
August 2017

**2017 Legislation Relating to
Local and Metropolitan
Government**

Research Department
Minnesota House of Representatives

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This report describes legislation enacted in the 2017 regular session and first special session relating to local and metropolitan government.

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Introduction

This report describes legislation enacted in the 2017 regular and first special sessions that deal with local and metropolitan government powers, duties, and finance. This report does *not* cover all legislation that affects local governments and it does not summarize appropriations.

All the citations in this report are to Laws 2017, unless otherwise indicated. See the acts or act summaries of the omnibus bills, and other major bills, enacted in 2017 for other provisions that may affect local government and are not covered in this report:

Agriculture	Chapter 88
Capital Investment	1st special session, chapter 8
Education – Higher	Chapter 89
Education – K-12	1st special session, chapter 5
Elections	Chapter 92
Environment and Natural Resources	Chapter 93
Health and Human Services	1st special session, chapter 6
Jobs and Economic Development	Chapter 94
Legacy Amendment Appropriations	Chapter 91
Natural Resources Trust Fund Appropriations (LCCMR)	Chapter 96
Public Safety and Corrections	Chapter 95
State Government and Veterans	1st special session, chapter 4
State Lands	Chapter 54
Taxes	1st special session, chapter 1
Transportation	1st special session, chapter 3

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

Local Governments Generally

Powers, Duties, State Funding, and Regulation

Sunday Liquor Sales

The 2017 Legislature authorized off-sale liquor sales on Sunday, between the hours of 11:00 a.m. and 6:00 p.m. Delivery or acceptance of liquor is prohibited on Sunday, as are order solicitations and merchandising by wholesalers.

Ch. 6, amending Minn. Stat. § 340A.504, subd. 4, effective July 1, 2017.

A municipality may prohibit Sunday sales by ordinance.

1st spec. sess. ch. 4, art. 5, § 9, amending Minn. Stat. § 340A.504, subd. 6, effective May 31, 2017.

Investments of Public Hospital Funds

A hospital owned by a government entity may own shares of stock in business corporations. However, investments by publicly owned hospitals are also governed by chapter 118A, which limits investments by government entities to U.S. securities, certain state and local securities, certain commercial paper that is highly rated, and certain general obligation bonds. The legislature amended this law to allow a hospital owned by a government entity to invest its funds in securities recommended by an investment adviser, bank, or trust company, provided the funds are invested according to written investment policies and procedures established by the governmental entity.

Ch. 18, § 1, amending Minn. Stat. § 144.581, subd. 1, effective August 1, 2017.

National Night Out and Law Enforcement Community Events

Any city, county, town, or school district may now spend money and solicit contributions for National Night Out events in the jurisdiction, and any other event that it determines will foster positive relations between law enforcement and the community. A local government may, by resolution, authorize officials and staff to solicit contributions for these purposes.

Ch. 26, adding Minn. Stat. § 471.198, effective May 3, 2017.

Spending for Awards and Trophies

The legislature eliminated the \$800 cap on spending for the purchase of awards and trophies by a city, town, county, or school district. It also struck obsolete language from 1945 that allowed an American Legion post or other incorporated veterans organization to spend money for awards and trophies. The \$800 cap was enacted in 1957.

Ch. 29, amending Minn. Stat. § 471.15, effective May 12, 2017.

Payment of Claims Counties, local social service agencies, towns, home rule charter cities of the second, third, or fourth class, and park districts will be able to use electronic funds transfers to pay certain claims, the same as school districts. This will streamline the ability of these local governments to make purchases via electronic means. In addition, a claimant does not need to make the specific declaration but instead the law now provides that in making the claim, the person making it is declaring that it is just and correct and has not been paid.

Ch. 52, amending Minn. Stat. § 471.38, repealing Minn. Stat. § 471.391, subd. 1, effective August 1, 2017.

Partition Fences Adjoining landowners will only be required to share equally in fence construction and maintenance costs under the Partition Fence Law if *both* of the adjoining lands are used to produce or maintain livestock for agricultural or commercial purposes.

Ch. 88, art. 2, § 77, amending Minn. Stat. § 344.03, subd. 1, effective May 31, 2017, and applies only to partition fences constructed pursuant to the Partition Fence Law on or after that date; art. 2, § 93, repealing Minn. Stat. § 383C.809 (St. Louis County special law), effective July 1, 2017.

Elections *Election to Indian tribal council.* An appointed officer or employee of a local government who is elected to an Indian tribal council in Minnesota is entitled to an unpaid leave of absence when performing work for the tribal council.

Ch. 92, art. 1, §§ 1, 2, 3, amending Minn. Stat. § 3.088, subs. 1, 2, 3, effective July 1, 2017.

Write-in filings. A local filing office must not accept a candidate's written request for write-in votes for that candidate to be counted after 5:00 p.m. on the last day for filing a request—that is, no later than seven days before the general election.

Ch. 92, art. 1, § 13, amending Minn. Stat. § 204B.09, subd. 3, effective July 1, 2017.

"I voted" stickers. The Secretary of State, county auditor, municipal clerk, school district clerk, or an election judge may provide a sticker containing the words "I VOTED," and nothing more, to a voter.

Ch. 92, § 17, adding Minn. Stat. § 204B.49, effective July 1, 2017.

Uniform election dates. A special election held in a city, town, or school district must be held on one of the following five dates: the second Tuesday in February, April, May, or August, or the first Tuesday after the first Monday in November. A home rule charter city must not designate additional dates in its charter.

A special election may be held on a date other than those designated above if the special election is held in response to an emergency or disaster. "Emergency" means an unforeseen combination of circumstances that calls for immediate action to prevent a disaster from

developing or occurring. “Disaster” means a situation that creates an actual or imminent serious threat to the health and safety of persons or a situation that has resulted or is likely to result in catastrophic loss to property or the environment.

In addition, an election to fill a vacancy in a town office may be held at the time of the town general election or on one of the uniform dates above.

Ch. 92, art. 2, §§ 10, 11, 13, amending Minn. Stat. §§ 205.10, subd. 4, adding subd. 3a; 205A.05, adding subd. 1a; and §§ 1 to 7, 9, 12, 15 to 26, making conforming amendments in Minn. Stat. §§ 103B.545, subd. 2; 123A.46, subd. 12; 123A.48, subd. 14; 123B.63, subd. 3; 126C.17, subd. 11; 128D.05, subd. 2; 200.02, subd. 4; 205.07, subd. 3; 205A.05, subd. 1; 216B.46; 365A.06, subd. 2; 367.33, subd. 1; 375.101, subd. 1; 375B.07, subd. 2; 375B.10; 383B.031, subd. 1; 383E.24, subd. 7; 410.10, subd. 1; 447.32, subd. 2; 475.59; repealing Minn. Stat. § 205.10, subd. 3; effective January 1, 2018, and applies to special elections held on or after that date.

Polling place designation. Counties and municipalities must establish a polling place by December 31 for the following year. Polling places may only be changed due to an emergency, if a polling place is unavailable, or for a March township election.

Ch. 92, art. 2, § 8, amending Minn. Stat. § 204B.16, subd. 1, effective January 1, 2018.

Voting equipment grants. The legislature established a grant program to support the purchase of new voting equipment by local units of government. The amount of a grant may be no more than 75 percent of the total cost of the electronic roster equipment and 50 percent of the total cost of all other equipment or technology authorized for a grant. The Secretary of State must report annually to the legislature on grants awarded.

1st spec. sess. ch. 4, art. 3, § 17, adding Minn. Stat. § 206.95, effective July 1, 2017.

The legislature appropriated \$7,000,000 for the grants; the appropriation is available until June 30, 2020.

1st spec. sess. ch. 4, art. 1, § 6, subd. 5, effective July 1, 2017.

The new law also repealed an existing voting equipment grant structure that was used to distribute federal funds provided under the Help America Vote Act to local units of government and that was administered by the Commissioner of Administration.

1st spec. sess. ch. 4, art. 3, § 18, repealing § 204B.48, effective July 1, 2017.

**Notice
Requirements for
Publicly Owned
Wastewater
Treatment
Facilities**

The Pollution Control Agency (PCA) must provide a permit applicant for a publicly owned wastewater treatment facility with a copy of the draft permit and any fact sheets required at least 30 days before distribution and public notice of the permit application and preliminary determination. Also, the PCA must have a public comment period of at least 60 days for these permits.

Ch. 93, art. 2, § 123, adding [Minn. Stat. § 115.542](#), effective July 1, 2017.

**Wastewater
Infrastructure
Protection**

The PCA must amend its rules (part 7001.0150) to exempt municipalities from new or modified effluent limitations for at least 16 years under certain circumstances. If a municipality modifies or constructs a facility to comply with effluent limitations in force at the time of the modification or construction, it will not be required to comply with effluent limits adopted after that for at least 16 years. The new law provides a good-cause exemption from rulemaking for these purposes.

Ch. 93, art. 2, § 160, effective July 1, 2017.

