPA) or local government aid (LGA) for taxes payable in 2012 or 2013, whichever is greater. The levy limit is the levy limit base minus the certified CPA or LGA for 2014. The levy limit for any city or county may not be less than the certified levy for taxes payable in 2012 or 2013, whichever is greater. The levies for debt and natural disaster costs, as well as referendum levies are in addition to the levy limit.

*Ch. 143, art. 4, § 48, as amended by ch. 144, § 18; effective for taxes levied in 2013, payable in 2014, only.*

**Definition of  
Market Value**

In 2011, the market value credit was repealed and replaced with a market value credit exclusion. The change from a credit to an exclusion had the unintended consequence of reducing a number of local government levy, tax, spending, debt, and similar limits that are currently based on "market value" or "taxable market value." This issue was identified by local government organizations after the end of the 2011 special session, and these groups worked with legislative staff on a solution. The solution, which was vetoed in 2012 as a part of that year's omnibus tax bill, defined "estimated market value" to be the fair market value of property before exclusions and other value adjustments and tax deferrals. This newly defined value was enacted this year and substituted in place of "market value" in the various laws as needed in order to maintain the old limits.

*Ch. 143, art. 14, amending various sections of Minnesota Statutes, effective May 24, 2013.*

**Lease of Tax-exempt Property Owned by Local Governments**

The property tax imposed on leased tax-exempt property applies to property owned by a local unit of government. This is a clarification of current law.

*Ch. 143, art. 17, § 10, amending Minn. Stat. § 273.19, subd. 1, effective May 24, 2013.*

**Delinquent Property Tax Notice**

The required text for notice of delinquent property taxes is changed by removing information on redemption time limits for different types of property. Now the county auditors will need to include a separate narrative description of the redemption periods in the notice.

*Ch. 143, art. 17, § 13, amending Minn. Stat. § 279.06, subd. 1, effective for notices required after December 31, 2013.*

**Senior Deferral Program Notices**

The lien notices recorded under the senior deferral program no longer need to be notarized or contain other attestation, acknowledgement, or certification.

*Ch. 143, art. 17, § 14, amending Minn. Stat. § 290B.04, subd. 2, effective for notices executed and recorded after June 30, 2013.*

**Public Finance, Economic Development**

**JOBZ Audits**

The legislative auditor, rather than the state auditor, will audit JOBZ. The audits will be done as resources allow. Parties to JOBZ agreements must provide documents and data needed by the legislative auditor.

*Ch. 142, art. 3, § 32, amending Minn. Stat. § 469.3201, effective July 1, 2013.*

**Border City Program**

The legislature authorized the allocation of \$1.5 million from the general fund for border city enterprise zone and border city development zone tax reductions for the coming biennium. This allocation is divided equally between the two programs (\$750,000 to each), but the city can reallocate the amounts between the two programs. The allocation is divided among the qualifying border cities on a per capita basis. The five cities that qualify are Moorhead, Dilworth, East Grand Forks, Breckenridge, and Ortonville.

*Ch. 143, art. 9, § 2, amending Minn. Stat. § 469.169, by adding subd. 19, effective July 1, 2013.*

**Tax Increment Financing (TIF)**

Special TIF law exceptions are described in the Special Legislation section, starting on page 27.

*General government use.* Local governments may now use tax increments for improvements and equipment that either primarily serve a decorative or aesthetic purpose or whose costs are more than 100 percent



higher because of the selection of the materials or designs compared with more commonly used ones. These uses were previously prohibited.

*Ch. 143, art. 9, § 4, amending Minn. Stat. § 469.176, subd. 4g, effective May 24, 2013, but applies only to the amount spent after that date.*

*Four-year rule.* The temporary two-year extension of the four-year rule that applies to TIF districts certified between January 1, 2005, and April 20, 2009, is extended through December 31, 2016.

*Ch. 143, art. 9, § 5, amending Minn. Stat. § 469.176, subd. 6, effective May 24, 2013, and applies to districts certified on or after January 1, 2005, and before April 20, 2009.*

*Tax rate adjustment for the new general education levy.* The tax rate attributable to the new general education tax rate passed in the 2012 session is not included in the certified original tax rate. This will prevent the tax generated by applying this rate to the captured tax capacity from generating tax increment. Taxes paid by captured tax capacity of TIF districts that are attributable to the new general education levy will be paid to the school district that imposed the levy.

*Ch. 143, art. 9, §§ 6, 9, amending Minn. Stat. § 469.177, subds. 1a, 9, effective for districts for which the request for certification is made after April 15, 2013.*

*Adjustment to original net tax capacity for HMVE.* Development authorities may elect to reduce the original net tax capacity of a TIF district for the effects of enactment of the homestead market value exclusion (HMVE) enacted in 2011. Reductions in original tax capacity have the effect of increasing captured tax capacity and the amount of tax increment for the district.

The authority must elect to do this before July 1, 2014, and it must be made by July 1, 2013, to apply for taxes payable in 2014. The election must be approved by the city in which the TIF district is located, or the county for TIF districts located in towns. The election is limited to “qualified TIF districts”—generally districts that have large losses in captured tax capacity as a result of enactment of the HMVE.

To qualify for the election, a district must satisfy three criteria:

- (1) The district received a homestead market value credit of \$10,000 or more for taxes payable in 2011 (the last year before the credit was replaced by the HMVE).
- (2) The district’s captured net tax capacity must have dropped by at least 1.75 percent as a result of the HMVE for taxes payable in 2013 (the most recently available year).
- (3) Either the district’s five-year rule must still be open (that is, the increments are still permitted to be spent) or the district must not have enough increment to pay its outstanding bonds.

For a qualified district, the subtraction will equal the reduction in net tax capacity of the TIF district that results from the HMVE for taxes payable in 2013. The subtraction cannot reduce original net tax capacity below zero.

*Ch. 143, art. 9, § 7, amending Minn. Stat. § 469.177, adding subd. 1d, effective May 24, 2013, for all districts.*

*Adjustment to original net tax capacity for low-income housing.* A district that was certified in calendar year 2011 and has 75 percent of its value in class 4d (low-income housing) apartment property and has a per unit market value of more than \$115,000 will have its original net tax capacity reduced by its original net tax capacity or \$20,000, whichever is less. The adjustment expires for property taxes payable in 2021. Reductions in original tax capacity have the effect of increasing captured tax capacity and the amount of tax increment for the district. An authority or property owner in the district must notify the county assessor that it qualifies for the reduction by July 1, 2013. It is likely that only one district in the city of Minneapolis qualifies for this adjustment.

*Ch. 143, art. 9, § 8, amending Minn. Stat. § 469.177, by adding subd. 1e, effective beginning with taxes payable in 2014, and expires December 31, 2021.*

### **Local Government Investment Authority**

Local governments now have expanded options for investing local government funds. The authority to invest in municipal securities is expanded to include the following:

- Revenue obligations of local governments without taxing authority, if the obligations are rated AA or better. Under prior law, the issuing governmental unit was required to have taxing power.
- Any short-term school district obligation (13 months or less) if it is either (1) rated in the highest rating category, or (2) covered by the state credit enhancement program.

They may also now invest in short-term guaranteed investment contracts (GICs) of 18 months or less, if the issuer's or guarantor's short-term debt is rated in the highest rating category. This will allow purchase of short-term GICs issued by companies whose long-term debt is rated below the top two rating categories.

*Ch. 143, art. 12, §§ 1, 2, amending Minn. Stat. §§ 118.04, subd. 3; 118.05, subd. 5, effective July 1, 2013.*

## **Capital Notes**

The definition of “capital equipment” for which county and city capital notes may be issued is modified to include development and training services sold with computer hardware and software.

*Ch. 143, art. 12, §§ 4, 8, 9 amending Minn. Stat. §§ 373.01, subd. 3; 410.32; 412.301, effective July 1, 2013.*

## **Capital Improvement Program (CIP) Bonding**

The list of facilities and expenditures that a city, county, or town may finance with CIP bonds is expanded to include the following:

- Public works facilities
- Fairgrounds buildings
- Records and data storage facilities
- Expenditures incurred before adoption of the plan, if the expenditures are included in the plan

CIP bonds can be issued without referendum approval, but issuance is subject to a reverse referendum. However, the following three changes were made to the reverse referendum requirement:

- the 5 percent petition requirement is now tied to the number of voters in the last general election of the particular local government rather than to the most recent general election
- the Commissioner of Revenue no longer needs to prepare the ballot question
- a local government cannot propose issuing CIP bonds for a one-year period if a reverse referendum petition is filed and the local government chooses not to issue the bonds rather than hold an election to approve them. If the issue is submitted and the voters do not approve, the issue can be resubmitted to the voters after 180 days.

