
July 2014

**2014 Legislation Relating to
Local and Metropolitan
Government**

Research Department
Minnesota House of Representatives

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

July 2014

**2014 Legislation Relating
to Local and Metropolitan
Government**

This report describes legislation enacted in the 2014 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 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/.

Contents

Introduction.....	1
Local Government Generally	2
Powers, Duties, State Funding, and Regulation.....	2
Property Tax Aids and Credits.....	18
Tax Increment Financing (TIF)	25
Cities.....	25
Counties	27
Towns	29
Special Legislation	30
Metropolitan Government	49

Introduction

This report describes legislation enacted in the 2014 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 2014, unless otherwise indicated. See the acts or act summaries of the omnibus bills, and other major bills, enacted in 2014 for other provisions that may affect local government and are not covered in this report:

Capital Investment	Chapters 294, 295
Education – K-12	Chapter 272
Energy	Chapter 254
Environment and Natural Resources	Chapter 289
Game and Fish	Chapter 290
Health, Human Services Policy	Chapter 291
Jobs and Economic Development.....	Chapter 305
Lands	Chapter 217
Legacy Amendment Appropriations	Chapter 256
Liquor	Chapter 240
Natural Resources Trust Fund Appropriations	Chapter 226
Pensions and Retirement	Chapter 296
Supplemental Appropriations	Chapter 312
Taxes	Chapters 150, 308
Transportation	Chapter 287

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.aspx>).

Local Government Generally

Powers, Duties, State Funding, and Regulation

Drainage

The legislature enacted changes to the state's drainage law based on recommendations by the Drainage Work Group. The Drainage Work Group is a group of drainage stakeholders facilitated by the Board of Water and Soil Resources (BWSR). The enacted changes provide that:

- before establishing a drainage project, a drainage authority must consider alternative measures identified in local water management plans (erosion and flooding reduction, protection/improvements to water quality, and other measures) and the project's compatibility with local land use plans; and
- a drainage authority must investigate the potential for other sources of funding, including requiring early coordination with soil and water conservation districts and other water planning authorities. A drainage authority may request additional information from BWSR on the availability of alternative funding sources and technical assistance.

In addition, the act clarified that the public benefit determination requirements also apply to repairs and wetlands as a natural resource that must be considered when making the determinations.

Ch. 164, amending Minn. Stat. §§ 103E.015, subs. 1, 2, adding subd. 1a; 103E.091, subd. 1; 103E.245, subs. 1, 2, 4; 103E.255; 103E.261, subs. 4, 5; 103E.285, subd. 10; 103E.301; 103E.341, subd. 1; 103E.501, subd. 4; effective August 1, 2014.

Minimum Wage

The state minimum wage will be increased in increments over the next few years. In addition, the definition of "large employer" was modified, which means that more local governments are now classified as "large employers." A large local government employer now means one with a total annual budget of at least \$500,000, lowered from \$650,000. As before, the minimum wage a local government must pay depends on whether it is a large or small employer and if the employee is covered by the law. (The statute does not specifically say that a local government is a large or small employer based on its budget, but this is the closest measure a local government has to "annual gross volume of sales made or business done," which is the statutory definition.)

As of August 1, 2014, large employers must pay their employees covered by minimum wage law a rate of at least \$8 per hour, and small employers must pay their employees a rate of at least \$6.50 per hour. Beginning on August 1, 2015, the Minnesota minimum pay rate will increase to \$9 per hour for large employers, and to \$7.25 per hour for small employers. On August 1, 2016, the minimum rate will increase to \$9.50 per hour for

large employers, and to \$7.75 per hour for small employers.

There are two exceptions to these wage rates for younger employees. First, large employers must pay employees under age 18 a rate of at least \$6.50 per hour. Second, all employers may elect to pay employees under age 20 a rate not less than \$6.50 per hour, but only for their first 90 consecutive days of employment. After the 90 days, the minimum hourly rate becomes \$8.00. Both of these rates are effective August 1, 2014, and both amounts are scheduled to increase each year.

As before, these minimum wage requirements do not apply to elected officials; individuals who serve on any governmental board, commission, committee, or other similar body; local government volunteers; or any individual employed, directly or indirectly, by the local government to provide police or fire protection services. Also, local governments must still pay time-and-one-half overtime to nonexempt employees for those hours worked over 48 in one work week.

Ch. 166, § 2, amending Minn. Stat. § 177.24, subd. 1, effective April 15, 2014.

Forensic Laboratories

A forensic laboratory operating after January 1, 2015, must be accredited by the named accrediting body or have begun the process of seeking accreditation and become accredited within three years if it is doing forensic analysis relating to: DNA; toxicology; fingerprint, firearms and bloodstain analysis; and other areas. The accreditation information or the statement that they are pursuing accreditation must be posted on the Department of Public Safety's website. The Commissioner of Public Safety may offer a one-year extension to a laboratory that has not been accredited within the three-year period. This law applies to "a publicly financed laboratory within the state that conducts forensic analysis on items of evidence that are part of or have the potential to be used in a criminal investigation." The term does not include medical examiners and coroners; educational institutions; and clinical laboratories and medical facilities.

Ch. 168, adding Minn. Stat. § 299C.157, effective August 1, 2014.

Data Practices

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 year the law was enhanced to address data relating to real property records. The law provides that compliance prior to the effective date is not a violation of chapter 13.

Ch. 173, amending Minn. Stat. §§ 5B.05; 13.045; effective April 30, 2014.

Legislative Commission on Data Practices. The Legislative Commission on Data Practices and Personal Data Privacy was created to study issues relating to government data practices and individuals' personal data privacy rights and to review legislation impacting data practices, data security, and personal data privacy. The commission includes current members and former members who have an interest in and knowledge of data practices. The commission's duties are to: (1) review and provide the legislature with research and analysis of emerging issues relating to government data practices and security and privacy of personal data; (2) review and make recommendations on legislative proposals relating to the Minnesota Government Data Practices Act; and (3) review and make recommendations on legislative proposals impacting personal data privacy rights, data security, and other related issues.

Ch. 193, adding Minn. Stat. § 3.8843, effective May 2, 2014, and expiring June 30, 2017.

Checking account numbers. Checking account numbers in government records are now included in the definition of "security information," which means they are private or nonpublic data (not accessible to the public but accessible to the subject of the data).

Ch. 208, amending Minn. Stat. § 13.37, subd. 1, effective May 10, 2014.

Unauthorized access by public employees. The person responsible for data practices in a jurisdiction must establish appropriate security safeguards, including procedures, to ensure "that data that are not public are only accessible to persons whose work assignment reasonably requires access to the data, and is only being accessed by those persons for purposes described in the procedure."

A "breach of security" now also specifically means accessing data with no legitimate purpose. A person under a contract with the government entity and handling data has the same responsibilities. When there is a breach of security, once the investigation is completed and any disciplinary action is final, the responsible authority must prepare a report on the facts and results of the investigation. If the breach involves unauthorized access to or acquisition of data by an employee, contractor, or agent of the government entity, the report must at a minimum include a description of the type of data involved, how many persons' data was improperly accessed or acquired, if there has been final disposition of disciplinary action, the name of each employee determined to be responsible for the unauthorized access or acquisition (unless the employee was acting under the data protections for victims of violence law), and the final disposition of any disciplinary action taken against each employee in response.

A person who willfully violates this law is guilty of a misdemeanor and it

is just cause for suspension without pay or dismissal of a public employee.

Ch. 284, amending Minn. Stat. §§ 13.05, subd. 5; 13.055; 13.09; 299C.40, subd. 4; effective August 1, 2014, and applies to crimes and security breaches occurring on or after that date.

Government contractors. A 2013 Minnesota Supreme Court case, known as the “Timberjay” case, led to a clarification of the provision in the Data Practices Act relating to the status of data held by a private party under a contract with a government entity. *Helmberger v. Johnson Controls, Inc.*, 839 N.W.2d 527 (Minn. 2013).

Previously the statute said that “[i]f a government entity enters into a contract with a private person to perform any of its functions, *the government entity shall include in the contract terms that make it clear that all of the data created, collected, received, stored, used, maintained, or disseminated by the private person in performing those functions is subject to the requirements of this chapter and that the private person must comply with those requirements as if it were a government entity.*” (emphasis added) Before the court decision, it had been understood that the act applied whether or not the contract provided the notice.

The contract in the case did not have the notice, the contractor did not want to provide data requested by the Timberjay newspaper, and the court held the Data Practices Act did not apply if the notice was not in the contract.

Now the statute states that all of the data created, collected, received, stored, used, maintained, or disseminated by a private person in performing functions under a contract with a government entity are subject to the requirements of the Data Practices Act and that the private person must comply with those requirements as if the person were a government entity. The statute then states that failure to include notice of this law in the contract does not invalidate the application of the Data Practices Act provision to any private contractor.

This provision does not apply to health care contract data until June 30, 2015, when a study on how to classify that data has been completed.

Ch. 293, §§ 2, 11, amending Minn. Stat. § 13.05, subd. 11, effective May 29, 2014; § 3, adding Minn. Stat. § 13.387, effective June 30, 2015.

**Lifeguards at
Public Beaches –
“Tony Caine’s
Law”**

If a political subdivision provides for lifeguards to be present at a public swimming beach, each lifeguard must be certified in first aid and adult, child, and infant cardiopulmonary resuscitation; have American Red Cross lifeguard certification or the equivalent; and be responsible for the supervision and safety of persons at the beach while the lifeguard is on duty.

Ch. 179, adding Minn. Stat. § 471.155, effective January 1, 2015.

**Scrap Metal and
Vehicles;
Automated
Property Tracking
System**

Provisions enacted in 2013 regarding the automated property system (APS) for tracking scrap metal and scrap vehicle transactions were amended this year. The 2014 law delays the effective date of implementation from January 2015 to February 2016 and provides a grace period for enforcement.

In addition, it establishes the parameters for implementing a fee schedule for use of APS. The city of Minneapolis (which operates APS) may charge a fee to scrap metal and scrap vehicle operators for transactions entered into the system. The fee may not exceed 72 cents per transaction for the first four years of operation. Thereafter, the city may adjust the fee to reflect the ongoing, reasonable costs of operating and maintaining the system. The fee schedule may be examined by the state auditor at any time. Finally, the city must file a biennial report with the state auditor and the legislature that outlines the fee schedule and costs associated with APS.

Ch. 190, amending Minn. Stat. §§ 168A.1501, subd. 5, adding subd. 5a (effective upon local approval by the city of Minneapolis); 325E.21, subs. 1a, 1c, 4, adding subd. 1d (effective upon local approval by the city of Minneapolis); Laws 2013, chapter 126, §§ 5, 10, 11, the effective dates; except as noted above, effective August 1, 2014.

Public Employees

Public Employment Relations Board. The legislature created a Public Employment Relations Board (PERB) to hear unfair labor practice charges under the Public Employment Labor Relations Act (PELRA) and unfair labor practice charges involving charitable hospitals. Prior law provided for the charges to be heard in district court. The new law also provides that public employees have the right to engage in concerted activity for the purpose of collective bargaining or other mutual aid or protection. The board is to be functioning as of July 1, 2015.

Ch. 211, amending Minn. Stat. §§ 179A.03, subs. 14, 15, adding subd. 2a; 179A.051; 179A.06, adding subd. 7; 179A.10, subd. 1; 179A.13; adding §§ 179A.052; 179A.135; effective July 1, 2015; and amending Minn. Stat. § 179A.04, subd. 3; adding § 179A.041, (relating to creating of the board and its procedures) effective July 1, 2014.

Confidential employees. The definition of “confidential employee” in PELRA was changed from an employee who has access to labor relations data to one who is required to access and use the data. Under current law, public employees defined as “confidential” are excluded from state

bargaining units, and for other public employers cannot be included in bargaining units with most other public employees. Narrowing the definition may result in more public employees being included in those bargaining units. The local government associations did not support the change.

Ch. 219, amending Minn. Stat. § 179A.03, subd. 4, effective May 10, 2014.

Cemeteries

A town, statutory or home rule charter city, or county may transfer cemetery land and property owned or controlled by it to a cemetery association or corporation formed under the laws of a federally recognized Indian tribe in Minnesota.

Ch. 214, amending Minn. Stat. § 306.02, subd. 2, effective May 10, 2014.

Annexation

Under Minnesota Statutes 2012, section 414.033, subdivision 2, clause (3), a city may declare property annexed by adoption of a city ordinance if the land is deemed to be urban or suburban in character or about to become so and

...the land abuts the municipality and the area to be annexed is 120 acres or less, and the area to be annexed is not presently served by public wastewater facilities or public wastewater facilities are not otherwise available, and the municipality receives a petition for annexation from *all the property owners* of the land. Except as provided for by an orderly annexation agreement, this clause may not be used to annex any property contiguous to any property previously annexed under this clause within the preceding 12 months if the property is owned by the same owners and annexation would cumulatively exceed 120 acres;

Late in the 2013 session, a controversial bill was introduced to address the use of this provision, known as the 120-acre rule, as it had been used in cases involving the cities of Ortonville and Proctor.

