

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1267

**DATE:** April 18, 2005

**Version:** As introduced

**Authors:** Demmer and others

**Subject:** Extending the deadline for establishing special service districts under general law.

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### Overview

Extends the deadline for establishing a special service district under general law for an additional 5 years. Effective the day following final enactment.

#### Section

- 1** **Deadline for establishment under general law.** Extends the deadline for establishing a special service district (SSD) under general law for an additional 5 years from June 30, 2005, to June 30, 2010.

A special service district is a defined area within the city in which certain services provided by the city are furnished to businesses, and the cost of these services is funded through service charges or fees imposed on businesses within the district.

Prior to 1988, cities needed special legislation to establish a SSD. In 1988 cities were granted the authority under general law to establish the districts without having enacted special legislation. Then in 1996, when the housing improvement districts were established, a sunset was put on both the SSD's and the housing improvement areas for establishing these districts under general law. The initial sunset date was 2001; it was subsequently extended.

These districts are not special taxing districts and the fees and charges imposed are not easily known by state or even some county officials. They are merely included in the

**Section**

"special assessment" line of the property tax statement. Although there is a provision in statute requiring these districts to file a copy of the ordinance to the commissioner of revenue when the districts are established, it appears that this has not been done. The 2004 public finance bill (which was not enacted) contained a provision that required cities to furnish a copy of the ordinance to the Office of the State Auditor. Then information would be known about the districts that are established, purposes, etc.