*Ch. 143, art. 12, §§ 5, 6, 15, 16, amending Minn. Stat. §§ 373.40, subds. 1, 2; 475.521, subds. 1, 2 effective July 1, 2013.*

## **Street Reconstruction Bonds**

Counties, cities, and towns may now use street reconstruction bonds for bituminous overlay projects, which under prior law were not considered reconstructions. Also, expenditures incurred before adoption of the capital improvement plan can be financed with the bonds, if the expenditures are included in the plan.

Similar to county and city CIP bonds, a local government cannot propose issuing street referendum bonds for a one-year period if a reverse referendum petition is filed and the local government chooses not to issue the bonds, rather than holding an election to approve them. If the issue is submitted and the voters do not approve, the issue can be resubmitted to the voters after 180 days.

*Ch. 143, art. 12, § 17, amending Minn. Stat. § 475.58, subd. 3b, effective July 1, 2013.*

**Bond Allocation Carryover** Unused carryovers of entitlement issuers' bond allocations from 2011 will not be deducted from their entitlement allocation in 2013. General law would require any unused allocations to be deducted from the allocation in the next year. Any reallocations by the Commissioner of Management and Budget of bonding authority that have already occurred under the general law are rescinded.

*Ch. 143, art. 12, § 19, effective May 24, 2013, and applies retroactively to any reallocations that have occurred under Minn. Stat. § 474A.04, subd. 1a.*

## Cities

---

**Brewer Taproom Licenses** A city with a municipal liquor store may issue a taproom license.  
*Ch. 42, § 1, amending Minn. Stat. § 340A.301, subd. 6b, effective May 8, 2013.*

**Host Community Economic Development Grants** The legislature created a host community economic development grant program in the Department of Employment and Economic Development to finance the capital costs of acquiring or improving public lands or buildings or other publicly owned capital improvements. Eligible projects are development and redevelopment projects that will generate economic development in a host community. A host community is a city in the seven-county metropolitan area that is the site of a waste disposal facility that accepts unprocessed mixed municipal solid waste generated in the metro area. The legislature appropriated \$875,000 each year of the biennium from the general fund for the program.

*Ch. 85, art. 1, § 3, subd. 2, para. (r), effective July 1, 2013; art. 3, § 3, adding Minn. Stat. § 116J.548, effective May 24, 2013.*

**Barber Shop Hours** The law that allows cities to regulate barber shop hours was amended to clarify that this power is in addition to all other applicable local regulations.

*Ch. 85, art. 5, § 17, amending Minn. Stat. § 154.26, effective July 1, 2013.*

**Local Government Aid (LGA)** The LGA program for cities underwent a major restructuring this year. In addition, the legislature authorized early payment of LGA to cities in the area affected by the severe ice storm in April. See the "Property Tax Aids and Credits" section beginning on page 11.

**Special Service Districts and Housing Improvement Areas**      Cities may continue to establish new special service districts and housing improvement areas without seeking special authorizing legislation until June 30, 2028. This authority would have expired June 30, 2013.

*Ch. 143, art. 4, §§ 30, 31, amending Minn. Stat. §§ 428A.101; 428A.21, effective May 24, 2013.*

## Counties

---

**Mine Inspections**      The law governing county inspection of mines was updated. It was originally enacted in 1905 and has not been updated in many years. “Mining” in this law relates only to mining of metallic minerals.

*Ch. 38, amending Minn. Stat. §§ 180.01; 180.02; 180.03; 180.04; 180.05; 180.08; 180.10; 180.11; 180.12; 180.13; adding 180.015; repealing Minn. Stat. §§ 180.06, 180.09, effective August 1, 2013.*

**County Noxious Weeds**      “County noxious weeds” is established as a category of noxious weeds that are designated by individual county boards. The designations must be approved by the Commissioner of Agriculture, in consultation with the Noxious Weed Advisory Committee. Each county board must submit newly proposed county noxious weeds to the Commissioner of Agriculture for review. Approved county noxious weeds must be posted with the county’s general weed notice prior to May 15 each year. Counties are solely responsible for developing county noxious weed lists and their enforcement.

The Noxious Weed Advisory Committee is expanded to include a member from the Minnesota Association of County Land Commissioners.

*Ch. 114, art. 2, §§ 21, 27, adding Minn. Stat. § 18.771; amending § 18.91, subd. 2, effective July 1, 2013.*

**Timber Sales**      A county may set the terms and conditions of timber sales on tax-forfeited lands.

*Ch. 114, art. 4, § 95, amending Minn. Stat. § 282.04, subd. 1, effective July 1, 2013.*

**County Wheelage Tax**

All counties may now impose a wheelage tax to fund the county road and bridge fund. Previously, only metropolitan area counties could impose the tax at \$5 per vehicle. From January 1, 2014, through December 31, 2017, any county may impose a tax of \$10 per year, per vehicle. Beginning January 1, 2018, a county may impose up to \$20 per year, in any increment of a whole dollar.

*Ch. 117, art. 3, § 4, amending Minn. Stat. § 163.051, effective May 24, 2013, and applies to a registration period under Minn. Stat., ch. 168, starting on or after January 1, 2014.*

**Motor Vehicle Lease Sales Tax Revenue**

For 2014 and 2015 only, \$9 million per year of the revenue from sales taxes on leased motor vehicles is allocated to Anoka, Carver, Dakota, Scott, and Washington counties for county roads and the remainder is provided to Greater Minnesota transit. This means that more than 50 percent is allocated to Greater Minnesota transit for this biennium. Starting in 2016, the allocation reverts to the previous formula of 50 percent to certain county roads and 50 percent to Greater Minnesota transit. The forecasted amount for motor vehicle lease sales tax revenue to transportation purposes is about \$27 million in fiscal year 2014 and \$30 million in fiscal year 2015.

*Ch. 117, art. 3, § 24, amending Minn. Stat. § 297A.815, subd. 3, effective January 1, 2014.*

**Greater Minnesota Local Option Transportation Sales Tax**

A county in Greater Minnesota may impose the local option transportation sales tax by board resolution after a hearing instead of holding a referendum.

Proceeds of the tax may be used to fund transit capital and ongoing operations as well as projects in the safe routes to school program.

*Ch. 117, art. 3, §§ 25, 26, amending Minn. Stat. § 297A.993, subds. 1, 2, effective May 24, 2013.*

**Public Official**

County commissioners are now “public officials” for the purposes of the campaign finance and public disclosure law. If an official is both a “public official” and a “local official” as defined in the law (these officials include county commissioners of metropolitan-area counties), the official is only required to file a statement of economic interest with the Campaign Finance and Public Disclosure Board and is not required to file a second statement with the local political subdivision.

*Ch. 138, art. 2, §§ 1, 5, amending Minn. Stat. §§ 10A.01, subd. 35; 10A.09, subd. 6a, effective January 1, 2014, and applies to public officials elected or appointed to terms of office commencing on or after that date.*

**County Veteran  
Service Office Grant  
Program**

Grants are awarded to county veteran service offices (CVSOs) on a three-year rotating basis, with one-third of the counties eligible in each year. A county becomes ineligible for a grant if it has hired a new county veterans service officer who, following a probationary period, does not achieve certification from the Minnesota Department of Veterans Affairs for that position within one year.

Under this law, as soon as a newly hired county veterans service officer becomes certified, the county is again eligible for grants.

The law specifies purposes or uses for the grants, including outreach to veterans, assisting with veteran reintegration, collaboration with other CVSOs and veteran service providers, reducing veteran homelessness, and enhancing office operations.

*Ch. 142, art. 4, §§ 2 to 6, amending Minn. Stat. § 197.608, subs. 1, 3, 4, 5, 6, effective July 1, 2013.*

**Report on Property  
Classified as  
Residential or  
Agricultural  
Homestead**

By May 15, 2014, each county auditor must submit to the Commissioner of Revenue a complete list of all homestead or agricultural homestead property along with:

- (1) the amount of property taxes payable;
- (2) the name and address of the owner;
- (3) the Social Security number of the owner or owners; and
- (4) any other information required by the commissioner.

The commissioner will use this onetime information, matched with income tax data, to notify all eligible property taxpayers of the enhanced property tax refund program, now renamed the homestead credit refund.

