

Subject Fire Protection Special Taxing Districts

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Overview

Allows local jurisdictions to establish special taxing districts that provide fire protection and emergency medical services. Once established by the local jurisdictions, these districts are governed by a board and have the authority to levy property taxes and issue debt. The bill requires participating jurisdictions to enter into an agreement that specifies how liabilities and assets are distributed if the district is dissolved, and also allows jurisdictions to join or withdraw from a district once it has been established. Under current law, these districts can only be established by the legislature.

Summary

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1	Notice of proposed property taxes.
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Requires fire protection special taxing districts to hold annual public hearings (Truth-in-Taxation hearings) on their proposed levies.

Effective date: Effective beginning with property taxes payable in 2022.

2	Special taxing districts; definition.
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Adds fire protection special taxing districts to the definition of special taxing districts for the purposes of property taxation.

Effective date: Effective the day following final enactment.

3	Fire protection special taxing districts.
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Subd. 1. Definitions. Defines the terms city, governing body, and political subdivision for the purposes of this section.

Subd. 2. Authority to establish. Allows two or more political subdivisions to establish a special taxing district to provide fire protection or emergency medical services or both. Counties may participate in the establishment of the district and

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designate unorganized territory for inclusion in the district. Before establishing the district, participating jurisdictions must enter into an agreement that specifies how any liabilities, other than debt, and assets of the district will be distributed if the district is dissolved.

Subd. 3. Board. Requires that the district be governed initially by a board made up of representatives of each participating jurisdiction. Each representative must be an elected member of the governing body they represent.

Subd. 4. Property tax levy. Allows the board to levy a property tax on property within the district. The board also has the option to establish an alternative method for apportioning the levy among political subdivisions within the district. These alternative methods include using a formula, population, number of service calls, cost of providing service, market value of improvements, or other measure or measures, as long as the method is approved by the governing body of each political subdivision in the district.

Subd. 5. Use of levy proceeds. Requires property taxes levied by the district to be used to provide fire protection or emergency services as well as to pay debt issued by the district.

Subd. 6. Debt. Permits fire protection special taxing districts to incur debt under the statute that governs municipal bonding. This includes a referendum requirement. The districts can also issue certificates of indebtedness or capital notes to purchase capital equipment.

Subd. 7. Powers. Grants fire protection special taxing districts the same powers and authorities granted to participating political subdivisions that are necessary to support the services the district provides, including the authority to participate in state programs and to enforce state laws related to fire protection or emergency services.

Subd. 8. Additions and withdrawals. Allows additional political subdivisions to be added to an established district and allows political subdivisions to withdraw from an established district. A political subdivision that wishes to withdraw from the district must notify the district at least two years in advance. The withdrawing political subdivision must continue to pay its share of any debt issued while the subdivision was part of the district and is subject to this debt levy until that outstanding debt has been paid off.

Subd. 9. Dissolution. Authorizes the dissolution of a fire protection special taxing district by majority vote of the board. Upon dissolution, the assets and liabilities

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are assigned as provided in the initial agreement. A district may not be dissolved until all debt issued has been paid.

Effective date: Effective the day following final enactment.



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