In the Ortonville case, the owners of a large parcel wanted to open a granite quarry but the township did not approve the project. The city was willing to approve it, and so to be eligible for annexation by ordinance, the owners granted quitclaim deeds to other persons of parcels of less than 120 acres, but retained an interest in each of the parcels related to the quarry. In a challenge to the annexations by ordinance, the administrative law judge determined that the petitions were not from all the owners because the original owners (who still held an interest in the properties) did not join. For more background on the Ortonville case, involving a proposed granite quarry, see Assistant Chief Administrative Law Judge, Timothy J. O'Malley's memorandum and decision dated March 14, 2013, regarding docket numbers A-7829 to A-7834 (Ortonville/Ortonville Township). The city and town associations were directed to come to an agreement on how to address the issue and in

2014, the bill was amended and enacted.

In the 2014 law, the definition of “property owner” in the chapter of statutes governing boundary adjustments was amended to mean the owner of *any* fee interest in land, as opposed to the fee owner of land. This supports the interpretation of the statute by the administrative law judge in the Ortonville case.

In addition, the 2014 law clarifies the 12-month time limit for use of the 120-acre rule. It now prohibits annexation by ordinance of property contiguous to annexed property that was owned by the same person(s) at any point during the 12 months before the proposed annexation if the cumulative total annexed is over 120 acres.

Finally, the law added a definition of “property description” or “boundaries of the area,” which means the legal description of the property.

Ch. 220, amending Minn. Stat. § 414.011, subd. 5, by adding subd. 13, effective May 10, 2014, and applies to boundary adjustments commenced on or after that date; and § 414.033, subd. 2, effective May 10, 2014, and applies to annexation ordinances adopted on or after that date.

Joint Powers Agreements and Labor

A new law addresses how joint powers and other cooperative entities should deal with collective bargaining agreements when those entities are formed. “ ‘Entity’ means an operating organization, established by agreement of two or more governmental units for the joint exercise of governmental powers, that has its own governing board with the authority to hire its own employees. For purposes of this section, entity does not include service delivery authorities created under section 402A.35.”

The new law provides a process to transition employees into a new bargaining unit once the entity is formed and addresses issues related to seniority, personnel files, layoffs, and recalls.

Ch. 223, adding Minn. Stat. § 179A.60, effective for entities established on or after January 15, 2015.

Drug Overdose Treatment – “Steve’s Law”

Trained law enforcement officers and first responders may carry and administer an opiate antagonist to revive a person who has overdosed on heroin. “Opiate antagonist” means naloxone hydrochloride or any similarly acting drug approved by the federal Food and Drug Administration for the treatment of a drug overdose.

Ch. 232, amending Minn. Stat. §§ 144E.101, subd. 6; 151.37, by adding subd. 12, effective August 1, 2014; adding Minn. Stat. § 604A.04, effective May 10, 2014, and applying to actions arising from incidents occurring on or after that date; and § 604A.05, effective July 1, 2014, and applying to actions arising from incidents occurring on or after that date.

**Women's
Economic Security
Act**

This act includes a number of provisions aimed at eliminating barriers to women's economic progress. The following are applicable to public employers:

- Sexual assault and stalking were added to the list of reasons that provide an exception to the denial of unemployment benefits to applicants who quit their jobs. Also, conduct that was a consequence of sexual assault or stalking is not employment misconduct.
- The definition of "employee" is now aligned with definitions under the federal Family and Medical Leave Act. Leave for pregnancy and parenting is increased from six to 12 weeks. An employee may use personal sick leave to cover the care of a mother-in-law, father-in-law, or grandchildren; and for use in circumstances of domestic abuse, sexual assault, and stalking. Employers must provide reasonable accommodations for employees for health conditions related to pregnancy or childbirth if the employee requests accommodation with the advice of her licensed health care provider or certified doula, unless the accommodation would impose an undue hardship on the operation of the employer's business. However, a pregnant employee is not required to obtain the advice of her health care provider or doula, and an employer cannot claim undue hardship for the following accommodations: more frequent restroom, food, and water breaks; seating; and limits on lifting over 20 pounds. A reasonable accommodation includes temporary transfer to a less strenuous or hazardous position. An employer must not retaliate against an employee asserting rights under this law. Finally, parental or pregnancy leave may be reduced by any period of paid parental, disability, personal, medical or sick leave, accrued vacation, or leave taken for the same purpose under federal law.
- The statute related to nursing mothers was amended to require an employer to make a reasonable effort to provide space other than a bathroom, and that it be shielded from view and free from intrusion from coworkers and the public, and include access to an electrical outlet. An employer must not retaliate against an employee for asserting rights under this section.
- An employer cannot discriminate on the basis of familial status.

Ch. 239, art. 2, §§ 4, 5, amending Minn. Stat. § 268.095, subs. 1, 6, effective October 5, 2014, and applying to all determinations and appeal decisions issued on or after that date; art. 3, amending Minn. Stat. §§ 181.940, subd. 2; 181.941; 181.9413; 181.943, effective July 1, 2014; adding § 181.9414, effective May 12, 2014; art. 4, § 3, amending Minn. Stat. § 181.939, effective July 1, 2014; art. 4, §§ 6 to 9, amending Minn. Stat. § 363A.08, subs. 1 to 4, effective May 12, 2014.

Liquor Laws

A municipality, including a city with a municipal liquor store, may issue the holder of a microdistillery license a microdistillery cocktail room license. A microdistillery cocktail room license authorizes on-sale of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller. In addition, a municipality may authorize a taproom to be open and conduct on-sale business on Sundays.

Ch. 240, §§ 5, 6, amending Minn. Stat. § 340A.301, subd. 6b; adding § 340A.22, effective May 14, 2014.

**Public
Construction
Contracts,
Responsible
Contractor
Requirements**

A new law establishes minimum criteria that a contractor must meet for a public entity to award the contractor a construction contract of \$50,000 or more. The new law applies to construction contracts entered into by municipalities as well as the state, the Minnesota State Colleges and Universities, the University of Minnesota, the Metropolitan Council, and the Metropolitan Airports Commission. The criteria the contractor must meet include compliance with wage laws (minimum wage, prevailing wage, overtime, timely payment, etc.), construction codes and licensing, and other provisions in state and federal law. The public contracting authority may establish other criteria.

“Municipality” is defined as a “county, town, home rule charter or statutory city, school district, housing and redevelopment authority, port authority, economic development authority, sports facilities authority, joint powers board or organization created under section 471.59 or other statute, special district, instrumentality, drainage authority, watershed district, destination medical center corporation, or other municipal corporation or political subdivision of the state authorized by law to enter into contracts.”

Ch. 253, adding Minn. Stat. § 16C.285, effective January 1, 2015, and applies to construction contracts entered into on or after that date.

**Property Assessed
Clean Energy
(PACE) Finance**

The PACE program authority, originally enacted in 2010, was modified to provide that maturity of a loan for energy efficiency improvements repaid through monthly energy bills must be weighted by the cost of the improvements, and that the loan principal may not exceed the lesser of the project cost or 20 percent of the assessed value of the property, increased from 10 percent of the assessed value. Also, an entity implementing a program in which loans for energy efficiency improvements are repaid through monthly energy bills may use additional funding sources, but not general obligation bonds.

Ch. 254, §§ 15, 16, amending Minn. Stat. § 216C.436, subd. 4, adding subd. 9, effective May 17, 2014.

Water, Wastewater Privatization Ended Local governments no longer may enter into service contracts to privatize water and wastewater design, construction, operation, or maintenance services. No local government was using this authority, originally enacted in 1986. The Metropolitan Council is allowed to continue its practices, notwithstanding the repeal.

Ch. 258, amending Minn. Stat. §§ 116.18, subd. 3b; 469.153, subd. 2; adding Minn. Stat. § 473.524, effective May 17, 2014; repealing Minn. Stat. §§ 13.202, subd. 10; 115.58, subd. 2; 272.02, subd. 63; ch. 471A; effective August 1, 2014.

Elections *Soil and water conservation district supervisor elections.* Metropolitan area soil and water conservation districts must elect supervisors from election districts. Outside the seven-county metropolitan area, soil and water conservation districts continued to be allowed to elect supervisors by districts, but are not required to do so.

Ch. 264, § 2, amending Minn. Stat. § 103C.311, subd. 2, effective January 1, 2015, and applies to elections conducted on or after that date.

Campaign finance reports. Campaign finance reports filed by local candidates must be posted on the local government's website, if the government maintains a website. The report must be posted no later than 30 days after it is filed and must be maintained on the site for four years from the date of posting. A link to the website must be provided by the local government to the Campaign Finance and Public Disclosure Board, and the board must publish the link on its own website. These requirements do not apply to statutory or home rule charter cities or towns with fewer than 400 registered voters as of January 1 of the year in which the election is held.

Ch. 265, § 1, amending Minn. Stat. § 211A.02, by adding subd. 6, effective May 17, 2014, and applies to reports filed on or after that date.

Contribution limits. Contributions that a local candidate or local candidate's committee may accept were increased. For candidates in a territory with a population of 100,000 or less, prior law permitted receipt of contributions of up to \$300 in an election year, and \$100 in any other year. The law now sets the limits at \$600 in an election year and \$250 in other years. For candidates with territory with a population of more than 100,000, the limits were increased from \$500 in an election year to \$1,000, and in other years from \$100 to \$250.

Ch. 265, amending Minn. Stat. § 211A.12, effective May 17, 2014, and applies to elections held on or after that date.

Use of Electronic Rosters. Counties, cities, towns, and school districts may use electronic polling place rosters in elections. The new law provides standards and procedures for using electronic rosters. The secretary of state must evaluate the use of electronic rosters in the 2014 state general election, and submit an evaluation of its use to the chairs

and ranking minority members of the committees in the house of representatives and the senate with primary jurisdiction over elections no later than April 1, 2015.

Ch. 288, amending Minn. Stat. §§ 200.02, by adding subs. 25, 26; 201.221, subd. 3; 204B.14, subd. 2; 204C.10; 204C.12, subd. 4; 211B.11, subd. 1; § 204C.14, subd. 2; and adding § 201.225; effective May 22, 2014.

Open Meeting Law

The use of social media by members of a public body does not violate the open meeting law so long as the social media use is limited to exchanges with all members of the general public. E-mail is not considered a type of social media.

Ch. 274, § 2, adding Minn. Stat. § 13D.065, effective August 1, 2014.

E-Cigarettes

E-cigarettes or electronic cigarettes will be treated the same as other tobacco products and are now defined in statute as “electronic delivery devices” and as follows:

“ ‘Tobacco-related devices’ means cigarette papers or pipes for smoking or other devices intentionally designed or intended to be used in a manner which enables the chewing, sniffing, smoking, or inhalation of vapors of tobacco or tobacco products. Tobacco-related devices include components of tobacco-related devices which may be marketed or sold separately.

‘Electronic delivery device’ means any product containing or delivering nicotine, lobelia, or any other substance intended for human consumption that can be used by a person to simulate smoking in the delivery of nicotine or any other substance through inhalation of vapor from the product. Electronic delivery device includes any component part of a product, whether or not marketed or sold separately. Electronic delivery device does not include any product that has been approved or certified by the United States Food and Drug Administration for sale as a tobacco-cessation product, as a tobacco-dependence product, or for other medical purposes, and is marketed and sold for such an approved purpose.”

Ch. 291, art. 6, § 33, amending Minn. Stat. § 609.685, subd. 1, effective August 1, 2014.

The use of electronic cigarettes, including the inhaling or exhaling of vapor from any electronic delivery device, is prohibited in any building owned or operated by the state, home rule charter or statutory city, county, township, school district, or other political subdivision; any facility owned by Minnesota State Colleges and Universities and the University of Minnesota; any facility licensed by the Commissioner of Human Services; or any facility licensed by the Commissioner of Health, but only if the facility is also subject to federal licensing requirements.

Political subdivisions and businesses may adopt more stringent

prohibitions on the use of electronic cigarettes or electronic delivery devices.

Ch. 291, art. 6, § 6, amending Minn. Stat. § 144.414, adding subd. 5, effective August 1, 2014.

The law that authorizes public bodies to license sale of tobacco products now applies to the sale of electronic delivery devices and nicotine and lobelia delivery products. As before, the law expressly allows more stringent local ordinances.