*Ch. 143, art. 1, § 5, adding Minn. Stat. § 290A.28, effective for refund claims based on property taxes payable in 2014.*

**County Program  
Aid (CPA)**

See “County Program Aid (CPA)” on page 13.

**Assessors**

*Data.* Social Security numbers, copies of state or federal income tax returns, and state or federal income tax return information are private or nonpublic data when they are submitted to a county or local assessor to support a claim for the property tax homestead classification or other property tax classification or benefit.

The assessor must disclose the data to the Commissioner of Revenue as provided by law. The assessor shall also disclose all or portions of the data to the county treasurer solely for the purpose of proceeding under the Revenue Recapture Act to recover personal property taxes owed.

*Ch. 82, §§ 20 to 24, amending Minn. Stat. § 273.124, subd. 13; adding §§ 273.1245;*

*273.1315, subd. 1; 273.1315, subd. 2; 290A.25; effective May 24, 2013.*

*Sanctions.* An assessor may now be censured, warned, or fined by the Board of Assessors, in addition to the previously possible sanctions of suspending, revoking, or refusing to grant a license. These new sanctions can apply to unlicensed assessors as well. The causes for sanctions are expanded to explicitly include failure of an assessor to perform his or her duties through malfeasance, misfeasance, or nonfeasance.

*Ch. 143, art. 4, § 8, amending Minn. Stat. § 270.41, subd. 3, effective July 1, 2013.*

*Accreditation.* Every individual who appraises or physically inspects property for property tax valuation or classification purposes must become licensed as an accredited assessor by July 1, 2019, or by four years after becoming a licensed assessor, whichever is later.

*Ch. 143, art. 4, § 11, adding Minn. Stat. § 270C.9901, effective January 1, 2014.*

*Commissioner review.* The Commissioner of Revenue is now required to investigate and recommend appropriate sanctions against a local assessor if a county assessor files a written complaint. Previously, the only required review was if the commissioner received a written petition signed by either 10 percent of the registered voters at the last general election or 5 percent of property owners. The commissioner retains the option of investigating an assessor without a written complaint.

*Ch. 143, art. 4, §§ 15, 16, amending Minn. Stat. §§ 273.061, subd. 2; 273.0645, effective July 1, 2013.*

*Land exchanges.* Assessors may now perform within their jurisdictions appraisals for land exchanges. This is an expansion of the list of property appraisals that they may perform for nontax purposes. In addition, county assessors don't need to be licensed as real estate appraisers in order to do land exchange appraisals.

*Ch. 143, art. 17, §§ 3, 17, amending Minn. Stat. §§ 270.41, subd. 5; 373.01, subd. 1, effective May 24, 2013.*

## **Mortgage Registry and Deed Tax**

*Interest on penalties.* Interest on penalties under the mortgage registry and deed tax chapter (Minnesota Statutes, chapter 287) will now run from the time the penalty was assessable. Previously the interest began on the date the payment was required, including any extensions.

*Ch. 143, art. 18, § 5 amending Minn. Stat. § 289A.55, subd. 9, effective May 24, 2013.*



## Towns

---

<b>Local Government Aid (LGA) Payments to Towns</b>	Beginning in 2014, towns will once again receive LGA payments. Town LGA was last paid in 2001. For more information on the town LGA, see the “Property Tax Aids and Credits” section beginning on page 11.
---	--

## Special Legislation

---

**Apple Valley**      Until December 31, 2022, the city of Apple Valley may create TIF districts under special rules in a defined area of the city. Before using this authority, the city must find that 70 percent of the defined area has one or more of the following conditions (a parcel is treated as wholly meeting a requirement if 70 percent of its area meets the requirement, except a 30 percent test applies for the substandard building requirement):

- Peat or other geotechnical difficulties with the soil that “impair” the ability to develop the parcel
- Substantial fill is required for commercial development
- Landfills, dumps, or similar conditions
- Quarries (e.g., gravel pits) or similar
- Floodway
- Substandard building(s), as defined under the TIF blight test under general law, on the parcel

The city may also create a new type of TIF district—a soils deficiency district—with special qualifying rules. This authority roughly mirrors a similar type of district that existed under an old TIF law, which was repealed by the legislature in the 1990s. To qualify, 70 percent of the area would need to have soils or terrain difficulties with estimated correction costs (basically grading or filling) that exceed the fair market value of the property (but not counting the cost of roads and other public improvements that landowners could be specially assessed for). These soils deficiency districts would be allowed to collect 21 years of increments and would be limited to spending increments on land acquisition, soils correction, additional cost of public improvements attributable to the soils problems, and administrative expenses. These expenditures would qualify if they are made for these types of costs anywhere in the defined area.

The following exceptions to general law TIF rules would apply to new districts created in the defined area. Any type of TIF district, except an economic development district or housing district, could be created in the

area and qualify for these special rules.

- The five-year rule is extended to ten years. Under general law, the five-year rule limits the period of time that in-district expenditures (under the percentage-pooling rules) may be spent. This is intended to ensure that after a reasonable period of time, tax increments are used to pay off development costs and to put the property back on the tax rolls.
- The pooling percentage is increased from 20 percent to 80 percent but the increment would need to be spent in the area defined by the law (i.e., the project area could not extend beyond these boundaries).

*Ch. 143, art. 9, § 18, effective upon local approval, which was completed July 15, 2013.*

Apple Valley may also use TIF to provide improvements, loans, subsidies to buildings and facilities if: (1) the projects will create or retain jobs, including construction jobs, in Minnesota; (2) construction of the project will not begin before July 1, 2014, without the use of TIF; (3) request for certification of the district is made by June 30, 2014; and (4) construction of the project begins by July 1, 2014.

*Ch. 143, art. 9, § 19, effective upon local approval, which was completed July 15, 2013.*

## **Bloomington**

*Fiscal disparities repayment.* Bloomington is relieved of its loan repayment obligations for a four-year period (2015-2018) for a loan it received from the fiscal disparities pool in the late 1980s and 1990s. The state will make the extra payments to the pool instead for those four years.

*Ch. 143, art. 4, § 32; amending Minn. Stat. § 473F.08, subd. 3a; effective beginning with taxes payable in 2015.*

*Public bidding requirement.* The Bloomington Port Authority's exemption from the general law regarding competitive bidding requirements is expanded to include all public improvements constructed in conjunction with and above, below, or adjacent to a development, regardless of the source of port authority funds used. Under prior law, this exception was limited to structured parking constructed in conjunction with and above, below, or adjacent to the development and required that it be funded with TIF or revenue bonds.

*Ch. 143, art. 9, § 1, amending Minn. Stat. § 469.071, subd. 5, effective upon local approval.*

*Mall of America (MOA) funding; Old Cedar Avenue bridge.* The commercial-industrial tax capacity in the MOA TIF districts are exempt from contributing to the areawide fiscal disparities pool and tax

increments in the MOA TIF districts include the tax that would normally be paid to the areawide pool. This law is effective only if the city enters into a binding, written agreement to rehabilitate or replace the Old Cedar Avenue bridge and transfers increments from these districts to pay for it.

The port authority and city of Bloomington may transfer several parcels between the MOA TIF districts. This will allow these undeveloped parcels on the northern edge of the district containing the mall to be shifted to the district containing the site of the former Met Center. This would have the effect of extending by three years the ability to collect increments from these parcels.

In addition, Bloomington may extend the two MOA TIF districts through 2034 (an 18-year extension for the district containing the mall and 15-year extension for the district containing the Met Center site). During the extension, however, increment would be limited to the amount not paid to the fiscal disparities pool; local tax rates for the city, county, school, and special districts would be computed including the captured tax capacity of the TIF districts. The extensions terminate for taxes payable in 2024, if new improvements, worth at least \$100 million, have not been constructed in District No. 1-G (the district containing the former Met Center) by January 1, 2021.

*Ch. 143, art. 9, § 10, amending Minn. Stat. § 473F.08, by adding subd. 3c, effective beginning for property taxes payable in 2014; ch. 143, art. 9, § 22, effective upon local approval but only if the city enters into a binding agreement to repair, restore, or replace the old Cedar Avenue bridge for bicyclists and recreational use.*

The city of Bloomington must transfer increment from its two MOA TIF districts equal to the amount of increment for taxes payable in 2014 resulting from the fiscal disparities exclusion, to be used to renovate or replace the Old Cedar Avenue bridge. This is estimated to equal about \$9 million.

