

1.1 ..... moves to amend H.F. No. 2412 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2016, section 428A.02, subdivision 3, is amended to read:

1.4 Subd. 3. **Charges; relationship to services.** The city may impose service charges under  
1.5 sections 428A.01 to 428A.10 that are ~~reasonably related to the special services provided.~~  
1.6 ~~Charges for service shall be as nearly as possible proportionate to the cost of furnishing the~~  
1.7 ~~service, and may be fixed on the basis of the service directly rendered, or by reference to a~~  
1.8 ~~reasonable classification of the types of premises to which service is furnished, or on any~~  
1.9 ~~other equitable basis~~ based on the net tax capacity of the property, or on the benefits received  
1.10 from an improvement in conformance with the benefit test in section 429.051.

1.11 **EFFECTIVE DATE.** This section is effective for service charges imposed after July  
1.12 1, 2017, but does not apply to service charges that were imposed prior to that date or are a  
1.13 continuation of service charges imposed prior to that date, if the service charges are pledged  
1.14 to and used for the payment of bonds issued before April 1, 2017, and the bonds remain  
1.15 outstanding.

1.16 Sec. 2. Minnesota Statutes 2016, section 428A.02, subdivision 4, is amended to read:

1.17 Subd. 4. **Benefit; objection.** Before ~~the~~ any ordinance or resolution is adopted or at the  
1.18 hearing at which it is to be adopted, any affected landowner may file a written objection  
1.19 with the city clerk asserting that the landowner's property should not be included in the  
1.20 district or should not be subjected to a service charge ~~and objecting to~~ on any of the following  
1.21 bases:

1.22 (1) ~~the inclusion of the landowner's property in the district, for the reason~~ that the property  
1.23 would not receive services that are not provided throughout the city to the same degree;

2.1 (2) ~~the levy of a service charge on the landowner's property, for the reason~~ that the  
 2.2 property is exempted under sections 428A.01 to 428A.10 or the special law under which  
 2.3 the district was created or under section 272.02; or

2.4 (3) the fact that neither the landowner's property nor its use is benefited by the proposed  
 2.5 special service.

2.6 The governing body shall make a determination on the objection within 30 days of its filing.  
 2.7 Pending its determination, the governing body may delay adoption of the ordinance or it  
 2.8 may adopt the ordinance with a reservation that the landowner's property may be excluded  
 2.9 from the district or district service charges when the determination is made.

2.10 **EFFECTIVE DATE.** This section is effective July 1, 2017.

2.11 Sec. 3. Minnesota Statutes 2016, section 428A.02, subdivision 5, is amended to read:

2.12 Subd. 5. **Appeal to district court.** Within 30 days after the determination of the objection,  
 2.13 any person aggrieved, who is not precluded by failure to object before or at the hearing, or  
 2.14 whose failure to object is due to a reasonable cause, may appeal to the district court by  
 2.15 serving a notice upon the mayor or city clerk. The notice shall be filed with the court  
 2.16 administrator of the district court within ten days after its service. The city clerk shall furnish  
 2.17 the appellant a certified copy of the findings and determination of the governing body. The  
 2.18 court may affirm the action objected to or, if the appellant's objections have merit, modify  
 2.19 or cancel it and when an objection is based on lack of benefit to the property, determine the  
 2.20 amount, if any, of the benefit. If the appellant does not prevail upon the appeal, the costs  
 2.21 incurred shall be taxed to the appellant by the court and judgment entered for them. All  
 2.22 objections shall be deemed waived unless presented on appeal.

2.23 **EFFECTIVE DATE.** This section is effective July 1, 2017.

2.24 Sec. 4. Minnesota Statutes 2016, section 428A.03, subdivision 1, is amended to read:

2.25 Subdivision 1. **Hearing.** Service charges may be imposed by the city within the special  
 2.26 service district based on the net tax capacity of the property at a rate ~~or amount~~ sufficient  
 2.27 to produce the revenues required to provide special services in the district or in an amount  
 2.28 not to exceed the benefit received from an improvement. To determine the appropriate rate  
 2.29 for a service charge based on net tax capacity, taxable property or net tax capacity must be  
 2.30 determined without regard to captured or original net tax capacity under section 469.177  
 2.31 or to the distribution or contribution value under section 473F.08. Service charges may not  
 2.32 be imposed to finance a special service if the service is ordinarily provided by the city from

3.1 its general fund revenues unless the service is provided in the district at an increased level.  
3.2 In that case, a service charge may be imposed only ~~in the amount~~ at the rate needed to pay  
3.3 for the increased level of service. A service charge may not be imposed on the receipts from  
3.4 the sale of intoxicating liquor, food, or lodging. Before the imposition of service charges  
3.5 in a district, for each calendar year, a hearing must be held under section 428A.02 and notice  
3.6 must be given and must be mailed to any owner, individual, or business organization subject  
3.7 to a service charge. For purposes of this section, the notice shall also include:

3.8 (1) a statement that all interested persons will be given an opportunity to be heard at the  
3.9 hearing regarding a proposed service charge;

3.10 (2) the estimated cost of improvements to be paid for in whole or in part by service  
3.11 charges imposed under this section, the estimated cost of operating and maintaining the  
3.12 improvements during the first year and upon completion of the improvements, the proposed  
3.13 method and source of financing the improvements, ~~and~~ the annual cost of operating and  
3.14 maintaining the improvements, and an estimate of the increase in the property values, if  
3.15 any, caused by the special services provided;

3.16 (3) the proposed rate or amount of the proposed service charge to be imposed in the  
3.17 district during the calendar year and the nature and character of special services to be  
3.18 rendered in the district during the calendar year in which the service charge is to be collected;  
3.19 and

3.20 (4) a statement that the petition requirements of section 428A.08 have either been met  
3.21 or do not apply to the proposed service charge.

3.22 Within six months of the public hearing, the city may adopt a resolution imposing a  
3.23 service charge within the district not exceeding the amount or rate expressed in the notice  
3.24 issued under this section.

3.25 **EFFECTIVE DATE.** This section is effective July 1, 2017."

3.26 Amend the title accordingly