Ch. 291, art. 6, §§ 28 to 30, amending Minn. Stat. §§ 461.12, 461.18, 461.19, effective August 1, 2014.

Joint Powers Investments

A Minnesota joint powers investment trust may invest funds in negotiable certificates of deposit or other evidences of deposit, under certain conditions. Investments in these instruments are not subject to the collateralization requirements of section 118A.03.

Ch. 292, § 5, amending Minn. Stat. § 118A.07, adding subd. 7, effective August 1, 2014.

Snow Plowing in Uncompleted Subdivisions

The temporary authority for a road authority to plow snow in an uncompleted subdivision is now permanent. 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. The law originally expired May 2, 2013, and was extended to 2014.

Ch. 297, amending Minn. Stat. § 160.21, subd. 6, effective retroactively from May 2, 2014.

Building Codes

The law governing local authority to do plan review, inspection, building code administration, and code enforcement was expanded and clarified, and if the Commissioner of Labor and Industry denies a local government the authority to conduct state building code administration and enforcement, the local government may appeal the decision in a contested case hearing.

Ch. 305, §§ 18 to 25, amending Minn. Stat. § 326B.106, effective July 1, 2014.

**Penalty for
Retaliation Against
a Police Officer**

Under Minnesota Statutes, section 609.7475, subdivision 2, it is a crime to knowingly file a record that: (1) is not related to a valid lien or security agreement; (2) contains a forged signature; or (3) is based on a document with a forged signature. It is also a crime to file a record with intent that it be used to harass or defraud another person. (The definition of record is contained in article 9 of the Uniform Commercial Code.) If the crime is committed with intent to retaliate against judicial officers, prosecutors, defense attorneys, officers of the court, sheriffs, and county recorders, it is a felony with a penalty of up to five years, \$10,000, or both.

The five-year penalty is now extended to include a crime committed with intent to retaliate against a police officer or chief of police or a state or local corrections official because of the person's performance of official duties.

Ch. 306, amending Minn. Stat. § 609.7475, subd. 3, effective August 1, 2014, and applies to crimes committed on or after that date.

**Trust For
Postemployment
Benefits,
Investment
Reporting**

The administrator of a trust for postemployment benefits must report electronically to a political subdivision or other public entity regarding investment of trust assets by October 25 each year with information on the investments' market value, contributions and withdrawals by the public entity, time-weighted annual rates of return net of costs and fees, and all investment management and plan administrative fees and costs for the year. In addition, the administrator must certify that the information provided in the report is true and correct, and the procedures used to compute rates of return are consistent with the measurement and presentation standards set by the CFA Institute. Under prior law, the administrator reported on investment returns of invested trust assets and on all investment fees or costs incurred by the trust.

Ch. 307, amending Minn. Stat. § 471.6175, subd. 4, effective August 1, 2014, with the initial report by October 25, 2015.

**Volunteer First
Responder Aid
Pilot Project**

A three-year pilot program was enacted to see if providing small stipends to volunteer firefighters, volunteer ambulance attendants, and volunteer emergency medical responders would improve volunteer recruitment and retention in different areas of the state. The program will pay a stipend of \$500 per year for calendar years 2015 to 2017 to each volunteer who serves for the entire previous calendar year in one of the pilot areas. The four pilot areas are:

- in southern Minnesota: Faribault, Fillmore, Freeborn, Houston, and Watonwan counties;
- in west central Minnesota: Chippewa, Kandiyohi, Redwood, and Renville counties;

- in central Minnesota: Morrison and Todd counties; and
- in north central Minnesota: Beltrami, Clearwater, and Mahnommen counties.

Each emergency medical services provider, independent nonprofit firefighting corporation, and town and statutory and home rule charter city in these counties that provide fire and emergency medical services must annually apply to the Commissioner of Public Safety for the aid. Entities other than a municipality must designate a city or town to receive the aid. The Commissioner of Public Safety certifies lists of eligible volunteers to the Commissioner of Revenue who pays the aid to the municipalities by July 15. Municipalities receiving aid on behalf of another entity need to transfer the aid to the other entity within 30 days of receiving the aid. The stipends must be distributed to the qualified volunteers by September 15 of each year.

By January 15, 2018, the Commissioner of Public Safety must report to the legislature the amount of aid paid and number of volunteers in each year of the pilot, and contrast this with information on the number of volunteers serving in comparison counties consisting of at least half of the counties that border each of the groups of counties in the pilot area.

Ch. 308, art. 1, § 1, adding Minn. Stat. § 69.022, effective May 21, 2014, and applies for volunteer service provided beginning in calendar years 2014, 2015, and 2016, and for aid payable in calendar years 2015, 2016, and 2017.

**Sales Tax
Exemption for
Local Governments**

The sales tax exemption for purchases made by counties, cities, and townships, is expanded to include all special districts; city, county, and township instrumentalities; and all joint powers boards and organizations. The change is effective for all local government entities, except the Metropolitan Council, beginning January 1, 2016. All Metropolitan Council purchases not currently exempt under other provisions of law (i.e., transit vehicles, construction material for low-income housing) will be exempt beginning January 1, 2017.

Beginning with sales and purchases made after June 30, 2014, the old illustrative list of government services whose inputs remain taxable is eliminated and replaced with a definitive list that includes publicly provided liquor stores, gas or electric utilities, golf courses, marinas, campgrounds, cafes, laundromats, solid waste hauling services, solid waste recycling services, and landfills.

The sales tax exemption for certain local government purchases was extended to cities and counties during the 2013 session. Almost

immediately it became clear that there were a number of issues raised by this extension. The first set of issues related to the fact that cities and counties provide a number of their services through joint and semi-autonomous structures such as housing and redevelopment authorities, regional rail authorities, and other types of special districts. Limiting the exemption to counties, cities, and townships caused unequal tax treatment between local governments providing the same services. Extending the exemption to all local governments, joint powers organizations, and their instrumentalities eliminates this inequity.

The old law excluded from the sales tax exemption goods and services “used as inputs to goods and services generally provided by a private business” if these inputs were taxable to the private businesses. This was followed by an illustrative list of excluded goods and services. This exclusion raised a number of questions regarding nonenumerated services, particularly in the area of parks and recreation; and caused local governments to have to try to allocate costs for inputs to multiuse facilities. The 2014 law mitigates both those problems by replacing this provision with a definitive list of services and facilities whose inputs will not be eligible for the sales tax exemption.

Ch. 308, art. 3, § 11, amending Minn. Stat. § 297A.70, subd. 2, effective for sales and purchases made after June 30, 2014.

Assessor Salaries

The statutory provisions setting minimum compensation levels for county and city assessors are eliminated since the minimums listed were far below current assessor salaries. This was part of the “unsession” cleanup.

Ch. 308, art. 9, §§ 25, 82, amending Minn. Stat. §§ 273.061, subd. 6; 412.131, effective May 21, 2014.

Solid Waste Management Filings

The separate requirement that solid waste facilities apply to the Pollution Control Agency (PCA) for a renewal of their tax exemption for source-separated compostable waste by October 1 of each year is eliminated. Facilities would still annually apply to the PCA for permit renewal under another provision, so this eliminates a duplicate filing requirement.

Ch. 308, art. 9, § 79, amending Minn. Stat. § 297H.06, subd. 2, effective July 1, 2014.

Border-to-Border Broadband Development Grant Program

The legislature appropriated \$20 million from the general fund for grants to local governments and other eligible entities for broadband infrastructure in underserved and unserved areas of the state. These are areas in which households or businesses lack access to wire-line broadband service at speeds that meet the state broadband goals of ten to 20 megabits per second download and five to ten megabits per second upload, or areas in which households or businesses lack access to wire-line broadband service at speeds that meet a Federal Communications Commission threshold of four megabits per second download and one megabit per second upload. The grants are for up to 50 percent of the

costs of acquisition and installation of middle-mile and last-mile infrastructure that support broadband service scalable to speeds of at least 100 megabits per second download and 100 megabits per second upload. The maximum grant for a project is \$5 million.

Ch. 312, art. 2, § 2, subd. 2, effective July 1, 2014; art. 3, §§ 2, 3, 4, adding Minn. Stat. §§ 116J.394, effective July 1, 2014; 116J.395, 116J.396, effective May 21, 2014.

Legislative Water Commission

A Legislative Water Commission was reestablished and supported by local government associations. The 12-member commission will review water policy reports and recommendations of the Environmental Quality Board, the Board of Water and Soil Resources, the Pollution Control Agency, the Department of Natural Resources, the Metropolitan Council, and other water-related reports as necessary. The commission may conduct public hearings and make recommendations for legislation. Initial appointments to the commission must be made by September 1, 2014. The chair or a designee of the Legislative Coordinating Commission must convene the first meeting of the commission by October 15, 2014, at which the commission will select a chair from its members. The previous commission expired in 1999. (See Minn. Stat. 1998, § 3.887)

Ch. 312, art. 4, §§ 3, 25, adding Minn. Stat. § 3.886, effective July 1, 2014, and expires July 1, 2019.

Disaster Assistance

When federal aid granted. When state funds are used to provide the FEMA Public Assistance Program cost-share requirement for a local government, the state must pay 100 percent of the nonfederal share (often referred to as the “match”) of FEMA-eligible disaster costs. The new law also creates a disaster contingency account to capture expiring appropriations from prior disasters and to statutorily appropriate money to the Department of Public Safety to (1) pay the nonfederal share for state agencies, local units of government, and American Indian tribes, and (2) award state disaster assistance grants to American Indian tribes and local units of government under the new program to provide assistance when there is no federal aid.

Ch. 312, art. 7, amending Minn. Stat. §§ 12.03, adding subds. 5d, 6b; 12.221, subd. 4, adding subd. 6; 12A.02, subd. 2, adding subds. 6, 7; 12A.03, subd. 3; 12A.15, subd. 1; 16A.28, adding subd. 9, effective May 21, 2014. See also, art. 5, § 12, transferring \$3 million from the general fund to the disaster assistance contingency account on July 1, 2014.

Absent federal aid. The legislature established a new disaster relief program for local units of government and American Indian tribes that are not eligible to receive FEMA assistance or corresponding state disaster aid under Minnesota Statutes, chapter 12A, but sustained eligible damages, on a per capita basis, greater than or equal to 50 percent of FEMA’s county per capita impact indicator. State grants may be for up to

75 percent of the applicant's eligible costs.

Ch. 312, art. 8, adding Minn. Stat. ch. 12B, effective May 21, 2014.

Property Tax Aids and Credits

Taconite Aids and Credits

Distribution of taconite production tax. A new Iron Range school cooperation and consolidation account is established, and funded through reallocation of various distributions of production tax and occupation tax revenues. The change to the production tax distributions affects Iron Range local governments. Projects funded through the account are also backed up by a limited pledge (up to one-quarter of the areawide levy) under the Iron Range fiscal disparities program that may also impact local government revenues in the area. These changes are as follows:

- *Reduced county distributions.* The distribution and guaranteed distribution of production tax to taconite counties is reduced by five cents per ton, starting with the 2015 distribution. This reduction is made by reducing the county general fund allocation from 15.525 to 10.525 cents per ton. Laws 2014, chapter 150, made the reduction permanent. Under Laws 2014, chapter 308, the permanent reduction for the regular distribution was changed to a reduction for nine years only—affecting the 2015 to 2023 distributions. However, when the five cents per ton is added back beginning in 2024, it must go into the county road and bridge fund instead of the county general fund. The change to the guaranteed distribution, which goes to only a few counties based on mines that are no longer operating (Butler and LTV), remains permanent.

Ch. 150, art. 6, § 9, amending Minn. Stat. § 298.225, subd. 1; ch. 150, art. 6, § 11, and ch. 308, art. 5, § 4, amending Minn. Stat. § 298.28, subd. 5, effective beginning with distributions paid in 2015.

Reduced taconite towns distribution. The towns totally located in the taconite area receive three cents per ton, adjusted annually for inflation. This amount is distributed among the eligible towns based on population. For the years 2015 to 2017, the rate per ton allocated to the towns will be frozen at the 2014 rate (3.2506 cents per ton) with the amount from the forgone inflation dedicated to the new school fund.

Ch. 150, art. 6, § 10, amending Minn. Stat. § 298.28, subd. 3, effective beginning with distributions paid in 2014.

- *Apportionment of levy; Iron Range fiscal disparities (FD) program.* If the new school fund does not have sufficient revenues to fund its obligations, up to 25 percent of the fiscal disparities levy normally distributed to municipalities could be diverted to meet the obligations of this fund. This means that more of local levies would fall on the regular local tax bases of the cities, towns, counties, school districts, and special districts.

Ch. 150, art. 6, §§ 5 to 7 and ch. 308, art. 5, §§ 1, 2, amending Minn. Stat. § 276A.06, subd. 3, 5, and 8; effective beginning with taxes payable in 2015.