The city is also prohibited from putting signage on or around the bridge acknowledging contributions, sponsorships, or sale of naming rights to the bridge.

*Ch. 143, art. 9, § 23, effective upon local approval.*

*Bloomington Central Station (BCS) TIF.* The following three changes were made to Bloomington's BCS TIF district:

- The five-year rule was extended from ten years (under 2008 special legislation) to 15 years
- The city may extend the duration of the district through 2039 (an eight-year extension)
- The city may now calculate the district's increment to be

calculated using the current tax rate, not the rate that was in effect when the district was certified

*Ch. 143, art. 9 § 11; amending Laws 2008, ch. 366, art. 5, § 26, effective upon local approval by the city, Hennepin County, and Independent School District No. 271.*

### **Carlton County**

*Liquor license.* Carlton County may issue a on-sale license for a pizzeria in Thomson Township.

*Ch. 42, § 16, effective upon local approval.*

*Sawyer cemetery levy.* Carlton County's authority to levy in and for the unorganized territory of Sawyer for cemetery purposes expired in 2009. This levy authority has been reinstated and made permanent without an annual limit on the revenue raised. The old law had a \$1,000 annual cap on the levy.

*Ch. 143, art. 4, § 34; amending Laws 1999, ch. 243, art. 6, § 11, effective beginning with taxes payable in 2014, and upon local approval.*

### **Central Minnesota Cities**

Each of the six cities that imposes a sales tax under a joint powers agreement may extend the tax in its community from 2018 to 2038, provided the extension is approved by the city voters no later than November 7, 2017, at either a general election or a special election held on the first Tuesday after the first Monday of a November. The vote must still list the projects to be funded from the tax extension but the tax does not have to expire for one year before being re-imposed. The six cities that are in this group are St. Cloud, St. Augusta, Sartell, Sauk Rapids, St. Joseph, and Waite Park.

*Ch. 143, art. 8, §§ 47, 48, amending Laws 2005, 1st spec. sess., ch. 3, art. 5, § 37, subs. 2, 4, effective for each city that completes local approval.*

### **Clearwater**

The city of Clearwater may fund a specified list of park and trail projects with its local sales tax. The total amount of revenue that the city may raise from the sales tax remains the same as it was in the original 2008 authorizing legislation—\$12 million. In the 2011 session, the city was authorized to spend this revenue on projects included in a city-approved plan adopted in 2006; however that plan was never formally adopted. This new list consists of the projects that were included in the improvement plan.

*Ch. 143, art. 8, § 49; amending Laws 2008, ch. 366, art. 7, § 19, subd. 3, as amended by Laws 2011, 1st spec. sess., ch. 7, art 4, § 8, effective upon local approval, which was completed June 24, 2013.*

**Cloquet Area Fire  
and Ambulance  
Taxing District**

*Membership.* Municipalities that are noncontiguous to current member-municipalities may now join this district. The district also is no longer required to offer both fire and ambulance services; it may offer one or the other or both.

*Ch. 143, art. 4, § 36; amending Laws 2009, ch. 88, art. 2, § 46, subd. 1, effective July 1, 2013.*

*Tax rate.* The district board needs to continue to determine the amount of the levy attributable to fire and ambulance services, and the tax rate in municipalities is still limited to a maximum rate of 0.2835 percent of estimated market value. However, the rate in municipalities that receive ambulance services only is now limited to a rate not to exceed 0.019 percent of estimated market value.

*Ch. 143, art. 4, § 37; amending Laws 2009, ch. 88, art. 2, § 46, subd. 3, effective July 1, 2013.*

**Cook-Orr Hospital  
District**

The Cook-Orr Hospital District may now use revenues from parts of its property tax levy to purchase equipment, parts, and replacement parts for ambulances, in addition to the existing authority to purchase ambulances. Also, the revenue from the ambulance portion of the levy must now be divided equally between the Cook ambulance service and the Orr ambulance service.

*Ch. 143, art. 4, § 33; amending Laws 1998, ch. 645, § 3, as amended by Laws 1999, ch. 243, art. 6, § 9; Laws 2000, ch. 490, art. 6, § 15; Laws 2008, ch. 154, art. 2, § 30; effective July 1, 2013.*

**Dakota County  
Community  
Development  
Agency**

*Minnesota Investment Fund (MIF).* The Dakota County Community Development Agency (CDA) may apply for and receive state money from the MIF if the county board adopts a resolution in support of it, and the county board members are the members of the CDA.

*Ch. 85, art. 3, § 22, adding Minn. Stat. § 383D.412, effective July 1, 2013.*

*Redevelopment TIF district.* The Dakota County CDA may establish a redevelopment TIF district in the city of West St. Paul. This district will consist of the parcels of a redevelopment district that was decertified in 2012; the original tax capacity of the district is set at \$93,239. The district is treated as a redevelopment district, but it must be decertified in 2023.

This district is exempt from the following general TIF laws:

- The blight test (i.e., the rules that restrict areas that qualify as redevelopment districts)
- The requirement that increments be used for blight correction

only

- The percentage limits on how much increment may be spent on activities outside of the TIF district

The district's captured tax capacity is included for computing state aid formulas (e.g., local government aid, county program aid, education aid, and so forth).

Under general law, a redevelopment district is allowed 26 years of increment, as contrasted with the five years allowed to this district. Alternatively, the provision could be viewed as a ten-year extension of the pre-existing district, since the original tax capacity is set at the level of the decertified district.

*Ch. 143, art. 9, § 17, effective upon local approval.*

*Housing improvement area powers.* The Dakota County CDA may now exercise housing improvement area powers. The agency may do this by resolution, rather than ordinance, as is required for cities exercising those powers. Housing improvement powers are used to help housing developments (e.g., town house developments) finance rehabilitation costs.

*Ch. 143, art. 12, § 7 amending Minn. Stat. § 383D.41, adding subd. 10, effective July 1, 2013.*

## **Duluth**

Duluth may issue an on-sale 3.2 malt liquor license for Wheeler Field in Duluth.

*Ch. 42, § 15, effective upon local approval, which was completed June 6, 2013.*

## **Ely**

The city of Ely may extend the duration of its TIF district No. 1 by four years (from 2017 to 2021). It may also transfer increments from TIF district No. 3 to pay binding obligations of the TIF district No. 1, which has a deficit. This transfer is limited to \$168,000 or the amount of the shortfall in district No. 1, whichever is less.

*Ch. 143, art. 9, § 16, effective upon local approval by the city, St. Louis County and Independent School District No. 696.*

## **Eveleth**

The 0.20 cent per taxable ton payable to the city of Eveleth is now permanent as long as it is used for the support of the Hockey Hall of Fame, provided that the Hockey Hall of Fame continues to operate in Eveleth, and the city certifies to the county auditor that it has received donations for the support of the Hockey Hall of Fame from other donors. The donations do not have to be equal to the distribution of taxes.

*Ch. 85, art. 5, § 35, amending Minn. Stat. § 298.28, subd. 9c, effective July 1, 2013. See also ch. 143, art. 11, § 7 (identical).*

## **Glencoe**

The city of Glencoe may extend the duration of its TIF district No. 4 through December 31, 2023. This district is a redevelopment district that is required by general law to be decertified in 2013, so this is a ten-year extension; the district would have a 35-year duration.

The additional increment collected during the extension would be limited to paying debt service on bonds that were outstanding on January 1, 2013, for public improvements serving:

- the city's TIF district No. 14 (a redevelopment district certified in 2004);
- the city's TIF district No. 15 (an economic development district certified in 2007); and
- benefited properties related to a series of special assessment bonds issued in 2007 (or refunding bonds).

*Ch. 143, art. 9, § 15, effective upon local approval by the city, McLeod County, and Independent School District No. 2859.*

## **Hennepin County**

*Labor agreements.* Hennepin County may negotiate agreements and terms of employment for skilled trade and craft workers and apprentices with local labor organizations representing the trades, the same as the city of Minneapolis, Minneapolis public school district, and the municipal building commission. Persons hired under the agreement are excluded from civil service, public pensions, and the classified service group of county employees.

*Ch. 41, amending Laws 1988, ch. 471, § 1, subs. 1, 4, as amended; § 2, as amended, effective August 1, 2013.*

*Design-build.* Hennepin County may use the MnDOT design-build procedures, and the county's statute governing design-build was amended to reflect MnDOT's statute.