**Places of Public
Accommodation
and State Building
Code**

Construction, additions, and alterations to a place of public accommodation must comply with the State Building Code. Except for a fire protection system, the Commissioner of Labor and Industry enforces this requirement if the municipality has not adopted the State Building Code. If a fire protection system regulated by [Minnesota Statutes, chapter 299M](#), is required in a place of public accommodation, then those plan reviews and inspections are conducted by the state fire marshal.

A “place of public accommodation” means a publicly or privately owned sports or entertainment arena, stadium, theater, community or convention hall, special event center, indoor amusement facility or water park, or indoor swimming pool, that is designed for occupancy by 200 or more people.

Ch. 94, art. 2, § 4, as corrected by [1st spec. sess. ch. 7, § 4](#), adding [Minn. Stat. § 326B.108](#), effective July 1, 2017.

**Plastic Bag
Ordinances
Prohibited**

A political subdivision cannot impose a ban on the use of paper, plastic, or reusable bags for packaging of any item or good purchased from a merchant, itinerant vendor, or peddler.

Ch. 94, art. 8, § 14, adding [Minn. Stat. § 471.9998](#), effective May 31, 2017, and applies to ordinances adopted before, on, or after that date.

**Small Wireless
Facilities**

Small wireless facilities are needed to support 5G—fifth generation—wireless communications. While local governments and wireless providers want to provide for 5G wireless communications, wireless providers want as uniform regulations as possible across the country, and local governments want control of their rights-of-way and to be able to impose fees for use of public rights-of-way. This legislation is the result of a couple of years of negotiations.

In general, the law regulates local government regulations over the placement of small wireless facilities and wireless support structures in a public right-of-way.

Time to enact right-of-way ordinances. The law prohibits a local government unit from establishing a moratorium with respect to permits sought for small wireless facilities but allows local government units that have not yet enacted a right-of-way ordinance until January 1, 2018, to enact one.

Zoning. The placement of small wireless facilities is a permitted use in a public right-of-way, except in areas zoned for single-family residential use and in designated historic districts, where a conditional use or special permit may be required.

Permits. The new law allows for consolidated permit applications for the collocation of up to 15 small wireless facilities (or more, if the local unit of government agrees), provided they are for similar equipment, are to be placed on similar support structures, and are located within a two-mile radius. A local unit of government receiving applications from more than 30 small wireless facilities in a seven-day period may extend the 90-day review period an additional 30 days. Permits are not needed, and no fee may be charged, for maintenance or replacement of small wireless facilities. A local government unit may develop a standard agreement setting forth the terms of collocation for small wireless facilities.

A local government cannot require placement of a small wireless facility on a specific support structure different from that proposed in the permit application. No support structure may extend higher than 50 feet from the ground, subject to local zoning regulations, unless it is replacing an existing structure that is above that height, in which case it can be no higher than the existing support structure. Local government units may regulate minimum distances between wireless support structures.

Permit approval may be conditioned on generally applicable and reasonable health, safety, and welfare regulations, and a permit will be issued automatically if a local government unit has not rendered a decision on the application within 90 days of receipt, unless the parties agree otherwise. Denial of a small wireless facility permit must be made in writing and contain the reasons for the denial. The 60-day rule in [Minnesota Statutes, section 15.99](#), does not apply.

Fees. To occupy space on a support structure owned by a local government unit, a local government unit may charge: (1) a onetime fee with respect to permit applications, preparatory engineering, and construction work; (2) rent of up to \$150 per year per small wireless facility, plus up to \$25 annually for maintenance; and (3) a monthly fee for electricity service.

Exemptions. Wireless support structures owned, operated, maintained, or

served by a municipal electric utility are exempt from these provisions, as are collocations permitted by a local government unit before May 31, 2017, under an ordinance regulating small wireless facilities that was enacted before May 18, 2017.

Ch. 94, art. 9, amending Minn. Stat. § 237.162, subs. 2, 4, 9, adding subs. 10 to 17, effective May 31, 2017; § 237.163, subd. 2, effective May 31, 2017, except for local governments that had not yet enacted a right-of-way ordinance as of May 18, 2017, in which case the effective date is January 1, 2018; § 237.163, adding subs. 3a, 3b, 3c, 9, 10, amending subs. 4, 6, effective May 31, 2017; § 237.163, subd. 7, effective July 1, 2017.

**Property-Assessed
Clean Energy
(PACE) Task Force**

A Property-Assessed Clean Energy (PACE) program was authorized in 2010 to allow local governments to help finance private property owners' energy improvements by making loans and collecting the payments through special assessments.

This year, the legislature established a task force, which includes representatives of the various local government associations, realtors, energy alternative and conservation groups, legal aid, and others. The task force is to develop consumer protection recommendations, particularly with regard to real estate transactions after the loans have been made and before they are paid off. The Commissioner of Commerce is to convene the task force and provide administrative support. The task force must report to the legislature by January 15, 2018, and it expires at that time.

Until legislation is enacted with consumer protections, the PACE program is suspended.

Ch. 94, art. 10, § 27, effective May 31, 2017.

**Housing Trust
Funds**

A city or county may establish a local housing trust fund by ordinance or participate in a joint powers agreement to establish a regional housing trust fund. The law specifies what the trust fund may be used for and suggests sources of funding. It requires annual publicly accessible reports of fund activity to the city or county that created the fund. The new law does not affect existing local or regional housing trust funds.

Ch. 94, art. 11, § 8, adding Minn. Stat. § 462C.16, effective July 1, 2017.

**Public Employment
Relations Board**

The Public Employment Relations Board was created in 2014 and scheduled to become effective July 1, 2017. The effective date is now delayed until July 1, 2020, and until then actions for relief from unfair labor practices may be brought in district court.

Ch. 94, art. 12, § 1, amending Laws 2014, ch. 211, § 13, as amended by Laws 2015, 1st spec., sess. ch. 1, art. 7, and Laws 2016, ch. 189, art. 7, § 42, effective May 31, 2017.

**Money for Fire
Fighting**

Beginning with sales taxes collected after December 31, 2017, 50 percent of the estimated sales taxes derived from the sale of fireworks for personal use (as opposed to fireworks for professional and governmental

displays) are dedicated to two special accounts—one half of the dedicated revenue goes to the existing fire safety account and the other half goes to a new volunteer fire assistance grant account. Money in the new account is to make grants to local fire departments to pay for equipment and training.

The Commissioner of Revenue must consult with industry groups and determine by December 31, 2017, what percent of total annual state sales tax collections are from these fireworks sales. This percent will be used to allocate money to the dedicated funds beginning in calendar year 2018.

This provision was originally part of a bill to expand the types of fireworks that could be sold for personal use in the state. The expansion didn't pass but the dedication was included in the tax bill.

1st spec. sess. ch. 1, art. 3, §§ 1, 37, adding Minn. Stat. § 88.068; amending Minn. Stat. § 297A.94; effective for deposits beginning in fiscal year 2018 on sales and purchase made after December 31, 2017; § 39, effective May 31, 2017.

Aid Reductions for an Unauthorized Diversion Program

If a county or city is found by the courts to have operated a diversion program not authorized by law, the county's county program aid (CPA) or city's local government aid (LGA) is reduced by the amount of fees that the county or city collected under the program while it was in operation. Any taxpayer has standing to challenge the legality of a diversion program in court.

Counties and cities may operate a program that diverts certain minor traffic violations from the regular court system to an administrative citation system. There is a \$75 surcharge on court-imposed fines that goes to the state. Illegal diversions result in reduced revenues to the state and increased local revenues. In 2016, the courts found that Wabasha County was operating an illegal program, and there is some thought there may be more out there.

1st spec. sess. ch. 1, art. 4, § 18, adding Minn. Stat. § 477A.0175, effective May 31, 2017, and applies beginning with aid payments in calendar year 2018.

Payment in Lieu of Taxes (PILT) Payments

The state payments for tax-exempt natural resource land classified as "county-administered other" or "commissioner-administered other" is raised from \$1.50 per acre to \$2 per acre. The state currently makes a payment equal to the lesser of \$5.133 per acre or three-fourths of 1 percent of the appraised value for virtually all other tax-exempt natural resource land. Counties receive the payments and share them with the townships. The lands receiving lower payments include a number of lower valued land parcels that went into tax forfeiture in the 1930s due to nonpayment of ditch assessments.

1st spec. sess. ch. 1, art. 4, § 22, amending Minn. Stat. § 477A.12, subd. 1, effective for payments made beginning in calendar year 2018.

Capital Notes; R-22 (Freon) Systems Replacement Towns, cities, and Hennepin County may now issue capital equipment debt with a term of up to 20 years to finance projects to replace R-22 refrigerant ice-making systems typically used in ice arenas. R-22 is known commercially as Freon. The ten-year term still applies to all other authorized capital equipment debt issued.

Ist spec. sess., ch. 1, art. 7, §§ 1 to 4, amending Minn. Stat. §§ 366.095, subd. 1; 383B.117, subd. 2; 410.32; 412.301; effective July 1, 2017.

Housing and Redevelopment Authority (HRA) Debt The total amount of an HRA's issued and outstanding general obligation bonds was increased from \$3,000,000, originally authorized in 1992, to \$5,000,000.