2014 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. This year revenue equal to 18.84 cents per ton is allocated from the excess in the fund used to pay taconite homestead credit and payments to fund the following projects:

- Aurora: 0.65 cents per ton for an infrastructure project
- Babbitt: 0.35 cents per ton for demolition of a public building
- Balkan Township: 0.39 cents per ton for salt storage and cold storage buildings
- Biwabik: 0.5 cents per ton for wastewater treatment repairs
- Calumet: 0.5 cents per ton for an infrastructure project
- Cohasset: 0.78 cents per ton for an infrastructure project
- Cuyuna: 0.47 cents per ton for city property and facility improvements
- Grand Rapids: 0.5 cents per ton for Reif Center landscaping
- Hoyt Lakes: 0.65 cents per ton for a storm water project
- IRRRB: 6.5 cents per ton for township block grants
- LaPrairie: 0.65 cents per ton to for public infrastructure improvements to support business expansion
- McKinley: 3 cents per ton to construct a water line

between the city and the city of either Gilbert or Biwabik subject to a matching fund requirement and expiring after three years

- Marble: 0.5 cents per ton for a water main and looping project
- Morse Township: 0.3 cents per ton for a recreational trail
- Nashwauk (city): 0.65 cents per ton for an infrastructure project
- Nashwauk (township): 0.5 cents per ton for the town hall
- Silver Bay: 1.3 cents per town for a water project under Highway 61
- Silver Creek: 0.65 cents per ton for an infrastructure project

The payments are made separate from the other taconite payments but must be made within ten days of the other August 2014 taconite payments.

Ch. 308, art. 5, § 11, and ch. 312, art. 3, § 17, effective for the 2014 distribution.

2013 onetime taconite tax distributions. In the 2013 omnibus tax act, the list of onetime taconite production tax distributions accidentally listed the distributions to Keewatin and Virginia as 0.5 cents and 3.3 cents, rather than as 0.5 cents per ton and 3.3 cents per ton. This is now corrected to indicate their distributions are cents per ton. The use of the 2.0 cents per ton distributed to the city of Cook is also modified (see Cook under “Special Legislation” below). Finally, the city of Biwabik no longer needs to meet a mining company’s water permit conditions in order to receive 2.5 cents per ton to improve the city’s water system.

Ch. 308, art. 5, § 9, and ch. 312, art. 3, § 16, amending Laws 2013, ch. 143, art. 11, § 10, effective May 21, 2014.

**Disparity
Reduction Credit**

By changing the criteria for eligibility, the city of Ortonville was added to the list of border cities that have historically received this credit (Moorhead, Dilworth, East Grand Forks, and Breckenridge). The credit is used to reduce the effective tax rate on commercial-industrial and apartment properties in these cities. Under the old law, the credit was the amount required to reduce these rates to 1.9 percent; but the credit amount is now increased to the amount needed to reduce the rate to 1.6 percent.

**Supplemental Aid
for Police and
Firefighter
Retirement**

Ch. 308, art. 1, § 3, amending Minn. Stat. § 273.1398, subd. 4, effective beginning with taxes payable in 2015.

The definition of “municipality” that qualifies for supplemental firefighter retirement state aid is modified to include all independent nonprofit firefighting corporations. These groups were inadvertently omitted when this new aid program was established in 2013. To correct for this omission, the nonprofit firefighting corporations that did not receive October 1, 2013, payments under this program will have the amounts they should have received calculated and paid first from the calendar year 2014 (fiscal year 2015) appropriation before the fiscal year 2015 payments are calculated for all qualified firefighting groups. The catch-up payments will be made with the regular October 1, 2014, distributions.

Also the percentage of the aid allocated to the public employees police and fire retirement fund is reduced from 58.065 percent to 58.064 percent so that the total allocation equal 100 percent of the appropriation; currently 100.001 percent of the appropriation is allocated among the various pension funds.

Ch. 308, art. 1, §§ 4, 12, amending Minn. Stat. § 423.022, subd. 2, effective July 1, 2014.

**Distribution of
(Nonferrous) Net
Proceeds Tax**

Although no nonferrous mining currently occurs in this state, the distribution of nonferrous mining tax revenues was modified to be similar to taconite tax distributions. (Nonferrous mining would include copper and nickel mining, for example.) The portion of the net proceeds tax on nonferrous mining (paid in lieu of property taxes) that go to the political subdivisions where the mine is located will now be shared with the local governments in which the processing plant is located. If a nonferrous mining and processing operation is established in the state, the Commissioner of Revenue will make this split on an equal basis between the governmental units with mining versus the concentration or processing facilities. If multiple jurisdictions are involved (e.g., a mine in two towns or cities), the commissioner is to give “due consideration to the relative extent of such operations performed in each taxing district.” Thirty-five percent of the net proceeds tax is allocated to local governments as follows:

- 5 percent share to the city or town;
- 10 percent share to the school district; and
- 20 percent share to the county.

Ch. 308, art. 5, § 3, amending Minn. Stat. § 298.018, subd. 1, effective July 1, 2014.

Property Taxes

Payments in Lieu of Taxes (PILT)

The payment in lieu of tax (PILT) program for natural resource land was modified significantly in the 2013 legislative session. Several corrections to the law were made in 2014 to actually implement the 2013 modifications. The changes include:

- Modifying the payment for wildlife management land to be the greater of \$5.133 per acre or three-fourths of 1 percent of appraised value. The \$5.133 per acre alternative was omitted last year for this type of land, although many other types of land share this same payment structure. The change was made retroactively to calendar year 2013, and the state will make a onetime additional payment by June 30, 2014, to counties that would have received more PILT payments on wildlife lands in 2013 with this retroactive change. Five counties—primarily Kittson—but also Marshall, Roseau, Pennington, and Red Lake, will receive additional payments.

Ch. 308, art. 1, § 7, amending Minn. Stat. § 477A.12, subd. 1, effective retroactively beginning with payments made in 2013.

- Providing a mechanism to allocate the new \$300,000 annual amount to pay ditch assessments on consolidated conservation (con-con) lands to counties. The payments are based on each county's share of total annual ditch assessments. Although the annual appropriation began in 2013, no payments were made that year because no allocation mechanism was specified. Counties will receive 2013 payments by June 30, 2014, based on the new allocation mechanism.

Ch. 308, art. 1, §§ 7, 8, amending Minn. Stat. § 477A.12, subd. 1, 2, effective for assessments beginning in calendar year 2014.

- Clarifying that a township with qualifying PILT land receives 10 percent of the payment a county receives for the PILT land in that township. The law as originally written allowed each township to receive 10 percent of the county's total payment. This change ratifies the distribution mechanism actually used in 2013.

Ch. 308, art. 1, § 9, amending Minn. Stat. § 477A.14, subd. 1, effective retroactively beginning with payments made in 2013.

**Production
Property
Transition Aid**

In 2013, the Department of Revenue, at the request of the legislature, studied the discrepancy in the property tax treatment of large production vats in milk, ethanol, and beer processing facilities. The department recommended that most of these vats be excluded from the definition of “real property” and from property taxes. This change will begin with taxes payable in 2016 and will result in substantial losses of tax base to a few small towns and cities. The cities and towns that lose 5 percent or more of their tax base due to this change in the definition of “real property” will get transition aid for five years, beginning in 2016. The aid amount is equal to the full loss in tax revenue due to the tax base loss in the first year, and then phases out over the next four years, with aid payments decreased by 20 percent each year. The last payment is made in calendar year 2020.

Ch. 308, art. 1, § 10, adding Minn. Stat. § 477A.18, effective beginning with assessment year 2015.

**Levy Authority for
Emergency
Medical Service
Districts**

The levy limit for these districts is the lesser of 0.048 percent of the taxable market value of the district or \$400,000. Beginning with taxes payable in 2016, the \$400,000 limit is increased to \$550,000. The limit based on the percentage of taxable market value remains unchanged. The dollar limit was last increased in 2005.

Ch. 308, art. 2, § 1, amending Minn. Stat. § 144F.01, subd. 4, effective for taxes payable in 2016 and thereafter.

**Notification of
Property Tax Value
Exclusions and
Reductions**

The Commissioner of Revenue must develop a means of informing local governments when the property tax value of an electric generation facility is going to be reduced because the facility is taking advantage of a valuation reduction or exclusion on some of its personal or real property under existing programs. Utilities are the only businesses that still pay property tax on personal property (i.e., machinery and equipment) and these reductions and exclusions can have a significant impact on the tax base of the local community. Because there is a one-year lag between when property values are set and when taxes are paid, the notice will give local governments an opportunity to seek relief from the legislature. Notice of exclusions and reductions must now be given when:

- an electric generating facility applies for an exclusion of real or personal property used primarily for the abatement of air, water, and land pollution;
- an existing electric generating facility applies for a sliding scale reduction on personal property used to increase the

energy efficiency rating of the facility; or

- the Commissioner of Revenue finally approves a sliding scale reduction. The reduction is equal to 8 percent of the personal property for every 1 percent that the facility energy efficiency rating exceeds 40 percent.

Ch. 308, art. 2, §§ 2, 5, 6, amending Minn. Stat. §§ 272.02, subd. 10; 272.0211, subds. 1, 2, effective May 21, 2014.

Certification of Proposed Levy

The deadline for counties and cities to certify their proposed levies is changed from September 15 to September 30; this is the same as the current deadline for schools. The existing deadlines of September 15 for towns and special taxing districts are retained. Cities and counties do not receive the final certification for next year's state aids until September 1, so the delay gives them a little more time to adjust proposed levies to reflect aid payments. A deadline change would not have benefited towns because they certify final levies earlier in the year, or special districts because they receive no state aid.

Ch. 308, art. 2, § 11, amending Minn. Stat. § 275.065, subd. 1, effective beginning with taxes payable in 2015.

Interest Rate on Unpaid Homestead Property Taxes

For homesteaded property (both regular and disabled) on which the taxpayer/property owner has agreed to an installment payment agreement (commonly referred to as "confession of judgment"), the interest rate paid is lowered to a rate equal to the greater of 5 percent or 2 percentage points over the prime rate charged by banks to their most creditworthy borrowers.

The interest rate in effect at the time the installment payment agreement is entered into will apply for the duration of the confession of judgment, regardless of fluctuations in the prime rate over the term of the installment payment agreement.

The interest rate on confession of judgments for other types of property is unchanged and fluctuates between a minimum of 10 percent and maximum of 14 percent. For 2014, it is 10 percent. By contrast, the interest rate on unpaid state taxes has fluctuated between 3 percent and 8 percent over the last ten years.

Ch. 308, art. 2, §§ 12, 13, amending Minn. Stat. §§ 279.03, subd. 2; 279.37, subd. 2; effective beginning with confessions of judgment entered into on or after January 1, 2015.

Tax Increment Financing (TIF)

Special TIF law exceptions are described in the Special Legislation section, starting on page 30.

Five-Year Rule

The five-year rule related to expenditures made in the district is extended to eight years for redevelopment districts certified after April 20, 2009, and before June 30, 2012.

Ch. 308, art. 6, § 3, amending Minn. Stat. § 469.1763, subd. 3, effective for districts for which the request for certification was made after April 20, 2009.

Economic Development Districts; Fiscal Disparities Option

Cities may now elect to make the fiscal disparities contribution for economic development districts out of the city's tax base rather than from the TIF district's increment. Cities are currently allowed to do this for other types of TIF districts.

Ch. 308, art. 6, § 4, amending Minn. Stat. § 469.177, subd. 3, effective for districts for which the request for certification was made after June 30, 2014.

Cities

Deputy Registrars

The Commissioner of Public Safety may appoint deputy registrars in cities. The law authorizing this was amended to eliminate the requirement that the persons appointed be residents of the city.

Ch. 154, amending Minn. Stat. § 168.33, subd. 2, effective April 4, 2014.

Local Government Aid (LGA) for Cities

The following two changes are made to the new city LGA formula adopted in 2013:

- A drafting error that impacts the LGA losses to cities that currently get more aid than their "unmet need" under the formula was corrected. Without the fix, a city that should have its LGA gradually decreased to its "unmet need" amount would have experienced bigger aid decreases if the total LGA appropriation were increased.
- The city LGA appropriation was increased by \$7.8 million per year beginning with aids payable in 2015. The old appropriation was \$509.1 million in calendar year 2015 and \$511.6 million in calendar year 2016 and thereafter. The new appropriation amounts are \$516.9 million in calendar year 2015, and \$519.4 million in calendar year 2016 and thereafter.

Ch. 308, art. 1, §§ 5, 6, amending Minn. Stat. §§ 477A.013, subd. 8; 477A.03, subd. 2a; effective beginning with aids payable in 2015.