*Ch. 97, amending Minn. Stat. §§ 383B.158, subs. 1, 2, 5; 383B.1581, subs. 2, 3; 383B.1582; 383B.1584; repealing § 383B.1585, effective August 1, 2013.*

*Soil and Water Conservation District.* Hennepin County may petition the Board of Water and Soil Resources (BWSR) to discontinue the Hennepin County Soil and Water Conservation District and transfer powers and duties to the county board. BWSR must approve the discontinuance if it finds that progress toward the goals of the soil and water conservation act can be achieved by doing so. The district may be discontinued without a referendum. The county may petition BWSR to reestablish the district, and BWSR may approve reestablishing the district without a referendum.

*Ch. 114, art. 4, § 96, adding Minn. Stat. § 383B.761, effective upon local approval.*

*Mortgage registry and deed taxes.* The temporary mortgage registry and deed taxes for Hennepin County expired January 1, 2013. These taxes have now been reinstated effective July 1, 2013, and will not expire until January 1, 2028. These temporary taxes have been extended several times in the past.

*Ch. 143, art. 4, §§ 26, 27, 29; amending Minn. Stat. §§ 287.05; 383B.80, subd. 4; adding § 287.40; effective for mortgages and deeds acknowledged on or after July 1, 2013.*

*Reimbursement for tax abatements.* Hennepin County received an extension on the filing date for a request for reimbursement for property tax abatements granted because of a tornado that damaged parts of Minneapolis and other parts of the northern metro area in 2011. The state authorized these abatements and state reimbursements in the 2011 tax bill, but Hennepin County's request for reimbursements was submitted after the deadline in the authorizing legislation.

*Ch. 143, art. 4, § 40; effective May 24, 2013.*

**Mahnomen  
County, City, and  
School District**

*Appropriations.* The annual special aid appropriations to taxing jurisdictions in Mahnomen County are increased from \$600,000 to \$1.2 million, beginning with the July 20, 2013 payment. The payments are as follows: \$900,000 to the county of Mahnomen, \$160,000 to the city of Mahnomen, and \$140,000 to Independent School District No. 432, Mahnomen. The original aid payments were authorized in 2006 to compensate for lost property tax revenues when the Shooting Star Casino was removed from the tax rolls.

*Ch. 143, art. 2, § 33, amending Laws 2006, ch. 259, art. 11, § 3, as amended by Laws 2008, ch. 154, art. 1, § 4, effective for aids payable in 2013 and thereafter.*

**Maplewood**

The city of Maplewood may establish TIF districts within an area of the city defined by reference to a property tax parcel number, which consists of all or part of the corporate campus of the 3M Company. If the city so elects, these TIF districts will be subject to special law rules that differ from those under general TIF law.

The city can approve TIF plans and establish districts under this authority through December 31, 2018.

The following special rules or exemptions from general law would apply to districts certified in the defined project area:

- *Blight test exemption.* Redevelopment districts may be established without meeting the blight test. The district's increments, unlike a general law redevelopment district, are required to be spent on



correction of blight.

- *Pooling exemption.* As long as increments are spent within the defined project area, restrictions on pooling increments (that is, spending on activities outside of the TIF district) do not apply.
- *Five-year rule exemption.* The five-year rule, which requires spending to be completed within five years of certification of the district, is extended to ten years.
- *One-year knockdown rule.* Parcels in a district are subject to a one-year knockdown rule—that is, if construction does not start on a parcel within one year after its certification for inclusion in the TIF district, the parcel will be dropped from the district and could only be reinstated when construction actually begins. Under general law, a four-year period applies.

*Ch. 143, art. 9, § 21, effective upon local, which was completed June 28, 2013.*

## **Marshall**

*Use of food and beverage tax.* The city may use proceeds of this tax for construction of the Minnesota Emergency Response and Training Center (MERIT) and the Southwest Amateur Sports Center, as well as for their ongoing maintenance costs. The tax is currently imposed but the facilities are not yet complete.

*Ch. 143, art. 8, § 50; amending Laws 2010, ch. 389, art. 5, § 6, subd. 6, effective May 24, 2013.*

*Validation of prior act.* The city of Marshall received an extension until June 15, 2013, to file its approval with the secretary of state of the authorizing law and until July 1, 2013, to impose the food and beverage and lodging taxes originally enacted in 2010. Local approval normally must be filed before the start of the next regular legislative session or the special law is void.

*Ch. 143, art. 8, § 51, effective May 24, 2013.*

## **Minneapolis**

*Liquor licenses.* The authority for Minneapolis to issue an off-sale license for sake produced and packaged on the licensed premises was clarified. In addition, Minneapolis may allow a wine and 3.2 licenseholder to serve beer (“intoxicating malt liquor”) without an additional license, without meeting food service requirements.

*Ch. 42, §§ 11, 14, effective upon local approval.*

*Park dedication fees.* Minneapolis and the Minneapolis Park and Recreation Board were given special law authority to impose park dedication fees in 2006, the same as other cities and towns may under statute. However, the statute assumes greenfield development, not infill development, which is what Minneapolis wants to use the fee for. This law strikes the tie to the subdivision law and allows the city and park

board to impose the fee in conjunction with issuing the construction permit, and provides that a cash fee may be set at a flat fee rate per net new residential unit.

*Ch. 85, art. 5, § 43, amending Laws 2006, ch. 269, § 2, as amended, effective upon local approval by the city and the park board, and applies to joint dedication fee ordinances adopted or amended by the city and the park board before, on, or after that date, provided that no dedication of land or collection of park dedication fees can be effective until after December 31, 2013.*

*Re-creation of Hall's Island.* The Minneapolis Park and Recreation Board may re-create and restore Hall's Island in the Mississippi River, notwithstanding DNR rules against placing fill in public waters. Authority to construct the island expires after six years. The project must be coordinated with future efforts to restore habitat and requires the island to remain in public ownership. Public access and recreational activities must be limited to a walking trail to protect the island's wildlife and habitat.

*Ch. 114, art. 4, § 98, amending Laws 2010, ch. 361, art. 3, § 7, effective upon local approval.*

*North Mississippi Regional Park.* The boundaries of the park were adjusted, and funds appropriated for the park may be used to provide visitor amenities, including construction of a natural filtration swimming pool and a building for park visitors.

*Ch. 114, art. 4, § 99, effective upon local approval.*

*Debt service aid.* The state will make annual payments to the city of Minneapolis equal to the amount needed to reduce by 40 percent its annual levy for payments for the city's library referendum bonds issued before May 1, 2013. The payments will be made by November 1 of each year beginning in 2016.

*Ch. 143, art. 2, § 21, adding Minn. Stat. § 477A.085, effective July 1, 2013.*

*Entertainment facilities coordination.* The cities of Minneapolis and Saint Paul must provide the legislature by February 1, 2014, a study of providing a joint governing structure for the professional sports arenas and facilities in the two cities. The Commissioner of Administration will contract with a consultant to conduct all or a portion of the study but the two cities together must pay one-half (up to \$50,000) of the cost of the study. (The Commissioner of Administration was appropriated \$50,000 for one-half of the costs.) The cities must include representatives of the primary professional sports team tenants of each facility in the study.

*Ch. 143, art. 4, § 39, effective May 24, 2013.*

*Target Center.* The city-owned Target Center will be exempt from property taxes although it will remain subject to special assessments. The exemption does not apply to any portion of the facility leased for business purposes unrelated to the operation of the arena.

Minneapolis may use the design-build, construction-manager-at-risk, or a combination of the two methods of project delivery for renovation or expansion of the Target Center.

*Ch. 143, art. 4, §§ 42, 43, effective upon local approval.*

*Value capture district for transit.* The city of Minneapolis may create a value capture district to finance construction of a streetcar line and related improvements. The city can include parcels in the district that are located in five defined areas of the city along the proposed line. Revenues from the district would be calculated using the same method that applies under the TIF law, except current tax rates would be used, rather than a certified original tax rate and various adjustment to the original value would not apply.

The city may spend the resulting revenues on items within an area located within one block on either side of the streetcar line (the city determines the line's location) for the following:

- planning and design for the streetcar line
- acquiring, constructing, and equipping the line
- transit stations
- related public infrastructure improvements (sidewalks, street improvements, and so forth)

District revenues may not be used to pay for operation of the streetcar line.

The city may issue bonds without an election under the authority. The district is limited to 25 years or the time needed to pay for the capital improvements, including bonds, if that is shorter.

*Ch. 143, art. 8, § 20, effective May 24, 2013.*

## **Moose Lake**

The city of Moose Lake will receive a grant of \$2 million in fiscal year 2014 to reimburse it for costs related to connection of state facilities to a sewer line.