Ist spec. sess. ch. 1, art. 7, § 5, amending Minn. Stat. § 469.034, subd. 2, effective July 1, 2017.

Economic Development Authority (EDA) An EDA may publish notice of a hearing on the creation of district in any newspaper of general circulation in the city seeking to establish the district. The old law required the notice to be provided in a daily newspaper.

Ist spec. sess. ch. 1, art. 7, § 6, amending Minn. Stat. § 469.101, subd. 1, effective July 1, 2017.

Street Reconstruction Bonds A two-thirds majority, instead of all of the members of a city, town, or county's governing body, is now required to approve the reconstruction plan and issuance of bonds to finance street reconstruction or bituminous overlay projects. The issuance of bonds for these purposes is subject to reverse referendum.

Ist spec. sess. ch. 1, art. 7, § 9, amending Minn. Stat. § 475.58, subd. 3b, effective July 1, 2017.

Negotiated Bond Sale Requirements To conform to Securities and Exchange Commission terminology, the provision in state statute that allows a local government to use negotiated bond sales was amended to require the local government to use an independent *municipal* advisor instead of a *financial* advisor.

Ist spec. sess. ch. 1, art. 7, § 10, amending Minn. Stat. § 475.60, subd. 2, effective July 1, 2017.

Special Local Sales Taxes If the Department of Revenue administers a local tax other than a general sales tax (for example, lodging, entertainment, admissions, or food and beverage taxes), on behalf of the local government, the terms in the authorizing special law have the meanings given in state sales tax law and rule unless the special law defines them differently. Undefined terms are considered to be consistent with the department's position as to the extent of the tax base. This applies even if the local government does not specifically adopt the definitions into its local law. Previously the law required that the local government specifically adopt the state definitions.

Ist spec. sess. ch. 1, art. 19, § 1, amending Minn. Stat. § 270C.171, subd. 1, effective May 31, 2017.

Local Impact Notes A newly created Legislative Budget Office, under the control of the Legislative Coordinating Commission, will be responsible for preparation of local impact notes, instead of the Commissioner of Management and Budget, beginning in the next biennium.

1st spec. sess. ch. 4, art. 2, § 9, amending Minn. Stat. § 3.987, subd. 1, effective January 8, 2019. See also 1st spec. sess. ch. 4, art. 2, §§ 1, 3, 7, 8, amending Minn. Stat. §§ 3.305, subd. 1; 3.98, subds. 1, 4; adding § 3.8853; §§ 58, 59, effective January 8, 2019.

**Long-term Equity
Investment
Authority**

Certain cities and counties may now invest a portion of their funds in mutual funds based in the United States and indexed to a broad market United States equity index, or with the State Board of Investment in an account managed by the Public Employees Retirement Association (PERA).

Eligible cities and counties are determined based on population or the city's or county's general obligation bond rating. A city or county is eligible if it has a population of more than 100,000, which would include at this time (using the 2015 population estimates), the counties of Anoka, Dakota, Hennepin, Olmsted, Ramsey, Scott, St. Louis, Stearns, Washington, and Wright, and the cities of Minneapolis, St. Paul, and Rochester.

A county or city with a population of less than 100,000 that received the highest bond rating by a national rating agency for the county's or city's most recent general obligation bond issue is also eligible. If the rating drops, the city or county may not use the authority in this section for additional investments.

A self-insurance pool established and open for enrollment on a statewide basis by the Minnesota League of Cities Insurance Trust, the Minnesota School Boards Association Insurance Trust, the Minnesota Association of Townships Insurance and Bond Trust, the Minnesota Counties Intergovernmental Trust, or the Nonprofit Insurance Trust are also eligible.

1st spec. sess. ch. 4, art. 2, § 27, adding Minn. Stat. § 118A.09, effective July 1, 2017.

**State Historic
Preservation Office**

The State Historic Preservation Office is transferred from the Minnesota Historical Society to the Department of Administration.

1st spec. sess. ch. 4, art. 2, §§ 29 to 31, 37 to 40, 54, amending Minn. Stat. §§ 138.081; 138.665, subds. 2, 3; 290.0681, subds. 1, 2, 7, 9, effective March 1, 2018.

The Legislative Auditor is requested to conduct a program evaluation of the office by January 1, 2018.

1st spec. sess. ch. 4, art. 2, § 53, effective July 1, 2017.

Liquor Laws

Among other changes to the liquor laws, microdistillery cocktail rooms may be open for on-sale business on Sundays if authorized by the city or county and at least 50 percent of the annual production of the licensee is processed and distilled on premises.

1st spec. sess. ch. 4, art. 5, §§ 2, 3, amending Minn. Stat. § 340A.22, subds. 1, 2, effective July 1, 2017.

During the 2018 Super Bowl, February 2 to 5, 2018, licensing jurisdictions may issue special permits to existing license holders for extended hours lasting to 4:00 a.m. each day. Local licensing jurisdictions may charge up to \$250 for a special permit.

1st spec. sess. ch. 1, art. 11, § 19; ch. 4, art. 5, § 18, effective May 31, 2017.

Property Taxes

Local Board of Appeal and Equalization

Onetime waiver. Current law requires that at least one member of a local board of appeal and equalization who has attended an appeals and equalization course in the last four years be present at each board meeting. In 2016, the trained supervisor in some towns was not re-elected and therefore not on the board of supervisors at the time of the local board of appeals meeting. In one case, the trained supervisor died before the meeting. The towns testified that none of these towns were able to get another supervisor trained in time for the meetings in March or April. This act provides a waiver for a city or town that certified it was in compliance with the law by February 1, 2016, but who did not have a trained board member present at a meeting in 2016. It reinstates the powers of the local board, subject to a local resolution and certification that it is now in compliance with the law.

Ch. 3, effective February 11, 2017.

Proof of compliance. At least one member of a city or town board of appeal and equalization must attend a commissioner-approved training every four years as certified by the Commissioner of Revenue; otherwise the powers of the board are transferred to the county board of appeal and equalization for at least two years.

1st spec. sess. ch. 1, art. 20, § 8, amending Minn. Stat. § 274.014, subd. 3, effective beginning with meetings held in 2018 and thereafter.

Assessors

Accreditation. The assessor accreditation requirements enacted in 2013 are modified by extending the deadline by which assessors must obtain licensure as an accredited assessor from the State Board of Assessors (SBOA), from July 1, 2019, or within four years of becoming a certified assessor, whichever is later, to July 1, 2022, or within five years of becoming certified.

A waiver from the accreditation requirements is also provided to certain assessors who were licensed prior to July 1, 2004. To receive a waiver, a

qualifying assessor must pass a comprehensive exam by May 1, 2020, and apply for a waiver by July 1, 2022, to the State Board of Assessors. Individuals granted a waiver are required to meet continuing education requirements of accredited assessors and generally may not value income producing property. The waivers expire on June 30, 2032.

The waiver and accreditation modifications were requested by the county organizations to address an assessor shortage in rural areas.

1st spec. sess. ch. 1, art. 2, § 2, amending Minn. Stat. § 270C.9901, effective May 31, 2017.

Division of duties between local and county auditor. The county assessor has the authority to tell local assessors how to enter construction and valuation data into the records.

1st spec. sess. ch. 1, art. 15, §§ 14, 15, amending Minn. Stat. §§ 273.061, subd. 7; 273.08, effective beginning with assessment year 2018.

Late notice requirements. If a county or city assessor fails to mail valuation notices to taxpayers on time, the assessor must mail an additional valuation notice and convene a supplemental local board of appeal and equalization meeting or local review session.

1st spec. sess. ch. 1, art. 15, § 16, amending Minn. Stat. § 273.121, adding subd. 3, effective beginning with valuation notices sent in 2018.

**Land Enrolled in
Local
Conservation
Programs**

Land enrolled in a conservation program administered by a local agency such as a city, town, or water conservation district will now qualify as agricultural for property tax purposes, provided that under the program the landowner receives incentive payments in return for restrictions placed on the use of the land. Currently, only land enrolled in the Reinvest in Minnesota (RIM) program, or the federal Conservation Reserve Program (CRP), or a similar state or federal conservation program, are allowed to qualify as agricultural property.

1st spec. sess. ch. 1, art. 2, § 11, amending Minn. Stat. § 273.13, subd. 23, effective beginning with assessment year 2018.

**Underserved
Municipalities
Distribution**

A municipality (city or town) that is (1) located in the seven-county metropolitan area but outside the transit taxing district area, and (2) has a net fiscal disparities contribution tax capacity in excess of 8 percent of the municipality's total net tax capacity will now get a distribution from the state general levy. The distribution is equal to the municipality's contribution tax capacity in excess of 8 percent times the municipality's tax rate. The distribution cannot exceed the amount of state general levy paid by properties within the municipality.

The city of Rogers is the main recipient of this payment although other cities and towns may qualify depending on varying circumstances. For Pay 2018 the city of Coates in Dakota County and the town of Louisville in Scott County also get very small payments. The rationale is that these cities

pay property taxes to the Metropolitan Council without receiving all Metropolitan Council services.