**Workforce Housing
Grants Pilot
Program**

The Commissioner of Employment and Economic Development (DEED) must establish a workforce housing grant pilot program to make grants to cities to develop market rate apartments. A onetime appropriation of \$2 million for this purpose is available through fiscal year 2018 and individual grants are limited to the lesser of 10 percent of the project cost or \$400,000. To be eligible a city must:

- be located in Pennington or Roseau County and have a population of 1,500 or more;
- have fewer than five market rate residential units per 1,000 residents constructed in each of the last ten years;
- have an average rental housing vacancy rate in the city and all other cities within 15 miles of 5 percent or less for at least the last two years; and
- certify that grants will be used to construct workforce housing and will be matched by city, private, or nonprofit funds.

In addition, one or more businesses in the city or within 15 miles of the city who employ in aggregate at least 20 full-time equivalent employees must state, in writing, that the lack of available rental housing has impeded their ability to hire employees.

The only cities that may qualify are Warroad, Thief River Falls, and Roseau.

Ch. 308, art. 6, §§ 14, 15, effective May 21, 2014; \$627,000 of the appropriation is available in fiscal year 2015 with the remainder available beginning in fiscal year 2016.

Acceptance of Gifts

The market value limitations for second, third, and fourth class cities that are authorized to receive gifts, including gifts that are partially repaid as annuities are eliminated. This was part of the “unsession” cleanup.

Ch. 308, art. 9, § 84, amending Minn. Stat. § 465.04, effective July 1, 2014.

Counties

Help America Vote Act

Counties have two more years, until 2016, to spend money to buy voting equipment from grants made with Help America Vote Act money.

Ch. 176, amending Laws 2010, ch. 379, § 4, subds. 2, 4, effective April 30, 2014.

Community-based Corrections Programs

The Commissioner of Corrections may make grants to counties to assist counties in the development, implementation, and operation of community-based corrections programs, including preventive or diversionary correctional programs, conditional release programs, community corrections centers, and facilities for the detention or confinement, care, and treatment of persons convicted of crime or adjudicated delinquent.

The requirement that the counties be contiguous to each other has been stricken so that noncontiguous counties may develop and implement programs together.

Ch. 209, amending Minn. Stat. § 401.02, subd. 1, effective August 1, 2014.

Town Bridges

The annual bridge inspections report filed with counties, cities, and towns by the county engineer, must now also include identification of bridge deficiencies and whether an analysis of bridge load rating is necessary.

The county may perform a required load rating analysis of a town bridge if the town does not do so within the timeframe required. Before doing the analysis, the county must let the town know that if the town does not do it, the county will and the town will be billed for the costs incurred. Both the town clerk and county engineer must get a copy of the analysis, whoever performs it.

If a load rating analysis determines a new or different load posting is required on a town bridge, the town must provide the required posting within 30 days. If the town fails to provide the required posting, the county may do it, but first must notify the town that the county will and the town will be billed for the costs incurred, unless the town and the county agree to post the bridge in less than 30 days and at an agreed-upon cost.

If a bridge constitutes a critical risk to public safety because its deficiencies could result in collapse or partial collapse, the county engineer may immediately close the bridge. The bridge must remain closed until it is fixed or another inspection determines the issues resulting in closure are resolved. The county may bill the town or towns for all related expenses.

A county is not liable for a town's failure to act.

Ch. 287, §§ 8, 9, amending Minn. Stat. §§ 165.03, subd. 3; 165.12, subd. 1, effective August 1, 2014.

Drainage Inspectors A county commissioner cannot act as a drainage inspector.

Ch. 289, § 50, amending Minn. Stat. § 103E.065, effective August 1, 2015.

**Aquatic Invasive
Species Prevention
Aid**

A new county aid program was authorized to begin this year to help counties prevent the spread of aquatic invasive species. The Department of Revenue will distribute one-half of the funds based on the number of public water access sites in each county, and the other half based on the number of parking spaces at all public water access sites in each county. These aid payments are made each year at the same time as payments of county program aid (CPA), except that in calendar year 2014 all the payments will be paid with the first CPA payment in July. The appropriation for this program is \$4.5 million for calendar year 2014, and \$10 million per year each year thereafter.

Counties must use the proceeds to prevent the introduction or limit the spread of aquatic invasive species at all access sites within the county. Counties must adopt guidelines for use of the funds, and file the guidelines with the Department of Natural Resources. They may spend the funds directly, or distribute some or all of the funds to other governmental organizations in the county to accomplish the program's goals.

Ch. 308, art. 1, § 11, adding Minn. Stat. § 477A.19, effective beginning with aids payable in 2014.

**Supplemental
County Program
Aid (CPA) for 2014
Only**

Any county whose 2014 CPA was less than it received in 2013 will receive a onetime supplemental aid payment equal to the drop in aid between 2013 and 2014. This will be paid with the regular 2014 CPA.

One-half of CPA is distributed on an inverse relationship to a county's per capita tax capacity. Because of rising farmland values, several rural counties are losing aid under that portion of the formula and will benefit from this program. The total amount of supplemental CPA in 2014 is about \$738,000 which will be spread among the following 11 counties: Benton, Chippewa, Faribault, Grant, Lac Qui Parle, Marshall, Martin, Norman, Pipestone, Stevens, and Yellow Medicine.

Ch. 308, art. 1, § 13, effective July 1, 2014.

**Recycling Goals,
SCORE Funding**

The 2000 *state* goal of reducing per capita waste generated by at least 10 percent was stricken and there is now, instead, an unspecified *state and county* goal to reduce the generation of municipal solid waste. The definition of “recycling” was amended to include “source-separated compostable materials.” The recycling goal for metropolitan counties was increased from 50 percent to 75 percent of total solid waste generated by counties, by 2030. The 1993 law establishing a recycling goal was repealed.

Also, composting, including the provision of receptacles for residential composting, was added to the list of activities that may be financed with county SCORE funds. (The 1989 Legislature adopted waste reduction and recycling legislation based on recommendations of the Governor’s Select Committee on Recycling and the Environment (SCORE). This set of laws, Minnesota Statutes, sections 115A.551 to 115A.557, is referred to as SCORE.) For any additional SCORE funds disbursed to metropolitan counties beginning in fiscal year 2015 that exceed a county’s 2014 allotment, at least 50 percent must be spent on composting and the remainder on activities that help the county achieve its recycling goal. Counties reporting on SCORE activities may report to the Pollution Control Agency electronically. A county must report specific recycling and composting activities that help achieve the county’s recycling goal. A supplemental appropriation of \$4 million was made for SCORE grants in 2015, with an ongoing additional \$3 million per year.

Ch. 312, art. 12, § 5, effective July 1, 2014; art. 13, §§ 25 to 29, 48, amending Minn. Stat. §§ 115A.55, subd. 4; 115A.551, subd. 1; 115A.551, subd. 2a; 115A.557, subds. 2 and 3, effective May 21, 2014; repealing Minn. Stat. § 115A.551, subd. 2; effective July 1, 2014.

Towns

Elections

A school district special election may not be held on the date of a regularly scheduled town election in March conducted wholly or partially within the school district or during the 30 days before or the 30 days after a regularly scheduled town election in March conducted wholly or partially within the school district.

Ch. 264, § 24, amending Minn. Stat. § 205A.05, subd. 1, effective May 17, 2014.

**Town Road
Account**

The formula for distribution by the county to a town of money from the town road account no longer must take into account a town’s levy for road or bridge purposes, but only its population and town road mileage, and other factors the county board deems advisable in the interests of achieving equity among the towns.

Ch. 287, § 6, amending Minn. Stat. § 162.081, subd. 4, effective August 1, 2014.

Town Bridges See the information on page 27.

Special Legislation

Aitkin The city of Aitkin received a special distribution of taconite production tax revenues in 2008 to fund sewer and water improvements for a housing project, which was never constructed. The city is now allowed to use the distribution for any economic development project.

Ch. 308, art. 5, § 8, amending Laws 2008, ch. 366, art. 10, § 15, effective May 21, 2014.

Albert Lea *Extension of local sales tax.* The termination date for the city of Albert Lea's general sales tax is extended to the earlier of 15 years or when \$15 million has been raised. Originally the law required it to terminate at the earlier of ten years or when \$15 million is raised. The tax was originally imposed April 1, 2006, and has raised about \$8.7 million through the end of 2012.

Ch. 308, art. 3, § 23, amending Laws 2005, 1st spec. sess, ch. 3, art. 5, § 38, subd. 4, effective upon local approval. Local approval was completed June 16, 2014.

Validation of prior act. Albert Lea also received an extension until June 15, 2014, to file its approval with the secretary of state of the 2005 authorizing law, and 2006 amendment to that law, to impose the general sales tax originally imposed in 2006. Local approval normally must be filed before the start of the next regular legislative session or the special law is void.

Ch. 308, art. 3, § 36, effective May 21, 2014.

Anoka County Anoka County has had authority to levy property taxes to pay bonds issued to fund countywide public safety improvements and equipment approved by the Anoka County Joint Law Enforcement Council. The county now may fund the improvements and equipment on a pay-as-you-go basis as well. The county may continue to list the levy for these public safety expenditures separately from the county general levy on the proposed and final property tax statements. However, any bonds issued for this purpose in the future will now count towards the county's net debt limits.

Ch. 308, art. 2, §§ 14, 15, amending Minn. Stat. § 383E.21, subds. 1, 2, effective retroactively for taxes payable in 2013 and thereafter, and expires December 31, 2023 (as required under Minn. Stat. § 383E.21, subd. 3).

Baxter *Local sales tax.* The city of Baxter may, with approval of the voters at the November 2014 general election, extend its local sales tax to fund up to an additional \$32 million in sanitary sewer and storm sewer projects and transportation safety improvements, and \$8 million in improvements to

the Brainerd Lakes Area Airport. The city is also allowed to issue \$40 million of general obligation bonds, based on the 2014 referendum to extend the tax, without an additional referendum. If approved, the sales tax would extend through 2037, or until the additional revenues are sufficient to fund the \$40 million, plus associated bonds costs.

The sales taxes in the cities of Baxter and Brainerd were authorized simultaneously to primarily fund joint water and wastewater treatment facilities. Currently the sales tax in Baxter will have raised the \$15 million plus associated bond costs allowed in the original bill sometime in early 2016 and will expire. Brainerd's tax will not expire until the beginning of 2019 and will not have raised the amount needed for that city's share of the joint projects. Neither of these adjoining cities wants to have different sales tax rates so both came forward seeking a joint extension.

Ch. 308, art. 3, §§ 24 to 26; amending Laws 2006, ch. 259, art. 3, § 10, subs. 3, 4, and 5, effective upon local approval.

TIF. The city of Baxter may add a parcel to the economic development Isle Drive TIF district that was created under the 2010 jobs bill authority (Laws 2010, ch. 216, § 31). This parcel was originally requested to be certified as part of the district but was removed by the county as a result of intervening actions by the Minnesota Department of Transportation that reconfigured the parcel. According to a report of the State Auditor, “[t]he City of Baxter established an economic development district to facilitate the improvement and extension of Isle Drive in conjunction with proposed medical office projects, including the construction of a 40,000 square-foot, two-story medical clinic.” *Tax Increment Financing Legislative Report: TIF Reports for the Year Ended December 31, 2012.* Increments from the district would be subject to the same rules that apply to jobs bill TIF districts, and the prior planned improvement rule would not apply to the parcel.

Ch. 308, art. 6, § 6, effective upon city approval.

Beltrami County

Beltrami County will receive an additional \$3 million per year in county program aid for ten years, starting in 2015. The additional revenue must be used to pay for out-of-home placement costs. The total county program aid appropriation is increased in each year to allow for this additional payment.

Ch. 150, art. 4, § 6, effective for aids payable in 2015 through 2024.

Bloomington

In 2013 the city of Bloomington was authorized to spend a portion of the first year of the fiscal disparities increment from the Mall of America TIF districts for the renovation or replacement of the Old Cedar Avenue Bridge. This authorization is now modified to allow any of the funds not needed to fund the bridge renovation or replacement to be used for the

following projects in descending order of priority:

- Signage for the bridge
- Kiosks and other finding aids for the bridge and surrounding parkland
- To improve trails that access the bridge

Ch. 308, art. 6, § 5, amending Laws 2013, ch. 143, art. 9, § 23, effective August 1, 2014.

Blue Earth County

The Blue Earth County Board of Commissioners may become the authority over the county library system, handling employment matters, budgets, and other administrative duties. The library board will still have authority to set policies and rules governing library operations, to review the operating budget and capital plans, and to determine use of gifts and trust funds for the library system. The library board will have sole discretion and authority over the collections and use of meeting rooms.