*Ch. 143, art. 4, § 49, effective July 1, 2013.*

**Northwest  
Minnesota  
Multicounty  
Housing and  
Redevelopment  
Authority**

The Northwest Minnesota Multicounty Housing and Redevelopment Authority's ability to levy up to 25 percent of its total levy authority without approval by the city or county is extended by five years, through taxes payable in 2018. The imposition of the remaining 75 percent of its levy authority continues to need city or county approval.

*Ch. 143, art. 4, § 35, amending the effective date of Laws 2008, ch. 366, art. 5, § 33, effective beginning with taxes payable in 2014.*

**Oakdale**

*TIF.* The exceptions to the general TIF laws granted to the city of Oakdale in 2008 and modified in 2009, were modified further.

- The city now has until 2017 to establish TIF districts under the special law, an extension of four years.
- The city now has special rules for meeting the “blight test” in general law:
  - The three-year time limit between demolition of the building and the certification of the district does not apply.
  - The requirement that private demolition (if done by the property owner rather than the development authority) be done under a development agreement does not apply.
  - The adjustment to original net tax capacity (increasing it for any reduction in tax capacity resulting from demolition of the building) does not apply. This is consistent with the original special law, which allowed the city to set the original tax capacity at the land value.
- The city may collect increment from a district established under the special law for an additional ten years longer than the period allowed under general law. The allowed length of TIF districts under general law range from eight to 25 years, depending on the type of district.

*Ch. 143, art. 9, § 12; amending Laws 2008, ch. 366, art. 5, § 34, as amended by Laws 2009, ch. 88, art. 5, § 11, effective upon local approval by the city, but the extension of the district also requires approval by Ramsey County and Independent School District No. 622.*

*Bergen Plaza TIF district.* The city may extend the duration of the Bergen Plaza TIF district in Oakdale by more 16 years. In 2010, the legislature granted this district a ten-year extension, so the combined extensions would equal 26 years.

The 2010 legislation placed restrictions on the extension by prohibiting pooling of increments from the district during the extension, except to the extent that they were used for improvements on two listed parcels. This restriction is now removed, allowing the city to use the district's increments on activities anywhere in the project area.

*Ch. 143, art. 9, § 13; amending Laws 2010, ch. 216, § 34, effective upon local approval by the city, Ramsey County, and Independent School District No. 622.*

**Olmsted County** The ongoing interregional passenger rail study must include an analysis of the feasibility of high-speed rail between Rochester and the Mall of America, extending to the airport and the Union Depot in St. Paul.

*Ch. 143, art. 10, § 15, effective May 24, 2013.*

**Proctor** In 2008 and 2010, the city of Proctor was given special law authority to issue more local debt and to use local sales tax revenues for additional projects, subject to local approval. Under general law, local approval must be completed before the start of the next biennium. The city failed to complete the required local approval of these laws. The city now has until January 1, 2014, to complete local approval of these laws.

*Ch. 143, art. 8, § 52, effective May 24, 2013.*

**Ramsey County** *Mortgage registry and deed taxes.* The temporary mortgage registry and deed taxes for Ramsey County expired January 1, 2013. These taxes have now been reinstated effective July 1, 2013, and will not expire until January 1, 2028. These temporary taxes have been extended several times in the past.

*Ch. 143, art. 4, §§ 26 to 28; amending Minn. Stat. §§ 287.05; 383A.80, subd. 4; adding § 287.40; effective for mortgages and deeds acknowledged on or after July 1, 2013.*

**Rochester** *Civic center funding.* In 2010, the city was authorized to impose an additional 1 percent lodging tax and a 1 percent food and beverage tax to fund up to \$43.5 million of renovation, improvement, and expansion costs to the city civic center. Neither tax has been imposed. The food and beverage tax authority is now repealed and the additional authorized lodging tax for this purpose is increased to 3 percent. The lodging tax no longer has an expiration date, although the city may repeal it provided that revenues are sufficient to pay any bonds back by the tax. The amount of bonds the city may issue for the current renovation project has also been increased—from \$43.5 million to \$50 million. This tax authority is *in addition* to the authorities granted to fund the Destination Medical Center (DMC).

*Ch. 143, art. 8, §§ 46, 53, para. (b), amending Laws 2002, ch. 377, art. 3, § 25, as amended by Laws 2009, ch. 88, art. 4, § 1; Laws 2010, ch. 389, art. 5, § 3, effective upon local approval, which was completed June 21, 2013; repealing Laws 2009, ch. 88, art. 4, § 23, as amended by Laws 2010, ch. 389, art. 5, § 4, effective May 24, 2013.*

*Sales tax sharing.* When Rochester's local sales tax authority was extended in 2011, the city was required to share \$5 million of its local sales tax revenue collection with surrounding cities. This year that was modified by repealing the 2011 provision and reinstating it with the requirement that the city council hold a hearing and approve the revenue sharing by resolution by September 1, 2013, in order to share the money.

The city held the hearing on June 17, 2013, and adopted a resolution to share the revenue with 17 surrounding cities. If the city had not passed the resolution, the \$5 million would have gone towards the city share of costs related to the DMC development plan.

*Ch. 143, art. 10, §§ 12, 14, amending Laws 1998, ch. 389, art. 8, § 43, subd. 3, as amended by Laws 2005, 1st spec. sess., ch. 3, art. 5, § 28; Laws 2011, 1st spec. sess., ch. 7, art. 4, § 5; effective upon local approval, which was completed June 21, 2013.*

**Rochester, Olmsted  
County, and the  
Destination  
Medical Center  
(DMC)**

The city of Rochester was provided local bonding, taxing, and other development financing powers to fund public infrastructure to support the Mayo Clinic's Destination Medical Center (DMC) project. The city must create a nonprofit corporation to develop the plan and help finance the development. In addition, the law provides state aid to help pay for public infrastructure in the designated area based on the level of new nonpublic capital investment in Mayo Clinic and other private building projects in the city. The maximum amount of general state aid is \$327 million, with the city expected to pay for \$128 million to qualify for this aid. In addition, the state and county or city will fund \$116 million of related public transit projects, with about 29 percent of this amount funded with local taxes. A sales tax exemption for construction materials and supplies is provided for the public projects. Below are some details of the law.

*Ch. 143, art. 10, amending Minn. Stat. §§ 13.792; 297A.71, adding subd. 48; adding Minn. Stat. §§ 469.40 to 469.47; amending Laws 1998, ch. 389, art. 8, § 43, subds. 1, 3, 5, as amended by Laws 2005, 1st spec. sess., ch. 3, art. 5, §§ 28, 30; Laws 2011, 1st spec. sess., ch. 7, art. 4, §§ 5, 7, effective upon local approval, which was completed June 21, 2013.*

*Destination Medical Center Corporation (DMCC).* The city must create the DMCC as a nonprofit corporation to prepare and, to some extent, implement the development plan. The development plan must be approved by the city. The eight-member DMCC governing board is made up of two representatives of the city, one representative of the county, one representative of the Mayo Clinic, and four others appointed by the governor. The law governs compensation, removal, conflicts of interest, powers, and duties. Meetings of the DMCC are subject to the open meeting law, and a member of the DMCC is a public official. The DMCC must approve a project before it is proposed to the city, and the project must be consistent with the adopted development plan. The DMCC must use the nonprofit development agency created by the Mayo Clinic.

*Nonprofit economic development agency.* The Mayo Clinic must establish a nonprofit economic development agency to assist the DMCC in preparing the development plan and in developing and marketing the DMC. The agency board must include representatives of the medical community, city, and county.

*Report.* By February 15 each year, the DMCC and the city must report to the legislature on the progress of the DMC, costs, financing, and other relevant information.

*City powers and duties.* The city has the following powers:

- general port authority powers
- authority to approve the DMCC development plan and provide money to fund the DMCC's activity and public infrastructure that supports the DMC
- authority to issue any type of bonds, without referendum and outside of net debt limits, secured by any of the city revenues, including the newly authorized taxes and state aid payments (The city is prohibited from issuing bonds secured only by state aid payments.)
- authority to finance public infrastructure projects before adoption of the development plan (If the projects are approved by the corporation, they are credited against the required local matching contribution.)