1st spec. sess. ch. 1, art. 2, § 17, amending Minn. Stat. § 275.025, by adding subd. 5, effective beginning with taxes payable in 2018.

**Proposed Levy
Certification
Dates**

The date by which towns and most special taxing districts must certify their proposed levy to the county auditor is changed from September 15 to September 30. This matches the certification dates for school districts, cities, and counties.

The date by which the Metropolitan Council and the Metropolitan Mosquito Control Commission must certify their proposed levy remains September 15.

1st spec. sess. ch. 1, art. 2, §§ 18, 19, amending Minn. Stat. §§ 275.065, subd. 1; 275.07, subd. 1, effective beginning with proposed levy certifications for taxes payable in 2018.

**Property Tax Due
Dates; Late
Penalties**

Proof of timely payment. A county treasurer may now use a delivery services record as well as a postmark or other postal registration mark as an indication that the property tax was filed in a timely fashion. A time stamp from a private postage meter and on electronic stamps purchased online cannot be used to prove timely filing.

1st spec. sess. ch. 1, art. 2, § 20, amending Minn. Stat. § 276.017, subd. 3, effective May 31, 2017.

Penalties imposed. The penalties for first- and second-half late payments of property taxes are now standardized. Property taxes are paid in two equal installments—one-half before May 16, and the remaining half before October 16 of each year. If either payment is late, the penalty for homestead property is 2 percent of the payment due for each of the first two months and an additional 1 percent for each additional month. For all other property, the penalty is 4 percent for each of the first two months and an additional 1 percent for each additional month. Under the old law, the monthly penalties were higher for late payment of the October portion of the tax.

1st spec. sess. ch. 1, art. 2, § 21, amending Minn. Stat. § 279.01, subd. 1, effective beginning with taxes payable in 2018.

Abatement of penalty. The county treasurer may abate the penalty for late payment of property taxes if an envelope is postmarked within one business day of the due date. They may only do it once for any taxpayer. This was suggested because some rural areas do not have daily postal pickup.

1st spec. sess. ch. 1, art. 2, § 22, amending Minn. Stat. § 279.01, subd. 2, effective beginning with taxes payable in 2018.

**Tax-Forfeited
Property –
Management and
Disposal**

A number of changes were made at the behest of the counties to statutes governing the management and disposal of tax-forfeited property. The goal was to remove archaic provisions and streamline the process. Changes include the following.

Redemption period. Beginning with tax judgment sales after January 1, 2018, the most recent census data will be used to determine if a neighborhood is eligible for designation as a targeted community by a city, which reduces the redemption period for some property in the neighborhood from three years to one year. Before then, the data used is based on the 1980 federal census. Counties are added to the group of local governments that may commence an action to reduce the period of redemption for abandoned or vacant property. Previously, this authority was limited to cities, housing and redevelopment authorities, port authorities, and economic development authorities. Also, counties no longer have to post and publish a notice about the property one year before the redemption period ends, although they must continue to do so at least 60 days before the end of the redemption period.

1st spec. sess. ch. 1, art. 2, § 25, amending Minn. Stat. § 281.17, effective for tax judgments occurring after January 1, 2018; §§ 26, 27, amending Minn. Stat. §§ 281.173, subd. 2, 281.174, subd. 3; § 43, para. (a), repealing § 282.22, effective May 31, 2017.

Administration and maintenance of property. A governmental entity that is a fee owner or manager of tax-forfeited property is not required to use public funds to provide maintenance under an easement or other recorded encumbrance on the property. In addition, the county auditor now has the right to enter a vacant or unoccupied property to protect or secure it. The cost incurred in doing so may be added to the amount of delinquent taxes due. Also, the procedure for the county auditor to sell abandoned personal property is amended to allow for the disposal of personal property, provided that the auditor makes a reasonable effort to provide 28 days' notice of the sale or disposal to the former owner, taxpayer, or occupant.

1st spec. sess. ch. 1, art. 2, §§ 28, 29, 35, adding Minn. Stat. §§ 281.231, 281.701; amending Minn. Stat. § 282.04, subd. 2, effective May 31, 2017.

Sales of property. The county may now sell tax-forfeited property through a real estate broker or through an online auction. The list of persons prohibited from purchasing tax-forfeited land is expanded to include people who are delinquent on property taxes on other property or who have cancelled a previous contract to purchase tax-forfeited property, or have had a rental license revoked in the last five years. Also the county may sell land on or adjacent to public waters with written approval from the Commissioner of Natural Resources.

1st spec. sess. ch. 1, art. 2, §§ 30, 32, 33, amending Minn. Stat. §§ 282.01, subd. 4, 282.016; 282.018, subd. 1, effective May 31, 2017; and §§ 31, 34, amending Minn. Stat. §§ 282.01, adding subd. 13; 282.02, effective for sales of tax-forfeited properties that occur on or after August 1, 2017.

Repurchase period. An owner of nonhomestead property will now only have six months from the date of forfeiture to repurchase the property. Previously the owner had one year.

1st spec. sess. ch. 1, art. 2, §§ 36, 37, amending Minn. Stat. §§ 282.241, subd. 1; 282.322, effective January 1, 2018.

**Tax-Forfeited
Property –
Clarifications**

Conditional use deed. A governmental subdivision wishing to purchase tax-forfeited property that it owns, but that is subject to a conditional use deed, must first re-convey the land subject to the conditional use deed to the Commissioner of Revenue before the commissioner may convey the property free of the use restriction back to the governmental subdivision. This is a clarification of the previous law, which allowed the state to convey property back to the governmental subdivision that it did not control.

1st spec. sess. ch. 1, art. 15, § 31, amending Minn. Stat. § 282.01, subd. 1d, effective May 31, 2017.

Contracts for deed. Sales of tax-forfeited property made by contracts for deed are no longer subject to the five-day rescission period generally applied to contract for deed sales.

1st spec. sess. ch. 1, art. 15, § 35, amending Minn. Stat. § 559.202, subd. 2, effective for sales of tax-forfeited land made beginning May 31, 2017.

**Solid Waste
Management Tax**

In order to exempt charges for handling recycling materials from the solid waste management tax, the price for handling the materials must be separately itemized on a bill to the generator of the waste. Previous law required separate itemization, but did not require the itemization be on the bill.

1st spec. sess. ch. 1, art. 14, § 12, amending Minn. Stat. § 297H.06, subd. 2, effective May 31, 2017.

**Public Meeting on
Levy**

Taxing authorities only need to announce the time and place of the regularly scheduled meetings at which the budget and levy will be discussed if they have such a meeting. The previous law seemed to imply that a tax authority had to have a subsequent public meeting in addition to the meeting where it adopted its proposed levy.

1st spec. sess. ch. 1, art. 15, § 27, amending Minn. Stat. § 275.065, subd. 1, effective May 31, 2017.

**Property Tax
Levy Reports**

Towns with populations greater than 5,000, and smaller cities receiving taconite aid no longer need to file an annual property tax levy report with the Commissioner of Revenue. However, cities with a population greater than 2,500 and all counties still need to file these reports. These reports have primarily been used in the past to establish levy limit bases when general levy limits have periodically been imposed.

1st spec. sess. ch. 1, art. 15, § 28, amending Minn. Stat. § 275.62, subd. 2, effective May 31, 2017.

Taconite Production Tax

Two clarifications were made to the taconite production tax distribution related to the bankruptcy of the LTV Steele Mining company in 2001. These provisions are clarifications rather than changes because another part of the taconite production tax statute ([Minn. Stat. § 298.225](#)) guarantees that all affected cities, towns, and counties currently get an amount distributed in either 1983 or 1999. The changes give greater transparency to distributions discussed in an April 2015 report on the production tax by the Office of Legislative Auditor. The provisions are as follows:

- A city or town that was within three miles of the LTV Steel Mining Company mining pit in 1999 is entitled to a distribution from the mining effects fund.

1st spec. sess. ch. 1, art. 19, § 5, amending [Minn. Stat. 298.28](#), subd. 2, effective May 31, 2017.

- Cook County, which had a power plant in 2000 that served the LTV mine in St. Louis County, continues to receive a one-cent per ton distribution.

1st spec. sess. ch. 1, art. 19, § 6, amending [Minn. Stat. 298.28](#), subd. 5, effective May 31, 2017.

Tax Increment Financing

Special TIF law exceptions are described in the Special Legislation section, starting on page 25

Workforce Housing Some workforce housing projects now qualify as economic development districts. To qualify, increments must be used exclusively for development of rental housing, and the county and school district must approve the TIF financing plan. Workforce housing projects provide market rate rental housing whose tenants are not subject to income restrictions.

To create a workforce housing TIF, a municipality must also document that it is outside of the metro area; the city and each city within 15 miles has an average rental vacancy of 3 percent or less; a business in or near the city has submitted a written statement of need for rental housing; and the municipality and development authority intend to use the increments to develop housing for employees of local businesses.

If a housing TIF project (i.e., one funded with a housing district under which its tenants or purchasers must satisfy income limits) receives grant money from the Minnesota Housing Finance Agency (MHFA), the higher income limits under the MHFA challenge program may be used instead of the lower income limits authorized for other rental TIF projects.