Under general law in Minnesota Statutes, chapter 134, a county may establish library services and if it does so, it must appoint a library board. Once appointed, the library board has control of the operation and administration of the library system.

Ch. 148, effective upon local approval, which was completed April 17, 2014.

Bluffton

The city of Bluffton is forgiven LGA penalties for filing financial reports with the state auditor late for the last three years, provided that the state auditor certifies that these reports have now been filed and the calendar year 2013 report, due June 30, 2014, is filed on time. The city lost one-half of its LGA payments (\$16,050.50 per year) in the years 2011 to 2013. \$20,000 of the penalty would be repaid to the city with the July 2014 LGA payment and the remaining \$28,101.50 of the \$48,151.50 would be repaid with the July 2015 LGA payment.

The city had difficulty with the nonperformance of an elected city clerk, causing the late filings. The city has taken a number of steps to ensure this does not happen again, including making this an appointed post.

Ch. 308, art. 1, § 15, effective May 21, 2014.

Brainerd

Brainerd dam. Minnesota Statutes, section 103G.525, governs acquisition of a privately owned dam by a governmental entity. It requires the Commissioner of Natural Resources to examine the dam and file a report on the dam with the legislature. It also requires that the legislature have an opportunity to consider the report and not prohibit the purchase. The city of Brainerd was authorized to purchase the Brainerd dam on the Mississippi River in Crow Wing County in a law that states that the requirements in statute for acquiring a dam have been met.

Ch. 217, § 36, effective May 10, 2014.

Local sales taxes. The city of Brainerd may, with approval of the voters at the November 2014 general election, extend its local sales tax by 18 years to fund up to an additional \$15 million for improvements in the joint waste treatment facility, other water infrastructure, and trail improvements. These uses are identical to the uses for revenues under its current sales tax authority. The total amount of sales tax revenues raised by the tax when it expires in 2019, as currently required, will not be sufficient to fund the \$15 million, which is its share of the joint wastewater and water projects in the original bill. The extension will allow the city to finish paying off the original bonds and continue to make improvements in that infrastructure with any additional revenue, up to another \$15 million, that is raised under the 18-year extension if approved by the voters.

The sales taxes in the cities of Baxter and Brainerd were authorized simultaneously to primarily fund joint water and wastewater treatment facilities. Currently the sales tax in Baxter will expire in early 2016. Neither of these adjoining cities wanted to have different sales tax rates so they came forward seeking a joint extension. Revenue from the extension of Baxter's tax will be used to fund other local and regional infrastructure projects.

Ch. 308, art. 3, §§ 27 to 29; amending Laws 2006, ch. 259, art. 3, § 11, subds. 3, 4, and 5, effective upon local approval.

Brooklyn Park

The city of Brooklyn Park may issue a liquor license to a wedding event center located at 9500 West River Road North.

Ch. 240, § 21, effective upon local approval.

Carlton County

Carlton County may impose a levy on behalf of the Carlton County Soil and Water Conservation District to pay for planning, constructing, and equipping an office and storage facility for the district. The levy authority expires after the principal, interest, and any costs of a loan to finance the project have been paid off, or if the district is unable to obtain a loan for the project prior to May 1, 2017. This levy is in addition to the amount the county already levies for the district.

The original introduced bill (H.F. 1895/S.F. 1687) would have given the soil and water conservation district direct levy authority for this purpose; having the county levy on its behalf was the compromise proposed by the House and included in the final tax bill.

Ch. 308, art. 8, § 5, effective upon local approval by the county.

**Cedar Lake Area
Water and
Sanitary Sewer
District**

The maximum number of connections in the Cedar Lake Area Water and Sanitary Sewer District's comprehensive plan is increased from 325 connections to 364 connections. The Cedar Lake Area Water and Sanitary Sewer District was authorized by special law in 1999 with a maximum number of sewer connections. The connection increase is needed because Helena Township in Scott County wants to dissolve a subordinate service district (SSD) and use the surplus from the sale of property to pay to connect affected property owners to the Cedar Lake district (see Helena Township).

Ch. 308, art. 2, § 16, amending Laws 1999, ch. 243, art. 14, § 5, subd. 1, effective upon local approval.

Clay County

Under general law in Minnesota Statutes, chapter 375A, a county may make the offices of auditor, treasurer, auditor-treasurer, and recorder appointed positions if approved by a referendum.

This law allows Clay County to make the offices of auditor-treasurer and recorder appointed positions if approved by an 80 percent vote of the county board, subject to reverse referendum. The county board resolution cannot be adopted until after notice and an opportunity for the public to comment at a regular board meeting. The resolution does not take effect until 60 days after it is adopted (or a later date set in the resolution), to provide time for filing a petition for a referendum. The law also provides a process to revert back to elected positions.

Ch. 146, § 3, effective upon local approval, which was completed March 20, 2014.

Cook

In the 2013 omnibus tax act, the city of Cook was granted a distribution of 2.0 cents per ton of taconite production tax revenues. Three-quarters of the revenue was to be used to fund street improvements, business park infrastructure, and a maintenance garage, while the other one-quarter was for a water line project. The requirement that one-quarter of the revenue be used for the water line project was eliminated and the entire amount may be used for the street improvements, business park infrastructure, and a maintenance garage.

Ch. 308, art. 5, § 9, amending Laws 2013, ch. 143, art. 11, § 10, effective May 21, 2014.

Dakota County

The Dakota County Board may adopt the county manager plan for the county by resolution and without a referendum, as long as the county otherwise meets the conditions in general law for adoption of the county manager plan. The general law for the county manager plan applies except for the provision that prohibits the county board from dealing directly with subordinates. Also, the general law relating to abolition of various county boards applies to the change. The coded parts of law for Dakota County remain unchanged.

Ch. 167, adding Minn. Stat. § 383D.76, effective upon local approval, which was completed June 12, 2014.

**Dakota County
Community
Development
Agency (CCDA)**

Housing finance agencies annually allocate federal low-income housing tax credits in two rounds to projects that meet certain criteria in statute. Beginning in 2015, the Dakota CCDA may allocate housing credits in the first round to up to three projects for either new or rehabilitated multifamily housing, that:

- are not restricted to those over age 55; and
- are located in a commuter area located close to certain high frequency use transit stations, lines, and park and ride lots.

Ch. 308, art. 6, § 2, amending Minn. Stat. § 383D.41, by adding subd. 11, effective beginning with the 2015 allocation of housing credits.

Detroit Lakes

The city has until 2015 to create a TIF district under a 2006 special law. Under the 2006 law, the authority expired December 31, 2014. The 2006 special law authorized the city to establish a redevelopment TIF district in an area of the city under special rules for applying the blight test:

- Buildings and structures removed under the Highway 10 Realignment Project are treated as structurally substandard under the blight test, despite not meeting the time limit or other rules for buildings removed before creation of the district.
- The three-year time limit for requesting certification after demolition does not apply (i.e., certification could be requested after the three-year limit and still treat the parcels as occupied by buildings purposes of the blight test).

Ch. 150, art. 5, § 4, Laws 2006, ch. 259, art. 10, § 13, subd. 4, effective upon local approval.

**District One
Hospital, Faribault**

The District One Hospital District in Faribault may sell the district property at private sale without advertising for bids, notwithstanding a 1963 special law prohibiting any sale. Once the sale is concluded and all outstanding debt is able to be paid, each city and town in the district must petition the hospital board for dissolution under the general law governing hospital districts.

Ch. 183, § 1, effective May 1, 2014.

Repeals the special laws establishing and governing the hospital district.

Ch. 183, § 2, repealing Laws 1961, ch. 372, §§ 1; 2; Laws 1963, ch. 118, §§ 1, as amended; 2, as amended; 3; 4, as amended; 5; 6, as amended; 7; 8; 9; and 10; Laws 1996, ch. 471, art. 8, §§ 19; 20; 21; 22, effective upon the cities and towns in the district filing the petition for dissolution.

Duluth

The Duluth City Council may increase its food and beverage tax from the current rate of 1.75 percent to 2.25 percent and its local lodging tax from the current rate of 1.0 percent to 1.5 percent. The revenues raised from these rate increases are dedicated to fund up to \$18 million of capital projects related to tourism and recreation in the portion of the city west of 34th Avenue West. The increases end when the additional revenue raised is sufficient to fund the allowed projects.

Additionally, the city may issue up to \$18 million in general obligation bonds for these projects without a referendum or the bonds counting toward the city's net debt limit. The revenues from the incremental tax increases may be pledged to repay the bonds.

In 1998 the city was allowed to impose identical temporary increases to its food and beverage tax and its local lodging tax to fund the Duluth Entertainment and Convention Center (DECC) and the Great Lakes Aquarium. Those tax increases expired in November 2012.

Ch. 308, art. 3, §§ 21, 22, amending Laws 1980, ch. 511, § 1, subd. 2, as amended by Laws 1991, ch. 291, art. 8, § 22, Laws 1998, ch. 389, art. 8, § 25, Laws 2003, 1st spec. sess., ch. 21, art. 8, § 11, and Laws 2008, ch. 154, art. 5, § 2; and Laws 1980, ch. 511, § 2, as amended by Laws 1998, ch. 389, art. 8, § 26, and Laws 2003, 1st spec. sess., ch. 21, art. 8, § 12; effective upon local approval.

Eagan

The city of Eagan may elect to compute increment for the Cedar Grove redevelopment TIF district using the current tax rate, not the original tax rate in effect when the district was certified. This will increase increment revenues, since the original tax rate is lower than the current rate.

The city may also extend both the duration of (1) the district by three years—to 2032, and (2) the five-year rule for the district to 13 years. The basic five-year rule was extended to ten years for this type of district in 2009 (see Minn. Stat. § 469.1763, subd. 3), so this adds three years to the period.

Ch. 308, art. 6, § 7, effective upon city approval, however the extension of the district duration must also be approved by county and local school district.

Edina

The city of Edina may create one or more housing districts in its Southeast Edina Redevelopment Project Area through June 30, 2017. These housing districts would have a 20-year duration (as compared with 25 years under general law) and only 20 percent of the units would have to be low-income housing, as opposed to 40 percent under general law). The city is authorized to use up to 35 percent of the revenues from its Southdale 2 economic development district to assist these housing developments.

Ch. 308, art. 6, § 8, effective upon city approval.

Garrison

In 1993, the city of Garrison was authorized to impose a one-half cent local sales tax if approved by the voters to fund a sewer project. The city has never held the referendum but the authority didn't have a date by which the referendum had to be held so the authority still existed. It has now been repealed.

Ch. 308, art. 9, § 94, repealing Laws 1993, ch. 375, art. 9, § 47, effective May 21, 2014.

Golden Valley

Golden Valley may issue an on-sale liquor license to a city-owned golf course and community center.

Ch. 240, § 24, effective upon local approval, which was completed May 23, 2014.

Grand Rapids

Central School Commission abolished. The city of Grand Rapids was authorized in 1986 to create a "Central School Commission" to operate the building, no longer a school, to "maximize the participation of community residents and visitors in the events and activities at the school, consistent with the historical heritage and cultural theme of the Central School." The city determined that the commission has fulfilled its function and is no longer needed.

Ch. 195, repealing Laws 1986, ch. 347, effective August 1, 2014.

Public Utilities Commission. The 1999 special law for the Grand Rapids Public Utilities Commission was amended to allow the city by ordinance to change commissioners' terms from three-year terms to four-year terms. The terms must remain staggered.

Ch. 224, amending Laws 1999, ch. 195, § 2, effective August 1, 2014.

**Helena Township,
Scott County**

Helena Township may end the subordinate service district (SSD) established to provide a public sewer system for the Silver Maple Bay Estates development. The town board of supervisors may sell or use surplus property or the surplus of tax revenues or service charges collected from the SSD to connect property owners in the former SSD to another public sewer system (see Cedar Lake Area Water and Sanitary Sewer District). They must distribute any surplus after switching the connections equally to property owners in the former SSD that were charged the extra tax or service fee during the most recent tax year. Any surplus not refunded must be transferred to the town's general fund. The township has the ability to dissolve the SSD under general law but needs special authority to use the funds from the district to pay for the new sewer connections.

Ch. 308, art. 2, § 17, effective upon local approval.

Hennepin County The Hennepin County multijurisdictional reinvestment program authority was modified to add the Hennepin County Housing and Redevelopment Authority (HRA) and any watershed district in Hennepin County. The program *may* include plans for a variety of issues, including economic development. Under prior law, the program was required to include plans for all of the listed issues. The Hennepin County HRA may appropriate money for authorized activities. Hennepin County may include any part of the costs of a designated transit improvement area in the county's capital improvement plan.