The city must require that public infrastructure projects use American-made steel to the extent practicable under the federal ARRA law standards. The city must make every effort to employ women and minority contractors. The city or its EDA are required to issue conduit, tax-exempt bonds for projects with contributions from donors equal to 10 percent or more of the capital cost. An exemption from competitive bidding requirements is provided for public improvements that are constructed in conjunction with the private developments.

*City tax authority and state aid match.* The city must provide a local funding match of \$128 million in order for the state to provide general state infrastructure aid. The match is reduced by one-half of the amount the city pays for operating and administrative costs of the DMCC. The city may pay for the match out of current revenue or through one or more of the following local tax options:

- imposing a local lodging tax
- imposing a food and beverage tax
- imposing an admission/entertainment tax
- extending the city's existing 0.5 percent local sales tax to December 31, 2049
- imposing an additional 0.25 percent local sales tax until December 31, 2049

The new taxes are in addition to other local taxes imposed for other purposes.

The city may also use the general economic development abatement law

to fund the DMC development without regard to the duration limits, the prohibition on granting additional abatements for eight years after an abatement was granted, and the percentage and dollar amount limits. The city may also establish redevelopment TIF districts within the area of the DMC district, if the increments are used for public infrastructure projects, without regard to the blight test, the prohibition on using increments for social and recreational facilities, the five-year rule and pooling restrictions.

*Olmsted County transit taxes and transit aid tax.* Olmsted County may impose, by resolution, up to a 0.25 percent general sales tax and/or up to a \$10 per vehicle wheelage tax to pay the local matching contribution for public transit infrastructure. The annual local match is equal to the lesser of 40 percent of the state transit aid (state transit aid is capped at \$7.5 million annually) or the amount equal to the revenue raised by a 0.15 percent county sales tax. Any excess revenues may be used to fund other transportation and transit projects in the county. These taxes are in addition to other county tax authority; however until January 1, 2018, the combined wheelage tax imposed under this section and the county general law must equal the rate in general law due to limitations in the state computer system. Taxes imposed under this section expire at the earlier of December 31, 2049, or when the county determines it has revenues sufficient to meet its obligation for DMC transit projects. If the county chooses not to make the DMC transit contribution, the city may choose to make the contribution instead in order to get the state transit aid.

*State general infrastructure aid.* The state will begin paying general infrastructure aid to Rochester after \$200 million of qualified private expenditures have been made. The aid equals the amount of qualified private expenditures in the prior calendar year multiplied by 2.75 percent. To qualify for this aid, the city must make the local match of \$128 million, although the city and DMCC have flexibility in setting the timing and manner of the city match. The aid will be paid on September 1 of each year. The city may use the aid only for public infrastructure costs (other than transit costs) of the DMC. The aid cannot exceed \$30 million in any year, and the total amount of aid cannot exceed the amount necessary to pay for the project costs of \$327 million, including financing costs. If the aid entitlement in any year exceeds the annual dollar limit, the excess is carried over to later years.

*State transit aid.* The state will provide transit aid, provided that the county or city contributes an annual local match equal to the lesser of 40 percent of the state transit aid or an amount equal to the amount raised by a 0.15 percent general sales tax imposed by the county. The aid is calculated in the same manner as state general aid, except a rate of 0.75 percent is used. The maximum amount of transit aid that may be paid in



any year is \$7.5 million. If the aid entitlement in any year exceeds the annual dollar limit, the excess is carried over to later years. The combined transit aid under this subdivision and the revenues from the local match in subdivision 6 is limited to the amount needed to finance \$116 million in transit costs. The state will end up paying roughly \$83 million of this, with the county or city paying about \$33 million of the \$116 million.

### **Saint Cloud**

This district, referred to as the Norwest District, in the city of Saint Cloud, is now deemed a “gap district”—a district for which the request for certification was made on or after August 1, 1979, and before July 1, 1982. City records are inconclusive in determining when the district was certified and what TIF rules apply to it. “Gap districts” were created before the 1982 Legislature allowed “pooling” of increments for new TIF districts.

*Ch. 143, art. 9, § 14, effective upon local approval, which was completed July 23, 2013.*

### **Saint Paul**

*Liquor licenses.* The law allowing Saint Paul to issue a license to the Twin Cities Marathon was updated to account for the new name of the organizer of the marathon (Twin Cities in Motion), or any successor. The city may issue an on-sale liquor license for the new Lowertown regional ballpark. Saint Paul may allow a wine and 3.2 license-holder to serve beer (“intoxicating malt liquor”) without an additional license, without meeting food service requirements.

*Ch. 42, § 8, effective May 8, 2013; §§ 10, 13, effective upon local approval.*

*Park dedication fees.* The city of Saint Paul may require that a reasonable portion of land be dedicated to the public or impose a dedication fee in conjunction with the construction permit required for new housing units and new commercial and industrial development in the city, wherever located, for public parks, playgrounds, recreational facilities, wetlands, trails, or open space. This allows for park dedication fees from infill development. The cash fee may be set at a flat fee rate per net new residential unit and the ordinance may exclude senior housing and affordable housing from paying the fee or the dedication of land. The provisions of the subdivision regulation statute that require a capital improvement budget and a parks and open space plan or have a parks, trails, and open space component in its comprehensive plan, and that require that the fee or dedication bear a rough proportionality to the need created by the proposed development apply to Saint Paul’s ordinance.

*Ch. 85, art. 5, § 44, effective January 1, 2014, and applies to dedication fee ordinances adopted or amended by the city of Saint Paul before, on, or after that date.*

*RiverCentre loan forgiven.* In 1998, the city was given \$65 million from the state general fund, to be matched with nonstate funds, to build the

RiverCentre arena. Of that, \$48 million was to be repaid at no interest. This law reduces the repayment amounts due from the city in fiscal years 2014 and 2015 by \$500,000 each year (to \$2.5 million and \$3.5 million respectively) and forgives the loan from fiscal years 2016 through 2021 (\$4.75 million per year). The city must use the amounts scheduled to be repaid in fiscal years 2016 through 2021 solely to pay for or finance design, construction, or equipment to make arena improvements according to a project list mutually agreed to between the lessee and the city's lease representative.

*Ch. 85, art. 5, § 47, effective July 1, 2013.*

*Entertainment facilities coordination.* See city of Minneapolis.

*Saints ballpark, property tax exemption.* The city-owned ballpark primarily used by the Saint Paul Saints will be exempt from property taxes although it will remain subject to special assessments.

*Ch. 143, art. 4 § 41, effective upon local approval.*

*Local sales tax.* The local sales tax for the city of Saint Paul is extended to December 31, 2042. The tax was originally scheduled to expire on December 31, 2030. In addition the city may now deposit into an economic development fund any portion of the 40 percent of its sales tax revenue dedicated to the Saint Paul civic center complex not needed for meeting civic center obligations. Previously the law required that any excess go to fund the city's neighborhood development program. In 2012, a law was enacted that essentially allowed cities of the first class to spend extra local sales tax dollars in this manner, but the general law conflicted with the Saint Paul special law.

The calendar year (CY) 2011 sales tax collection for Saint Paul was \$14.5 million. Forty percent of that is \$5.8 million. Assuming a constant collection, the city will have the following amounts to put in the economic development fund for other purposes:

- CY 2014: \$3.3 million
- CY 2015: \$2.3 million
- CY 2016-CY 2020: \$1.05 million per year
- CY 2021-CY 2042: \$5.8 million per year

*Ch. 143, art. 8, §§ 44, 45, amending Laws 1993, ch. 375, art. 9, § 46, subds. 2, 5, as amended, by Laws 1997, ch. 231, art. 7, § 40; Laws 1998, ch. 389, art. 8, § 30; Laws 2003, 1st spec. sess., ch., 21, art. 8, § 13; Laws 2005, 1st spec. sess., ch., 3, art. 5, § 26; Laws 2009, ch. 88, art. 4, § 15; and Laws 1993, ch. 375, art. 9, § 46, subd. 5, as amended by Laws 1998, ch. 389, art. 8, § 32; effective upon local approval.*

*Capital improvement program (CIP) bonding.* Saint Paul's CIP bonding authority, which is set to expire at the end of 2013, is extended through

2024. These bonds are general obligation bonds and may be issued upon a vote of five of the seven members of the city council without voter approval—this is an exception to the city’s home rule charter, which otherwise would require simple majority approval by the council and voter approval.