1st spec. sess. ch. 1, art. 6, §§ 1 to 4, amending [Minn. Stat. §§ 469.174](#), subd. 12; [469.175](#), subd. 3; [469.176](#), subd. 4c; [469.1761](#), adding subd. 5, effective for districts for which the request for certification was made after June 30, 2017.

Five-Year and Pooling Rule

Tax increments subject to the five-year and pooling rule are narrowed to include only those increments paid by properties in the TIF district.

1st spec. sess. ch. 1, art. 6, §§ 5, 6, 7, amending Minn. Stat. § 469.1763, subs. 1 to 3, effective May 31, 2017.

Interfund Loans

The governing body of a municipality may authorize an interfund loan to a TIF district up to 60 days after the money is transferred or spent, instead of being required to authorize the loan prior to the transfer of funds. Interfund loans may also be authorized before approving a TIF plan, and loan terms may be modified at any time prior to decertification.

1st spec. sess. ch. 1, art. 6, § 8, amending Minn. Stat. § 469.178, subd. 7, effective May 31, 2017, for all districts, regardless of when the request for certification was made.

Cities

Notice of Proposed Ordinances

If a home rule charter or statutory city posts ordinances on its website, it now must also post proposed ordinances on the site at least ten days before the city council meeting at which the ordinance is scheduled for a final vote. If the city does not have an electronic notification system, the city must post notice of proposed ordinances in the same location as other notices at least ten days before a final vote on the ordinance.

In addition, a city that has an electronic notification system must allow persons to sign up for e-mail notice of proposed ordinances, which must be sent at least ten days before a final vote. The city must let a person know about the notice system at the time the person applies for a new or renewed business license.

Failure to provide notice does not invalidate an ordinance and the new law sets the minimum for notice. Finally, this notice requirement does not apply to interim ordinances.

Ch. 77, adding Minn. Stat. § 415.19, effective August 1, 2017.

Elections

A city may canvass primary election results on either the second or third day after the primary and after other contingencies are removed.

Ch. 92, art. 1, § 22, amending Minn. Stat. § 205.065, subd. 5, effective July 1, 2017.

A city must decide to change city elections from an even-numbered year to an odd-numbered year (or vice versa) at least 180 days before the first day to file for office in the next municipal election.

Ch. 92, art. 1, § 23, amending Minn. Stat. § 205.07, subd. 1, effective July 1, 2017.

**Interim
Ordinances
Relating to
Housing**

A city may adopt an interim ordinance—a moratorium—by a majority vote of all members of the city council to regulate, restrict, or prohibit a housing proposal only after a public hearing and after providing written notice to any person who has submitted a housing proposal, has a pending housing proposal, or has provided a written request to be notified of interim ordinances related to housing proposals. The written notice must be provided at least three business days before the public hearing. Notice also must be posted on the city’s official website, if the city has an official website. The date of the public hearing is the earlier of the next regularly scheduled city council meeting after the notice period or within ten days of the notice. The activities proposed to be restricted by the proposed interim ordinance may not be undertaken before the public hearing. A “housing proposal” is a written request for a project to provide residential dwellings that involves the subdivision or development of land or the demolition, construction, reconstruction, alteration, repair, or occupancy of residential dwellings.

Ch. 94, art. 11, § 3, amending Minn. Stat. § 462.355, subd. 4, effective for interim ordinances proposed on or after August 1, 2017. (Note: an earlier bill that required a two-thirds vote was vetoed by the governor.)

**Firefighter Civil
Service
Commission**

Any city with a population of 2,000 or more that has a fire department with two or more regularly employed and paid firefighters, excluding first class cities, may establish a firefighters’ civil service commission. The statute goes back to 1929 and the legislature updated three provisions of it. First, the law now provides that vacancies on the commission be filled by appointment within 90 days, increased from 30 days. It also allows a commission to determine when to select officers and where to meet, the language specifying those terms having been stricken. Finally, it is no longer a misdemeanor for a firefighter subject to a commission to make donations to or solicit for any political party or purpose.

Ch. 97, amending Minn. Stat. §§ 420.03; 420.04; 420.16, effective August 1, 2017.

Border Cities

An additional \$3 million is allocated for border city aid. All but \$50,000 is allocated among the five qualifying border cities (Breckenridge, Dilworth, East Grand Forks, Moorhead, and Ortonville) on a per capita basis. The \$50,000 not allocated to the border cities is allocated to Taylors Falls (see special legislation). Except for Moorhead, the other four cities had spent virtually all of their border city money from the last allocation—Moorhead still had about \$390,000. Each city may choose whether to use the allocation for tax reductions under the regular border city enterprise zone program or the border city development zone program. Allocations are used to provide tax reductions to businesses in the cities (either new and expanding businesses or existing businesses). The allocations remain available until used.

1st spec. sess. ch. 1, art. 4, § 9, amending Minn. Stat. § 469.169, by adding subd. 20, effective July 1, 2017.

**Local Government
Aid (LGA) for
Cities**

Several changes are made to the existing city LGA program. These include the following:

- A calculation error that caused a few cities to have their LGA amount reduced below the amount of their “unmet need” was corrected beginning with aids payable in calendar year 2018. Although there were 24 cities impacted by this calculation error in calendar year 2017, no correction was made to their 2017 payments, nor was the starting point for calculating their 2018 payments adjusted to reflect the 2017 error.

1st spec. sess. ch. 1, art. 4, §§ 15, 16, amending Minn. Stat. § 477A.013, subs. 8, 9; effective beginning with aids payable in 2018.

- The “need” measure for a city with a population of 10,000 or less is increased by \$200 per capita if its population density is less than 30 persons per square mile. This “sparsity adjustment” is somewhat similar to one that already exists in the large city need formula.

1st spec. sess. ch. 1, art. 4, §§ 10, 11, amending Minn. Stat. § 477A.011, subs. 34, 45; effective beginning with aids payable in 2018.

- The population range used to transition a city from the need formula for medium-size cities to the formula for large cities is expanded from the range of 10,000 to 10,500 population to 10,000 to 11,000 population.

1st spec. sess. ch. 1, art. 4, § 10, amending Minn. Stat. § 477A.011, subd. 34; effective beginning with aids payable in 2018.

- For aids paid in calendar year 2019 only, 29.2 percent of each cities’ July payment will be paid a month early—by June 15, 2019. Currently one-half of LGA in a calendar year is paid in July and the other half is paid in December. This change was made to balance state biennial budget targets.

1st spec. sess. ch. 1, art. 4, § 17, amending Minn. Stat. § 477A.015; effective for aids payable in 2019 only.

- The city LGA appropriation is increased by \$15 million per year beginning with aids payable in 2018. The old appropriation was \$519.4 million annually and the new appropriation is \$534.3 million in calendar year 2018 and thereafter.

1st spec. sess. ch. 1, art. 4, § 19 amending Minn. Stat. § 477A.03, subd. 2a; effective beginning with aids payable in 2018.

E-mail address required. Each city must register an official e-mail address with the Commissioner of Revenue for communication purposes before it may receive LGA.

1st spec. sess. ch. 1, art. 15, § 32, amending Minn. Stat. § 477A.013, adding subd. 14, effective for aids payable in 2018 and thereafter.

Counties

- Veterans Memorials** A county may appropriate money for a veterans memorial anywhere in the county. Prior law specified locations in the county seat.
Ch. 9, amending Minn. Stat. § 375.18, subd. 10, effective August 1, 2017.
- License Bureau Hours** County license bureaus will be required to be open at least 40 hours per week, but the law no longer requires that they be open for specific times in the evening and on Saturdays.
Ch. 67, amending Minn. Stat. § 373.38, effective August 1, 2017.
- County Scholarship Program** A county may establish a scholarship fund from any unencumbered mineral royalties or any tax imposed on severed mineral values. Scholarships must be used by a resident of the county at a two-year Minnesota State Colleges and Universities institution within the county. The county shall establish procedures for applying for and distributing the scholarships. The county may establish additional eligibility criteria.
Ch. 89, art. 2, § 22, adding Minn. Stat. § 298.2215, effective July 1, 2017.
- Elections**
- Entry of voter registration information into statewide registration system.* The deadline for county auditors to enter new voter registration information into the statewide voter registration system after an election was modified. Under prior law, counties had to upload the data within 42 days of the election, but could receive an indefinite extension upon notification to the Secretary of State. Now, the law allows for a 28-day extension after the initial 42-day deadline, and allows the Secretary of State to waive the deadline if, on good cause shown, the county shows a permanent inability to comply. The status of each county's compliance with this section must be posted on the Secretary of State's website.
- Postelection sampling.* Each county auditor must report to the Secretary of State the total number of post-election notices that were returned as nondeliverable, the total number of the nondeliverable notices for which the county auditor could find the reason for the return, and the number of individuals for whom the county auditor does not receive or obtain satisfactory proof of an individual's eligibility to vote. The Secretary of State must compile this information and report it to the legislature by March 1 of every odd-numbered year. This report must show the numbers for each precinct and for each county.
Ch. 92, art. 1, §§ 10, 11, amending Minn. Stat. §§ 201.121, subd. 1, 3, effective July 1, 2017.