Ch. 229, amending Minn. Stat. § 383B.79, subds 1, 2, and 5, effective August 1, 2014.

Itasca County Itasca County was authorized in 2003 to issue revenue bonds (but not general obligation bonds) to finance a 35-bed nursing home facility to replace an existing facility. The 2003 bonds were not used to increase the number of beds. The 2014 omnibus tax act amends the 2003 law to allow the county to issue general obligation bonds for this nursing home. Under Minnesota Statutes, section 376.56, an election on issuing general obligation bonds is not required “for acquiring, improving, remodeling, or replacing an existing nursing home without increasing the total number of accommodations for residents in all nursing homes in the county.” This will allow the county to issue refunding bonds to obtain a better interest rate.

Ch. 150, art. 5, § 3, amending Laws 2003, ch. 127, art. 12, § 28, effective upon local approval, which was completed May 28, 2014.

Jackson The abatement authority for the city of Jackson is increased for five years to the greater of 10 percent of the city's net tax capacity for the taxes payable year to which the abatement applies, or \$240,000. Previously the city's abatement authority was capped at \$200,000. The city originally requested that the limit be raised to \$300,000 to increase the city's flexibility in attracting economic development but the Senate reduced this amount to \$240,000 in its omnibus tax bill and that position was adopted.

Ch. 308, art. 1, § 18, effective for taxes payable in 2015 through 2019.

Jackson County Under general law in Minnesota Statutes, chapter 375A, a county may make the offices of auditor, treasurer, auditor-treasurer, and recorder appointed positions if approved by a referendum.

This law allows Jackson County to make the office of auditor-treasurer an appointed position if approved by an 80 percent vote of the county board, subject to reverse referendum. The county board resolution cannot be adopted until after notice and an opportunity for the public to comment at a regular board meeting. The resolution does not take effect until 60 days after it is adopted (or a later date set in the resolution), to provide time for filing a petition for a referendum. The law also provides

a process to revert back to an elected position.

Ch. 146, § 1, effective upon local approval.

Kandiyohi County

Under general law in Minnesota Statutes, chapter 375A, a county may make the offices of auditor, treasurer, auditor-treasurer, and recorder appointed positions if approved by a referendum.

This law allows Kandiyohi County to make the offices of auditor-treasurer and recorder appointed positions if approved by an 80 percent vote of the county board, subject to reverse referendum. The county board resolution cannot be adopted until after notice and an opportunity for the public to comment at a regular board meeting. The resolution does not take effect until 60 days after it is adopted (or a later date set in the resolution), to provide time for filing a petition for a referendum. The law also provides a process to revert back to elected positions.

Ch. 146, § 4, effective upon local approval, which was completed March 20, 2014.

Lake County

Under general law in Minnesota Statutes, chapter 375A, a county may make the offices of auditor, treasurer, auditor-treasurer, and recorder appointed positions if approved by a referendum.

This law allows Lake County to make the offices of auditor-treasurer and recorder appointed positions if approved by an 80 percent vote of the county board, subject to reverse referendum. The county board resolution cannot be adopted until after notice and an opportunity for the public to comment at a regular board meeting. The resolution does not take effect until 60 days after it is adopted (or a later date set in the resolution), to provide time for filing a petition for a referendum. The law also provides a process to revert back to elected positions.

Ch. 146, § 2, effective upon local approval, which was completed March 26, 2014.

**Lewis and Clark
Regional Water
System**

The Lewis and Clark Regional Water System is a pipeline to bring water from the Missouri River to serve parts of three states, including a portion of southwestern Minnesota. The Minnesota portion of the system includes the cities of Luverne and Worthington, the Lincoln-Pipestone Rural Water System, and Rock County Rural Water District. Funding for the pipeline was supposed to be shared jointly between the state, local, and federal governments. About \$67 million of the federal funding for the Minnesota portion of the project has yet to be committed, so the legislature appropriated \$22 million in the general fund capital investment act (Laws 2014, chapter 295, section 11), and enacted a state aid program with a required local match and local bonding authority to cover the federal share, allowing the project to be completed now. The state and local governments will be reimbursed for their additional contributions when and if the federal money is appropriated and allocated to Minnesota. In addition to the \$22 million state appropriation for the

project, the state and local funding mechanisms include the following:

- *Lewis and Clark Joint Powers Board authority.* This joint powers board, consisting of the cities of Luverne and Worthington, the Lincoln-Pipestone Rural Water System (RWS) and the Rock County Rural Water District (RWD), will be the lead agency for the financing of the project. The board has the authority to allocate up to \$45 million in bonding authority among four local governments (the two cities and Nobles and Rock counties), and allocate any federal aid received. The board will allocate to each of its four members and to Rock and Nobles counties a share of the local responsibility to repay the bonds, and 50 percent of any future federal grants and aids for the project will be used to reduce these local shares proportionately.

Ch. 308, art. 7, § 1, adding Minn. Stat. § 469.194, effective May 21, 2014, without local approval.

- *Local bonding authority.* The cities of Luverne and Worthington and Rock and Nobles counties are authorized to issue up to \$45 million in bonds for the project. The limit on these bonds will be allocated among the four governmental units by the Lewis and Clark Joint Powers Board. The obligations are not subject to referendum approval or statutory net debt limits.

Ch. 308, art. 7, § 1, adding Minn. Stat. § 469.194, effective May 21, 2014, without local approval.

- *Local share of bond repayment.* The total local share of bond repayment is an annual amount equal to what would be raised by a 1.5 percent tax on the adjusted net tax capacity of all property in Rock and Nobles counties. At current land values this is estimated to be about \$1.2 million. The local share will be allocated by the Lewis and Clark Joint Powers Board to the two water districts, the two cities, and the two counties. The actual allocation between entities and the funding mechanism used by each entity is unspecified to ensure maximum local flexibility. The counties and cities are allowed new sales taxes (see below) to increase funding alternatives. Fifty percent of any new federal money allocated to the project will be used to reduce the local share of bond repayments. Since the local share is only about one-third of the total debt repayment costs, if 50 percent of federal money exceeds the total local debt repayment share for the entire time period, the excess will go to the state to reimburse it for debt service aid payments.

Ch. 308, art. 7, § 2, adding Minn. Stat. § 477A.20, effective beginning with aids payable in 2015.

- *Debt service aid.* The Lewis and Clark Joint Powers Board will receive aid from the state to pay a portion of the debt service on the local bonds used to finance the Lewis and Clark water project. The aid equals the payments of principal and interest on the bonds due in the next year minus 1.5 percent of the combined adjusted net tax capacity of Rock and Nobles counties (the local share) and 50 percent of any federal grants and aids received for the project. The aid amount is estimated to be about \$2.2 million annually. Aid will be paid in July and December at the same time as provided under the LGA and CPA programs. The joint powers board will allocate the aid to the cities and counties that issue the bonds in proportion to their shares of debt service payments.

Ch. 308, art. 7, § 2, adding Minn. Stat. § 477A.20, effective beginning with aids payable in 2015.

- *City of Worthington; sales tax extension.* Worthington may extend, by ordinance, its general (0.5 percent) sales tax through 2039, provided that the additional revenue raised is used to fund the Lewis and Clark water project. This extension would not be subject to voter approval. Currently the tax expires after ten years, or when revenues are sufficient to pay for project and debt costs for \$6 million of capital projects.

Ch. 308, art. 7, §§ 3, 4; Laws 2005, 1st spec. sess., ch. 3, art. 5, § 44, subs. 3 and 5, effective upon local approval.

- *Rock County, local sales tax authority.* Rock County is allowed to impose a 0.5 percent sales tax to fund the Lewis and Clark water project without voter approval. If the city of Luverne imposes a sales tax, the county can elect to impose the tax only in the parts of the county that exclude Luverne. This would result in a uniform 0.5 percent rate in the entire county. Revenues must be used for the water project; however, if revenues in a year exceed the amount required to pay the county's share of debt service the excess may be used for other capital projects in the county. The tax terminates when the bonds for the water project have been paid off or the county board votes to terminate the tax. The county cannot terminate the tax unless it has determined it has collected sufficient revenues (including state and federal aid) to pay its share of the bonds.

Ch. 308, art. 7, § 5, effective upon local approval.

- *Nobles County, local sales tax authority.* Nobles County may impose up to a 0.5 percent sales tax to fund the Lewis and Clark water project without voter approval. While the city of Worthington's sales tax is in effect, the county could elect to

impose the tax (at a 0.5 percent rate) only in the parts of the county that exclude Worthington. This would result in a uniform 0.5 percent rate in the entire county. Revenues must be used for the water project; however, if revenues in a year exceed the amount required to pay the county's share of debt service, the excess may be used for other capital projects in the county. The tax terminates when the bonds for the water project have been paid off or the county board votes to terminate the tax. The county cannot terminate the tax unless it has determined it has collected sufficient revenues (including state and federal aid) to pay its share of the bonds.

Ch. 308, art. 7, § 6, effective upon local approval.

- *Luverne; local sales tax authority.* Luverne may impose up to a 0.5 percent general sales tax to finance its share of the Lewis and Clark water project without voter approval. Revenues must be used for the water project; however, if revenues in a year exceed the amount required to pay the county's share of debt service, the excess may be used for other city capital projects. The tax terminates when the bonds for the water project have been paid off or the city council votes to terminate the tax. The city cannot terminate the tax unless it has determined it has collected sufficient revenues (including state and federal aid) to pay its share of the bonds.

Ch. 308, art. 7, § 7, effective upon local approval.

Luverne

See Lewis and Clark Regional Water System.

Lyon County

Under general law in Minnesota Statutes, chapter 375A, a county may make the offices of auditor, treasurer, auditor-treasurer, and recorder appointed positions if approved by a referendum.

This law allows Lyon County to make the offices of auditor-treasurer and recorder appointed positions if approved by an 80 percent vote of the county board, subject to reverse referendum. The county board resolution cannot be adopted until after notice and an opportunity for the public to comment at a regular board meeting. The resolution does not take effect until 60 days after it is adopted (or a later date set in the resolution), to provide time for filing a petition for a referendum. The law also provides a process to revert back to elected positions.

Ch. 146, § 5, effective upon local approval, which was completed April 8, 2014.

Mahnomen County Mahnomen County will receive an additional \$1.5 million in county program aid in calendar year 2015. The county is required to transfer one-half of this extra payment to the White Earth Band of Ojibwe for health and human services transition costs. The total county program aid appropriation is increased in calendar year 2015 to allow for this additional payment.

Ch. 150, art. 4, § 6, effective for aids payable in 2015 through 2024.

Maple Grove The city of Maple Grove may, until June 30, 2020, create TIF districts under special rules in a defined area of the city. Before using this authority, the city must find that 80 percent of the parcels in 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

If the conditions are met, 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.

- A new type of TIF district—a soils deficiency district—with special qualifying rules would be allowed. 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, 80 percent of the area would need to have soil or terrain difficulties with estimated correction costs (not counting any costs of roads and other public improvements that landowners could be specially assessed for) exceed the fair market value of the property. 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, and the higher cost of public improvements that result from the soils conditions, and

administrative expenses.

- The five-year rule limiting the period of time that in-district expenditures (under the percentage-pooling rules) may be spent is extended to eight years.
- The pooling percentage is increased from 20 percent to 40 percent. However, to qualify for the higher percentage, the increment would need to be spent in the project area defined by the boundaries enumerated in this law.
- The requirement that increments that must be spent on in-district costs after the running of the five-year rule (eight years under the bill) must be used to pay outstanding obligations and, then, the district must be decertified, does not apply. However, the law does not specify what these increments may be used for after the eight-year permitted period has run.
- Redevelopment district increments need not be spent on blight correction if they are spent on infrastructure improvements anywhere in the defined project area.

Ch. 308, art. 6, § 9, effective upon city approval.

Minneapolis

The city may issue liquor licenses for the American Swedish Institute or concession operators in the institute, notwithstanding limitations of law, local ordinances, or charter provision relating to zoning or school or church distances, and to the Minneapolis Institute of Arts or concession operators in the institute, for space that is not compact and contiguous.

Ch. 240, § 15, amending Minn. Stat. § 340A.404, subd. 2, effective upon local approval.

Mound

The city of Mound may extend the five-year rule for its Mound Harbor TIF district by 13 years. The basic five-year rule was extended to ten years for this type of district in 2009 (see Minn. Stat. § 469.1763, subd. 3), so this adds three years to the period.

Ch. 308, art. 6, § 10, effective upon city approval.

Nobles County

See Lewis and Clark Regional Water System.