*Ch. 143, art. 12, § 18, amending Laws 1971, ch. 773, § 1, subd. 2, as amended by Laws 1974, ch. 351, § 5; Laws 1976, ch. 234, §§ 1, 7; Laws 1978, ch. 788, § 1; Laws 1981, ch. 369, § 1; Laws 1983, ch. 302, § 1; Laws 1988, ch. 513, § 1; Laws 1992, ch. 511, art. 9, § 23; Laws 1998, ch. 389, art. 3, § 27; Laws 2002, ch. 390, § 23, effective July 1, 2013.*

**Shakopee**

The city of Shakopee may issue an on-sale liquor license for Valley Fair that is one combined license, rather than multiple site-specific licenses.

*Ch. 42, § 12, effective upon local approval.*

**Winnebago**

In 2012, out-of-state craft brewers that complied with brand registration laws had a onetime exception to state law in order to participate in a festival in the city of Winnebago. The exception expired December 31, 2012. This law extends the exception to December 31, 2013.

*Ch. 42, § 9, amending Laws 2012, ch. 235, § 8, the effective date, effective upon local approval.*

## **Metropolitan Government**

---

**Metropolitan Area  
Water Supply  
Advisory Committee**

The advisory committee was extended December 31, 2016.

*Ch. 19, amending Minn. Stat. § 473.1565, subd. 2, effective retroactively from December 31, 2012.*

**Redistricting**

The boundaries of the Metropolitan Council’s 16 districts were redrawn. The redistricting plan MC2013-1A, on file with the Geographical Information Systems Office of the Legislative Coordinating Commission and published on the commission’s website on April 9, 2013, was adopted. The redrawn districts affect the boundaries of the districts for the Metropolitan Airports Commission, the Parks and Open Space Commission, and the Transportation Advisory Board.

*Ch. 66, amending Minn. Stat. § 473.123, adding subd. 3e; repealing § 473.123, subd. 3d, effective May 17, 2013.*

**Transit Customer  
Data**

Data on applicants, users, and customers of public transit collected by or through the Metropolitan Council’s personalized Web services or the regional fare collection system are private data on individuals. The council may disseminate data on user and customer transaction history and fare card use to government entities, organizations, school districts,

educational institutions, and employers that subsidize or provide fare cards to their clients, students, or employees. The council also may disseminate transit service applicant, user, and customer data to another government entity to prevent unlawful intrusion into government electronic systems, or as otherwise provided by law.

*Ch. 82, § 10, amending Minn. Stat. § 13.72, adding subd. 19, effective May 24, 2013.*

**Wastewater Services  
Housekeeping**

At the request of the Metropolitan Council, the legislature made miscellaneous changes to the council's wastewater services enabling law to remove obsolete provisions and to allow the council to permit a local government unit to defer payment of allocated current wastewater services costs.

*Ch. 101, amending Minn. Stat. §§ 473.157; 473.517, subds. 1, 6, 9; 473.519; 473.523, subd. 1; 473.541, subd. 2; 473.543, subd. 1; 473.545, effective May 25, 2013.*

**Transit Funding**

The legislature appropriated \$184.859 million for the biennium from the general fund to the Metropolitan Council for bus, light rail transit, and commuter rail operations. Included in this appropriation is \$37 million for the Southwest Corridor light rail transit line. Compared to 2014-15 base appropriations, this represents an increase of \$18 million for the biennium, and then \$11.72 million annually for the 2016-17 biennium.

*Ch. 117, art. 1, § 4, effective July 1, 2013.*

**Definition of  
"Project" for  
Commuter Rail and  
Light Rail**

"Project" is defined in the section of the regional rail statute governing commuter rail and light rail transit funding to mean the initial construction and not additional segments or enhancements following the original commencement of operating the line. This has the effect of narrowing—for commuter and light rail transit projects—the scope of a 10 percent cap on capital funding that can come from regional railroad authorities.

*Ch. 117, art. 3, § 33, amending Minn. Stat. § 398A.10, adding subd. 4, effective May 24, 2013.*

**Bonding for Transit  
Capital  
Improvements**

In addition to previously authorized amounts, the Metropolitan Council may issue up to \$35.8 million in certificates of indebtedness, bonds, or other obligations for capital expenditures identified in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

*Ch. 117, art. 3, § 34, amending Minn. Stat. § 473.39, adding subd. 1s, effective May 24, 2013. Note: This same provision was enacted in ch. 143, art. 12, § 10, but the effective date in that provision caused it to be superseded by the provisions of ch. 117, art. 3, § 4, which enacted identical authority. This prevents the two provisions from both providing bonding authority to the council (or from the provisions being cumulative).*

**Transitway  
Community  
Engagement**

When the Metropolitan Council is the lead transportation authority, the council may partner and contract for services with local community-based organizations to promote community engagement activities along the project corridor. The council must report on its community engagement activities to the Senate and House of Representative chairs and ranking minority members of the committees and divisions with primary jurisdiction over transportation policy and finance.

*Ch. 117, art. 3, § 38, effective July 1, 2013.*

**Bus Rapid Transit  
Development**

Regional rail authorities in the seven-county metropolitan area may levy to develop bus rapid transit in transitways that are included in the Metropolitan Council's 2030 transportation policy plan.

*Ch. 127, § 59, amending Minn. Stat. § 398A.04, adding subd. 2a, effective May 25, 2013.*

**Central Corridor  
Light Rail Transit,  
Central Station  
Accessibility**

The Metropolitan Council and the city of Saint Paul must include access to the pedestrian skyway as part of initial Central Corridor LRT construction at the Central station in downtown Saint Paul. Access must include an elevator.

*Ch. 127, § 61, effective May , 25, 2013.*

**Assaulting a Transit  
Operator**

Assault of a transit operator was added to the list of protected occupations and individuals under the fourth-degree assault statute. It is a gross misdemeanor to assault a transit operator or intentionally throw or transfer bodily fluids onto an operator, if the transit operator is acting in the course of his or her duties while operating, aboard, or otherwise responsible for a transit vehicle. A person convicted of assault may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

*Ch. 133, amending Minn. Stat. § 609.2231, adding subd. 11, effective August 1, 2013, and applies to crimes committed on or after that date.*

**Regional Parks,  
Trail and Open  
Space**

The legislature appropriated \$17.08 million from the general fund to the Metropolitan Council for the biennium for metropolitan area regional parks operation and maintenance.

*Ch. 114, art. 3, § 6, effective July 1, 2013.*

The legislature also appropriated \$33.774 million from the Parks and Trails Fund to the Metropolitan Council for parks and trails of regional or statewide significance in the metropolitan area. The law lists the grantees: Anoka, Carver, Dakota, Ramsey, Scott, and Washington counties; the Three Rivers Park District; Minneapolis Parks and Recreation Board; and cities of Saint Paul and Bloomington.

By January 15, 2015, the council must submit a list of projects, ranked in priority order, that contains the council's recommendations for funding from the parks and trails fund for the 2016 and 2017 biennium to the chairs and ranking minority members of the Senate and House of Representatives committees and divisions with jurisdiction over the environment and natural resources and the parks and trails fund.

*Ch. 137, art. 3, § 4, effective July 1, 2013.*

**Clean Water  
Funding**

The legislature appropriated the following amounts for clean water projects:

- \$1 million for grants or loans for local inflow and infiltration reduction programs addressing high-priority areas in the metropolitan area.
- \$537,000 for an agreement with the United States Geological Survey to investigate groundwater and surface water interaction in and around White Bear Lake and surrounding northeast metropolitan lakes. The council must use the results to prepare guidance for other areas to use in addressing groundwater and surface water interaction issues.
- \$2 million for metropolitan regional groundwater planning to achieve water supply reliability and sustainability. A report on the use of this money must be submitted to the chairs and ranking minority members of the House of Representatives and Senate committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund by January 15, 2014.

*Ch. 137, art. 2, § 9, effective July 1, 2013.*

**Metropolitan  
Airports  
Commission (MAC)**

The MAC now has the same investment powers as most other local units of government. Previously, the MAC's authority was limited to very conservative investments such as treasury bonds, other bonds and notes issued by the United States or the state of Minnesota with a maturity date of three years or less, and commercial paper of prime quality.

*Ch. 143, art. 12, § 11, amending Minn. Stat. § 473.606, subd. 3, effective July 1, 2013.*

## Vetoed Legislation

---

**Metropolitan  
Regional Parks  
Habitat Funding**

The governor vetoed the appropriation of \$6.3 million to the Metropolitan Council from the Outdoor Heritage Fund for grants to restore and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife in the metropolitan regional parks system.

*Ch. 137, art. 1, § 2, subd. 5, para. (i).*