Leased Seasonal-Recreational Land

Beginning for taxes payable in 2019, a county no longer has to approve a property tax exemption for land leased from the state, a county, a city, or a town for seasonal recreational purposes. Currently the exemption is only automatic for federally owned leased land.

1st spec. sess. ch. 1, art. 2, § 6, amending Minn. Stat. § 272.0213, effective beginning with taxes assessed in 2018 and payable in 2019.

County Approval of Certain Parcel Transfers

A county now may review and approve a deed conveying a parcel of land for transfer or division for conformity with the county's land use regulations. Previously only cities and towns had the right to review and approve for conformity to local land use plans. Olmsted County has this authority under a special law enacted in 1989.

1st spec. sess. ch. 1, art. 2, § 8, amending Minn. Stat. § 272.162, effective May 31, 2017.

Application Requirements for Disabled Veteran Homesteads

The county veterans service officer, instead of the county assessor, will determine a disabled veteran's disability rating and permanent address for the purposes of the homestead property tax benefit for disabled veterans. In addition, the county will only need to get notice of a veteran's change in eligibility, rather than an annual application for the benefit.

1st spec. sess. ch. 1, art. 2, § 13, amending Minn. Stat. § 273.13, subd. 34, effective beginning with taxes payable in 2018.

Confession of Judgment; Conditions

The county auditor may now offer financial literacy counseling as part of an agreement to enter into a confession of judgment. The counseling must be funded from fees paid for confessions of judgement.

1st spec. sess. ch. 1, art. 2, § 24, amending Minn. Stat. § 279.37, by adding subd. 1b, effective May 31, 2017.

County Program Aid (CPA)

Formula modification. Several changes were made to the tax base equalization portion of the CPA formula, mainly to address a problem of certain agricultural counties falling off the formula due to changing agricultural property values. The changes include:

- the basic calculation used to distribute the tax base equalization aid was changed from an amount by which \$185 times the county's population is greater than 9.45 percent of net tax capacity to an amount by which \$190 times the county's population is greater than 9 percent of net tax capacity;
- beginning with aids payable in 2019, the \$190 per capita used in the tax base equalization formula is indexed by the statewide growth in net tax capacity per capita;
- the extra additional aid amounts to Anoka and Washington

counties were repealed; and

- each county is now guaranteed a minimum amount of tax base equalization aid equal to the greater of: (1) 0.27 percent of the total statewide appropriation for tax base equalization aid; or (2) 95 percent of the county's tax base equalization aid in the previous year. If the aids payable due to the minimum aid provision exceed the total allocation for tax base equalization aid, the distribution for counties that exceed their minimum aid must be reduced proportionally.

Data used in calculations. The data used in both parts of the CPA calculation—need aid and tax base equalization aid—will be based on data available as of January 1 of the year the aid is certified.

Currently, data available by that date is used in both the city and town LGA calculations. The change ensures that aid estimates done during the legislative session should be extremely close, if not identical, to the amounts certified by September 1.

Transition aid. The transition aid provision for CPA is repealed. This transition aid was based on a onetime adjustment enacted in 2006 to address some aid loss in certain rural counties. The increased appropriation is enough to hold these counties at previous aid levels so this provision is no longer needed.

Appropriation. An additional \$25.5 million is added to CPA per year, with all of the additional aid applied to the tax base equalization aid formula. Also an ongoing \$3 million per year aid payment to Beltrami County is incorporated into the overall aid appropriation.

1st spec. sess. ch. 1, art. 4, §§ 12, 13, 20, 33, para. (a), amending Minn. Stat. § 477A.0124, subd. 4, adding subd. 7; § 477A.03, subd. 2b; repealing § 477A.0124, subd. 5, effective beginning with aids payable in 2018.

The reference to “population over age 65” in the formula is changed to “population age 65 and over” to match the age category in U.S. Census Bureau data that is used in calculating CPA.

1st spec. sess. ch. 1, art. 18, § 4, amending Minn. Stat. § 477A.0124, subd. 2, effective May 31, 2017.

Reimbursement for Out-of-Home Placement Costs Under the Indian Child Welfare Act

Counties and tribes will now receive aid under a new program to cover out-of-home placement costs of children under the Indian Child Welfare Act (ICWA). Tribes will receive the greater of: (1) 5 percent of the average reimbursement amount received from the federal government for out-of-home placement costs for three calendar years; or (2) \$200,000. Each county will receive a share, of the appropriation that remains after the aid for tribes has been paid, based on its proportionate share of nonfederal costs for these placements.

A county's aid under this program may be reduced if the Commissioner of Human Services finds that a county is not in

compliance with ICWA and the Minnesota Indian Family Preservation Act. Any county found substantially out of compliance will be notified, and if it does not get into compliance within one year, will have its aid under this section reduced by 50 percent annually until it is in compliance.

\$5,000,000 is annually appropriated to the Commissioner of Revenue from the general fund to make the aid payments under this new program.

1st spec. sess. ch. 1, art. 4, § 14, adding Minn. Stat. § 477A.0126, effective for aids payable in 2018, except that the annual appropriation is effective beginning in fiscal year 2019.

Riparian Protection Aid

A new aid program is established to reimburse watershed districts and counties that have assumed jurisdiction for enforcing state riparian buffer requirements for some of their associated costs. The payments are based upon the total number of acres of certain agricultural land and the miles of public watercourses and public drainage system ditches in the jurisdiction. Payments to a county must not be greater than \$200,000 or less than \$50,000 and only counties assuming jurisdiction for enforcing the buffer requirements (or counties where a watershed district has assumed jurisdiction) are eligible for the payments. If a county or watershed does not assume jurisdiction for enforcing the buffer requirements, its aid goes to the Board of Water and Soil Resources (BWSR). These new payments are made along with other LGA and CPA payments. \$6,000,000 is appropriated in fiscal year 2018 and \$8,000,000 is appropriated annually thereafter to fund the program. In the first year only, counties may receive aid under the program, unexpended funds carry forward, and BWSR may begin getting payments in the following year.

1st spec. sess. ch. 1, art. 4, §§ 24, 25, adding Minn. Stat. §§ 477A.21; 477A.22; effective May 31, 2017, and applies beginning with aids payable in 2017.

Mortgage Registry Tax

A county no longer has to calculate and distribute the proceeds for multi-county mortgages exceeding \$10,000,000. The county treasurer must now remit the entire tax on mortgages for property that crosses county lines to the Commissioner of Revenue, who will subtract the state portion and then calculate and distribute each county's share. The method to calculate each county's share remains unchanged.

1st spec. sess. ch. 1, art. 11, § 2, amending Minn. Stat. § 287.08, effective for taxes collected after June 30, 2017.

**County Board of
Appeal and
Equalization**

Proceedings minutes. County boards of appeal and equalization no longer have to file a printed or typewritten copy of meeting minutes with the Commissioner of Revenue. They are still required to file any changes made by the board with the Commissioner of Revenue.

1st spec. sess. ch. 1, art. 15, § 10, amending Minn. Stat. § 270C.89, subd. 1, effective beginning with meetings held in 2017 and thereafter.

Prohibited changes. County boards of appeal and equalization may no longer make a change in value to benefit a property if the owner has denied the assessor access to the property. This is the same as the prohibition for local boards.

1st spec. sess. ch. 1, art. 15, § 26, amending Minn. Stat. § 274.13, subd. 1, effective beginning with meetings held in 2018 and thereafter.

Proof of compliance. At least one member of a county board of appeal and equalization must attend a commissioner-approved training every four years as certified by the Commissioner of Revenue; otherwise the powers of the board is transferred to the special board of appeal and equalization for at least two years.

1st spec. sess. ch. 1, art. 20, § 9, amending Minn. Stat. § 274.135, subd. 3, effective beginning with meetings held in 2018 and thereafter.

**Certificates of Real
Estate Value**

Counties will now submit certificate of valuations electronically to the Department of Revenue rather than the two paper copies required to be submitted under the old law. The Department of Revenue has already informally moved to the electronic submission system.

1st spec. sess. ch. 1, art. 20, § 4, amending Minn. Stat. § 272.115, subd. 3, effective for certificates filed after December 31, 2017.

**Counties Transit
Improvement Board
(CTIB)**

The omnibus transportation finance act provided that if CTIB terminates its joint powers agreement, the money received by a county as part of the termination may be used for any of the purposes listed in statute for use of the optional transportation tax allowed for greater Minnesota counties. That is, the money may be used for: (1) payment of the capital cost of a specific transportation project or improvement; (2) payment of the costs, which may include both capital and operating costs, of a specific transit project or improvement; (3) payment of the capital costs of a safe routes to school program under section 174.40; or (4) payment of transit operating costs.

On June 21, 2017, CTIB unanimously approved a resolution terminating CTIB's joint powers agreement, effective September 30, 2017. This was preceded by the individual member county boards voting to terminate the agreement.

1st spec. sess. ch. 3, art. 3, § 111, amending Minn. Stat. § 297A.992, adding subd. 10a, effective May 31, 2017.