North Saint Paul

The city of North Saint Paul is given until December 31, 2017, to apply for certification of a redevelopment district using the general law “deeming” provision for a specified parcel. That provision allows a city in applying the redevelopment district test to deem a parcel as blighted (i.e., occupied by a substandard building) if the city or the developer has already removed a substandard building from the parcel and requests certification with three years. In this case, the building was removed in 2011 so the three years has already begun running. In addition, the city

may elect to use the current value of the parcel (rather than the pre-demolition value) of the property as the original tax capacity for the parcel.

Ch. 308, art. 6, § 11, effective upon city approval, which was completed June 9, 2014.

Proctor

The city of Proctor may, by ordinance, impose a food and beverage tax of up to 1 percent. The tax, which has no expiration date, also applies to alcoholic beverages. The city may use the resulting revenue to pay for the following projects:

- Walking and biking trails
- A multiuse civic center and parking improvements
- Realignment of road through the county fairgrounds

The city may contract with the Commissioner of Revenue for collection and administration of the tax. This provision was originally introduced in the 2013 session as part of a more expansive bill authorizing an entertainment tax as well as a food and beverage tax for the city.

Ch. 308, art. 3, § 34, effective upon local approval, which was completed June 6, 2014.

Ramsey County

The Ramsey County Housing and Redevelopment Authority (HRA) may exercise housing improvement district powers. The HRA would be allowed to do this by resolution, rather than ordinance, as is required for cities exercising those powers. The city in which the housing improvement area would be established may veto it by resolution. This is the same authority granted to the Dakota County Community Development Agency in 2013.

Ch. 308, art. 6, § 1, adding Minn. Stat. § 383A.155, effective May 21, 2014.

Richfield

The city of Richfield may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a junior hockey league team or to a person holding a concessions or management contract with the city or the team owner, for beverage sales at the Richfield Ice Arena.

Ch. 240, § 22, effective upon local approval.

Rock County

See Lewis and Clark Regional Water System.

Aggregate tax. A county that borders two other states and that is not contiguous to a Minnesota county may impose an aggregate tax at a rate of 7 cents per ton or 10 cents per cubic yard. (The general law requires counties to impose aggregate tax, if they elect to use the authority, at a rate of 21.5 cents per cubic yard or 15 cents per ton.) Rock County is the only county using this statutory authority. The authority to impose the tax

at a lower rate was set to expire December 31, 2014, but now it is extended by ten years, to December 31, 2024.

Ch. 308, art. 5, § 7, amending Minn. Stat. § 298.75, subd. 2, para. (e), effective May 21, 2014.

Saint Louis County The Saint Louis County Board may designate a two-year term for county commissioner of district 7, which is subject to election at the 2014 general election. For elections after 2014 for that district, the term is to be four years. This adjustment would provide for staggered terms consistent with the requirements of law related to staggered terms following a redistricting. Of the current seven seats on the Saint Louis County Board, four seats are subject to election in 2014 (including district 7) and three seats are subject to election in 2016. Based on current district boundaries, this adjustment would effectively stagger terms for members of the county board representing Iron Range communities.

Ch. 210, effective upon local approval, completed May 14, 2014, and applies until a new redistricting plan is filed as required by law.

Saint Paul Tax increment from a district established under the 2008 omnibus tax act may be used to pay principal and interest on bonds issued by Saint Paul in 2009 for the RiverCentre Arena, instead of the Saint Paul HRA's 1996 convention center bonds. The 2008 omnibus tax act authorized the city to establish a new redevelopment TIF district with the same area and original tax capacity of its downtown pre-1979 TIF district. As a condition for establishing the district, the city had to enter an agreement with Ramsey County providing for transfer of the increment attributable to the county's tax rate to the county. The district terminates in 2023.

This district contributes to the fiscal disparities pool, unlike the pre-1979 HRA districts. To prevent the district from affecting local government aid, county program aid, or school aid, the captured net tax capacity of the district is included in adjusted net tax capacity for those programs.

Ch. 150, art. 5, § 5, amending Laws 2008, ch. 366, art. 5, § 36, subd. 3, effective August 1, 2014, without local approval.

Saint Paul Port Authority The port authority may conduct meetings by electronic means as provided by Minnesota Statutes, section 13D.015. That section, enacted in 2009, allows *state* agencies generally to conduct meetings by telephone and other electronic means under specified conditions to ensure openness and accessibility for those who wish to attend or monitor the meeting.

Ch. 206, amending Minn. Stat. § 469.084, by adding subd. 1a, effective August 1, 2014.

Savage

The city of Savage may, until June 30, 2020, create TIF districts under special rules at the site of an old gravel mine of the city. Before using this authority, the city must find that 80 percent of the parcels in 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

If the conditions are met, 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.

- A new type of TIF district—a soils deficiency district—with special qualifying rules would be allowed. 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, 80 percent of the area would need to have soil or terrain difficulties with estimated correction costs (not counting any costs of roads and other public improvements that landowners could be specially assessed for) exceed the fair market value of the property. 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, and the higher cost of public improvements that result from the soils conditions, and administrative expenses. The five-year rule limiting the period of time that in-district expenditures (under the percentage-pooling rules) may be spent is extended to eight years.
- The pooling percentage is increased from 20 percent to 40 percent. However, to qualify for the higher percentage, the increment would need to be spent in the project area defined by the boundaries enumerated in this law.

- The requirement that increments that must be spent on in-district costs after the running of the five-year rule (eight years under the bill) must be used to pay outstanding obligations and, then, the district must be decertified does not apply. However, the law does not specify what these increments may be used for after the eight-year period permitted has run.
- Redevelopment district increments need not be spent on blight correction if they are spent on infrastructure improvements anywhere in the defined project area.

Ch. 308, art. 6, § 12, effective upon city approval.

Shoreview

The city of Shoreview may establish up to three economic development TIF districts for business retention and expansion. Increment from these districts may be used to assist qualified businesses, which are defined as businesses that:

- are (1) currently operating in Shoreview, (2) do not have any substantial operations in Minnesota, *or* (3) are relocating operations from another state; *and*
- provide an increase in manufacturing, research, service, or professional jobs, at least 75 percent of which will pay wages 25 percent higher than the area median; and
- are not retail stores or legal, medical, accounting, financial, entertainment, or similar businesses.

These districts are subject to the following special deviations from the general law:

- The duration limit is extended from eight to 12 years.
- The nonqualifying space (e.g., general office space for a manufacturing facility) can be increased to 25 percent from the 15 percent limit under general law.
- Up to 20 percent of the increments can be deposited in a business retention or expansion fund the city establishes. The city also is permitted to deposit increments from the pre-1990 district into this fund. The fund can be used for the same types of projects, but is otherwise free of the restrictions that would apply to tax increments.

Ch. 308, art. 6, § 13, effective upon city approval.

Worthington See Lewis and Clark Regional Water System.

Water connection. The Commissioners of Health, Natural Resources, and the Pollution Control Agency are directed to issue permits so Worthington can connect to Lincoln-Pipestone Rural Water until the city of Worthington can get its water from the Lewis and Clark Regional Water System. In addition, the law allows users to add salt to treat for nitrates.

Ch. 295, § 22, effective May 21, 2014.

Metropolitan Government

Transit

Council transit capital bonding authority. The Metropolitan Council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$75.3 million for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. Of this authorization, after July 1, 2014, the council may issue certificates of indebtedness, bonds, or other obligations in an amount not exceeding \$37 million, and after July 1, 2015, the council may issue certificates of indebtedness, bonds, or other obligations in an additional amount not exceeding \$38.3 million.

Ch. 150, art. 5, § 2, amending Minn. Stat. § 473.39, by adding subd. 1t, effective March 22, 2014.

Supplemental appropriations. Supplemental general fund appropriation increases in fiscal year 2015 for transit-related projects include:

- \$500,000 for transit shelter improvements, alongside new requirements that the council adopt design standards to maximize rider accessibility and protection from harsh weather;
- \$250,000 for Suburban Transit Providers;
- \$144,000 for Metro Transit to provide free, regular-route service on Election Day 2014;
- \$1 million for development of arterial bus rapid transit; and
- \$1 million for the I-35W/Lake St. transit station.

In a separate provision, the Metropolitan Council's 2015 appropriation was reduced by \$60,000 as part of shift of light rail transit oversight duties to the Department of Public Safety.

Ch. 312, art. 9, §§ 9, 10, amending laws 2013, ch. 117, art. 1, § 4; art. 11, § 39,

effective July 1, 2014.

Transportation Accessibility Advisory Committee. The Transportation Accessibility Advisory Committee's (TAAC) scope of jurisdiction was expanded to cover all aspects of fixed regular route and special transportation services, not just special transportation services.

Ch. 276, amending Minn. Stat. §§ 473.375, by adding subd. 9a; 473.386, subd. 2, effective May 17, 2014.

Accessibility. The Metropolitan Council must adopt, by January 1, 2015, standards for the design of light rail transit vehicles acquired after that date. The design is subject to review and approval by the Transportation Accessibility Advisory Committee. In addition, the legislature required transit authorities (cities, the Metropolitan Council, and opt-outs) to create design specifications for transit shelters, which must include appropriate engineering standards, maximized protection from the elements, warming capabilities at high-traffic locations as feasible, and accessibility for persons with disabilities and the elderly. The design specifications must be developed in consultation with the Metropolitan Council's Transportation Accessibility Advisory Committee. Finally, transit authorities must maintain transit shelters, including keeping shelters reasonably clean and removing snow and ice.

Ch. 312, art. 11, §§ 31, 32, adding Minn. Stat. §§ 473.4056, effective July 1, 2014; 473.41, effective May 21, 2014.

Women's Economic Security Act

In addition to provisions of the act described on page 9, the Metropolitan Council and other metropolitan agencies may not execute a contract in excess of \$500,000 with a business having 40 or more full-time employees in Minnesota or in the state where the business has its primary place of business unless the business has an equal pay certificate of compliance or is exempt. A certificate is valid for four years.

Ch. 239, art. 2, § 6, adding Minn. Stat. § 363A.44, effective August 1, 2014, and applies to any solicitation made on or after that date.

“Unsession”

The council's proposed changes to statute to eliminate unnecessary and obsolete language was enacted. For a detailed explanation of the sections, see the House Research Bill Summary for H.F. 2663, the first engrossment (2014).

Ch. 271, art. 3, amending Minn. Stat. §§ 473.123, subd. 4; 473.125; 473.129, subds. 6, 12; 473.173, subd. 2; 473.181, subd. 2; 473.254, subds. 3a, 4, 5; 473.315, subd. 1; 473.375, subd. 11; 473.39, subd. 1e; 473.391, subd. 1; 473.405, subd. 5; 473.42; 473.504, subds. 5, 11; 473.858, subd. 1; 473.859, subd. 6; 473.861, subd. 2; 473.862, subd. 2; and repealing Minn. Stat. §§ 473.123, subd. 7; 473.13, subd. 1c; 473.23; 473.241; 473.243; 473.244; 473.254, subd. 3; 473.315, subd. 2; 473.326; 473.333; 473.375, subd. 9; 473.382; 473.388, subd. 8; 473.392; 473.516, subd. 5; 473.517, subd. 9; 473.523, subd. 2; 473.535; 473.852, subd. 11; effective August 1, 2014.

**Investment of
Council Funds**

The Metropolitan Council may invest in repurchase agreements, reverse repurchase agreements, options, and futures. Minneapolis, St. Paul, Hennepin County, and Ramsey County previously had this authority. Using the authority requires the council to first have written investment policies and guidelines, and an oversight process. The council sought this legislation to enhance its budget stability through additional cash management tools.

Ch. 292, amending Minn. Stat. §§ 118A.03, subd. 5; 118A.04, subs. 7, 8; 118A.05, subd. 4; 118A.07; 473.543, subd. 3; effective August 1, 2014.

**Regional Parks,
Trails, and Open
Space**

Land acquisition. The legislature appropriated \$1.5 million from the Environment and Natural Resources Trust Fund for grants to metropolitan area implementing agencies to acquire land within the approved regional park unit boundaries. Implementing agencies are the counties of Anoka, Washington, Ramsey, Scott, Carver, Dakota, the city of St. Paul, the city of Bloomington, the Minneapolis Park and Recreation Board, and the Three Rivers Park District.

Ch. 226, § 2, subd. 7, para. (b), effective July 1, 2014.

Capital improvements. The omnibus capital investment act includes \$4 million from state general obligation bond proceeds for the regional parks system to help finance the 2014-2015 Regional Parks Capital Improvement Program. The projects are in parks owned by the implementing agencies listed above. For every \$3 of state bond funds, the council matches with \$2 of regional bonds.

Ch. 294, art. 1, § 17, subd. 3, effective May 21, 2014.

Operations. In addition to capital funding, the regional parks system will receive \$450,000 for metropolitan area regional parks and trails maintenance and operations.

Ch. 312, art. 12, § 7, effective July 1, 2014.