Legislative Auditor Review of County Audits by State Auditor The Legislative Auditor must assess the adequacy of the county audits performed by the State Auditor in 2016 using standards identical to those described in the report of the State Auditor dated March 2017 regarding the adequacy of the audits done by private auditors. The assessment must be done by January 15, 2018.

1st spec. sess. ch. 4, art. 1, § 2, subd. 4, effective July 1, 2017.

County Audit by CPA Firm A county audit performed by a CPA firm must be in a form meeting recognized industry auditing standards, rather than a form required by the State Auditor.

1st spec. sess. ch. 4, art. 2, § 10, amending Minn. Stat. § 6.481, subd. 3, effective July 1, 2017.

State Auditor Report on Litigation Expenses The State Auditor must report to the legislature by July 1, 2017, and January 1, 2018, and each January 1 after that, on expenses of preparing, asserting, or defending a civil claim or appeal related to the auditor's core functions.

1st spec. sess. ch. 4, art. 2, § 14, adding Minn. Stat. § 6.92, effective May 31, 2017.

Towns

Town Aid The data used in calculating town aid is the most recently available data as of January 1 of the year in which the aid is calculated. This was what the Department of Revenue was using, but this was not explicitly stated in the previous law. This matches the time period for data used in city LGA and CPA.

1st spec. sess. ch. 1, art. 18, § 5, amending Minn. Stat. § 477A.013, subd. 1, effective May 31, 2017.

Special Legislation

Albert Lea The city currently imposes a 0.5 percent local sales tax to raise \$15 million for the Shell Rock River Watershed Board to clean up the lake in the city. This tax was set to expire soon but is now extended for the lesser of an additional 15 years or until a total of \$30 million is raised. The watershed may now spend the money on general water quality projects but it must report to the Albert Lea City Council on a biannual basis on its expenditures. Currently there is no reporting requirement.

1st spec. sess. ch. 1, art. 5, §§ 12, 13, amending Laws 2005; 1st spec. sess. ch. 3, art. 5, § 38, subd. 2, as amended by Laws 2006, ch. 259, art. 3, § 6; Laws 2005, 1st spec. sess. ch. 3, art. 5, § 38, subd. 4, as amended by Laws 2014, ch. 308, art. 3, § 23; effective upon local approval.

Anoka

The five-year rule is extended to eight years for the city of Anoka's Greens of Anoka redevelopment TIF district. The five-year rule requires that increment to only be spent on expenditures made in the district within five years of certification. However, due to development delays caused by the Great Recession, the legislature extended the five-year rule to eight years for districts certified between April 20, 2009, and June 30, 2012. (For districts certified between June 30, 2003, and April 20, 2009, the rule was extended to ten years.) The Greens of Anoka district was certified on July 2, 2012. This extension is similar to the extension grant to Moorhead.

1st spec. sess. ch. 1, art. 6, § 13, effective upon local approval.

Babbitt

The Commissioner of the Iron Range Resources and Rehabilitation Board may continue to use remaining funds in the Highway 1 Corridor account to fund approved economic development projects in the cities of Babbitt, Cook, Ely, or Tower. This account was funded by a 2007 distribution of the production tax on taconite but the provision making the 2007 distribution was repealed in 2016. This clarifies that the money in the account did not lapse or cancel with the repeal.

1st spec. sess. ch. 1, art. 11, § 18, effective retroactively from May 22, 2016.

Benton 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 Benton County to make the office of recorder an appointed position if approved by an 80 percent vote of the county board, subject to reverse referendum. It provides for the current office holder to complete the term to which that person was elected before the office is made an appointed position. The county board resolution cannot be adopted until after notice and an opportunity for the public to comment at two separate meetings, one held during the day and one in the evening. 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. If a petition is filed, the question must be on the ballot at a regular or special election. The law also provides a process to revert back to elected positions.

Benton County was authorized for the same purpose in 1997 ([ch. 91](#)), but a referendum was held at that time and failed.

Ch. 92, art. 3, § 2, as corrected by ch. 99, § 6, effective June 8, 2017, when the certificate of local approval was filed with the Secretary of State.

Burnsville

The 2008 special law that provided the city of Burnsville with special TIF authority to redevelop an area of the city containing a quarry and landfill was modified to provide the city with two additional years (until December 31, 2020) to create a TIF district. The city may also create an

economic development TIF district, and the four-year knockdown rule is extended to nine years. (The knockdown rule drops any parcel that has not been improved within four years from the TIF district.)

1st spec. sess. ch. 1, art. 6, § 9, amending Laws 2008, ch. 154, art. 9, § 21, subd. 2, effective upon local approval.

Carlton County

Carlton County may once again impose a levy of up to \$1,500 annually in the unorganized territory of Sawyer for recreational purposes. The authority for this levy was granted in 1996 but expired after 2006. The old special law was reinstated and made permanent.

1st spec. sess. ch. 1, art. 2, § 41, amending Laws 1996, ch. 471, art. 3, § 51, applies to taxes payable in 2018 and thereafter, and is effective upon local approval.

Clay County

Clay County may impose a local sales and use tax of 0.5 percent and issue local bonds secured by the tax to finance new county correctional and law enforcement facilities. The voters approved the tax at the November 8, 2016, general election. The county is allowed to issue up to \$52 million in bonds for the project without another vote. The tax expires at the earlier of: (1) 20 years after the tax is first imposed; or (2) when funds are sufficient to repay the bonds.

1st spec. sess. ch. 1, art. 5, § 26, effective June 23, 2017, when the certificate of local approval was filed with the Secretary of State.

Cold Spring

The city of Cold Spring may issue an intoxicating malt liquor license for sales at Cold Spring Baseball Park.

1st spec. sess. ch. 4, art. 5, § 11, effective June 16, 2017, when the certificate of local approval was filed with the Secretary of State.

Cook

The repayment provision for the city of Cook in a 2010 law providing a onetime distribution of the production tax for road and bridge improvements was modified to allow the city to sell property acquired with this money after five years of purchase without triggering repayment. Under old law, repayment was required if the city sold the property within ten years of its purchase date.

1st spec. sess. ch. 1, art. 11, § 17, amending Laws 2010, ch. 216, § 58, as amended by Laws 2010, ch. 347, art. 7, § 1, and Laws 2010, ch. 389, art. 7, § 20, effective May 31, 2017.

Use of previously distributed production tax. The Commissioner of the Iron Range Resources and Rehabilitation Board may continue to use remaining funds in the Highway 1 Corridor account to fund approved economic development projects in the cities of Babbitt, Cook, Ely, or Tower. This account was funded by a 2007 distribution of the production tax on taconite but the provision making the 2007 distribution was repealed in 2016. This clarifies that the money in the account did not lapse or cancel with the repeal.

1st spec. sess. ch. 1, art. 11, § 18, effective retroactively from May 22, 2016.

**Cook-Orr
Healthcare District**

The rate and uses of a tax levied by the hospital district in northeastern Minnesota (Koochiching County, St. Louis County, and the cities of Cook and Orr), was modified to allow tax proceeds to be used for administrative, operation, or salary expenses for the Cook ambulance service and the Orr ambulance service.

Ch. 18, § 2, amending Laws 1998, ch. 645, § 3, as amended by Laws 1999, ch. 243, art. 6, § 9; Laws 2000, ch. 490, art. 6, § 15; Laws 2008, ch. 154, art. 2, § 30; Laws 2013, ch. 143, art. 4, § 33, effective April 28, 2017.

Coon Rapids

The duration of the city's Port Riverwalk TIF district is extended by five years, through 2038.

1st spec. sess. ch. 1, art. 6, § 14, effective upon local approval.

Cottage Grove

The five-year rule for the city's Gateway North TIF district is extended for five additional years, provided that the activities subject to the rule were undertaken by January 1, 2017.

1st spec. sess. ch. 1, art. 6, § 15, effective upon local approval.

Duluth

The area where the city may spend revenue from its additional 0.5 percent food and beverage tax and local lodging tax is expanded to include the area between 14th Avenue West and 34th Avenue West south of and including Skyline Parkway.

In 2014 the Duluth city council was allowed to increase its food and beverage tax from the rate of 1.75 percent to 2.25 percent and its local lodging tax from 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.

No change was made in the amount that can be raised by the taxes or when the tax will expire.

1st spec. sess. ch. 1, art. 5, §§ 1, 2, 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; Laws 2008, ch. 154, art. 5, § 2; Laws 2014, ch. 308, art. 3, § 21; amending Laws 1980, ch. 511, § 2, as amended by Laws 1998, ch. 389, art. 8, § 26; Laws 2003, 1st spec. sess. ch. 21, art. 8, § 12; Laws 2014, ch. 308, art. 3, § 22, effective upon local approval.

**Duluth Seaway Port
Authority**

The 2009 special TIF law for the Duluth Seaway Port Authority is modified to allow four additional parcels to be part of the district, and to retroactively authorize interfund loans that were made prior to the approval of the TIF district.

1st spec. sess. ch. 1, art. 6, § 10, amending Laws 2009, ch. 88, art. 5, § 17, as amended by Laws 2010, ch. 382, § 84; effective upon local approval.

- Dundee** The city lost \$10,600 in 2014 LGA as a penalty for not filing its 2013 financial report with the State Auditor on time. The city will now receive the \$10,600 with its first 2017 LGA payment since it filed its 2013 and 2014 financial reports by June 1, 2015. The cities of Jeffers and Woodstock are also granted similar penalty forgiveness. This provision was originally part of the 2016 vetoed tax bill.
1st spec. sess. ch. 1, art. 4, § 28, effective May 31, 2017.
- Eagan** The city of Eagan may issue an on-sale intoxicating liquor license for the Vikings training site.
1st spec. sess. ch. 4, art. 5, § 15, effective upon local approval.
- East Grand Forks** The city of East Grand Forks may impose a local sales tax of up to 1 percent to fund improvements to the city swimming pool. The voters approved this at a special election held March 7, 2016. The city is authorized to issue bonds for up to \$2.82 million for the project without an additional vote. The tax expires at the earlier of five years or when revenues are sufficient to pay off the bonds.
1st spec. sess. ch. 1, art. 5, § 18, effective upon local approval.
- Edina** The city of Edina has two-and-a-half more years (until December 31, 2019) to create housing districts under a 2014 special TIF law that authorized the city to create districts under a reduced percentage requirement for low-income housing. Under the 2014 law, the city of Edina may create one or more housing districts in its Southeast Edina Redevelopment Project Area. 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 may use up to 35 percent of the revenues from its Southdale 2 economic development district to assist these housing developments.
The city had adopted a resolution approving the 2014 special law but failed to file it with the Secretary of State within the time allowed by statute. Under this law, if the city filed the certificate by December 31, 2016, the law was approved, and all actions taken by the city before May 31, 2017, in reliance on the 2014 law, are deemed consistent with the 2014 law.
1st spec. sess. ch. 1, art. 6, § 11, amending Laws 2014, ch. 308, art. 6, § 8, subd. 1, effective June 23, 2017, when the certificate of local approval was filed with the Secretary of State; § 16, effective May 31, 2017.
- Ely** The Commissioner of the Iron Range Resources and Rehabilitation Board may continue to use remaining funds in the Highway 1 Corridor account to fund approved economic development projects in the cities of Babbitt, Cook, Ely, or Tower. This account was funded by a 2007

distribution of the production tax on taconite but the provision making the 2007 distribution was repealed in 2016. This clarifies that the money in the account did not lapse or cancel with the repeal.

1st spec. sess. ch. 1, art. 11, § 18, effective retroactively from May 22, 2016.

Fairmont

The city of Fairmont may impose a local sales tax of up to 0.5 percent to fund up to \$15 million capital and administrative costs for recreational amenities, trails, and a community center. The voters approved this at the 2016 general election. The city may issue bonds for these projects without an additional vote. The tax expires at the earlier of 25 years or when revenues are sufficient to cover the \$15 million plus any associated bond costs.

1st spec. sess. ch. 1, art. 5, § 19, effective July 5, 2017, when the certificate of local approval was filed with the Secretary of State.

Fergus Falls

The city of Fergus Falls may impose a local sales tax of up to 0.5 percent to fund expansion and betterment of the Fergus Fall Public Library. The voters approved this at the 2016 general election. The city may bond for up to \$9.8 million for the project without an additional vote. The tax expires at the earlier of 12 years or when revenues are sufficient to pay off the bonds.

1st spec. sess. ch. 1, art. 5, § 20, effective June 16, 2017, when the certificate of local approval was filed with the Secretary of State.

Garrison, Kathio, West Mille Lacs Lake Sanitary District

The Garrison, Kathio, West Mille Lacs Lake Sanitary District may impose a local sales tax of up to 1 percent to raise up to \$10 million to repay bonds and pay for maintenance and improvements of the wastewater system. The tax was approved by local voters at the 2016 general election. The district may also issue bonds up to \$10 million minus the amount of bonds that the sales tax revenue is already committed to pay. The tax expires at the earlier of 20 years or when \$10 million has been raised. This is the first special district allowed to impose a local sales tax.

1st spec. sess. ch. 1, art. 5, § 27, effective upon local approval by the sanitary district.

Hermantown

The city of Hermantown may now use its existing local sales tax revenue to make debt service payments on the Hermantown Wellness Center, in addition to the previously allowed sewer and building projects. Voters approved this use at the 2016 general election. The expiration date for the tax is pushed out an additional ten years—until the earlier of December 31, 2036, or when revenues are sufficient to pay for the listed projects.

1st spec. sess. ch. 1, art. 5, § 6, amending [Laws 1996, ch. 471, art. 2, § 29, subd. 1](#), as amended by [Laws 2006, ch. 259, art. 3, § 3](#); [Laws 2011, 1st spec. sess., ch. 7, art. 4, §§ 4, 7](#); amending [Laws 1996, ch. 471, art. 2, § 29, subd. 4](#), as amended by [Laws 2006, ch. 259, art. 3, § 4](#), effective upon local approval.

- Hoyt Lakes** Any remaining money from a 2014 appropriation from the Minnesota 21st century fund to Hoyt Lakes for building and municipal infrastructure in support of a biochemical manufacturing project to be located in the city is canceled as of June 1, 2017. The city originally had until June 30, 2018, to spend the money.
1st spec. sess. ch. 1, art. 11, § 20, effective July 1, 2017.
- Jeffers** The city lost \$58,064 in 2014 LGA as a penalty for not filing its 2013 financial report with the State Auditor on time. The city will now receive the \$58,064 with its first 2017 LGA payment since it filed its 2013 and 2014 financial reports by June 1, 2015. The cities of Dundee and Woodstock are also granted similar penalty forgiveness. This provision was originally part of the 2016 vetoed tax bill.
1st spec. sess. ch. 1, art. 4, § 28, effective May 31, 2017.
- Lewis and Clark Regional Water Supply System** *Special debt service aid.* The special debt service aid enacted in 2014 to help the Lewis and Clark Joint Powers Board pay bonds for pipeline construction is repealed since it is no longer needed.
1st spec. sess. ch. 1, art. 4, § 33, para. (b), repealing Minn. Stat. § 477A.20, effective May 31, 2017.
Appropriation bonds. The final installment for Minnesota’s portion of the system was authorized in the omnibus capital investment act. The authorizations remaining from phase 2 are allowed to be used for phase 3, and an additional \$3.5 million in state appropriation bonds were authorized to complete phase 3.
1st spec. sess. ch. 8, art. 2, § 2, amending Minn. Stat. § 16A.967, effective May 31, 2017.
- Madelia** Property owners, including the city, have a sales tax exemption for construction materials, equipment, and supplies used to construct or replace property affected by the February 2016 fire in Madelia. The exemption applies to purchases by the property owner or by a contractor, subcontractor, or builder. The tax must be paid at the time the material is purchased and the owner of the property must apply for a refund of the tax.
1st spec. sess. ch. 1, art. 3, § 31, amending Minn. Stat. § 297A.71, adding subd. 49, effective retroactively for sales and purchases made after December 31, 2015, and before July 1, 2018.
- Mankato** The city may extend its existing sales tax from the current expiration date of December 31, 2022, to the earlier of December 31, 2038, or when sufficient revenues are raised, as approved by the voters at the 2016 general election.
The extension allows the city to raise another \$47 million plus

associated bond costs to fund the following new projects:

- Construction and improvements to regional recreational facilities, including indoor athletic facilities
- Improvements to the flood control and levee system
- Water quality improvement projects in Blue Earth and Nicollet counties
- Expansion of a transit building and related transit improvements
- Regional public safety and emergency communications equipment
- Matching funds for regional facilities such as a historic museum, supportive housing, and a senior center

The plan is that the city will jointly fund the regional recreational facilities with the city of North Mankato.

1st spec. sess. ch. 1, art. 5, § 3, amending Laws 1991, ch. 291, art. 8, § 27, subd. 3, as amended by Laws 1998, ch. 389, art. 8, § 28; Laws 2008, ch. 366, art. 7, § 9; Laws 2009, ch. 88, art. 4, § 14; and § 4, amending Laws 1991, ch. 291, art. 8, § 27, subd. 4, as amended by Laws 2005, 1st spec. sess. ch. 3, art. 5, § 25; Laws 2008, ch. 366, art. §7,10; and § 5, amending Laws 1991, ch. 291, art. 8, § 27, subd. 5; effective July 21, 2017, when the certificate of local approval was filed with the Secretary of State.

Maple Grove

The city of Maple Grove may designate only a portion of the defined area as the project area described in a 2014 special TIF law, which will allow the city to more easily meet the required conditions for creating a TIF district and limit where districts are created. The city may also use increment from a soil deficiency district to be spent outside the district, provided that the funds are spent in the project area on a qualified development.

1st spec. sess. ch. 1, art. 6, § 12, amending Laws 2014, ch. 308, art. 6, § 9; effective upon local approval.

Marshall 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 Marshall County to make the office of recorder an appointed position if approved by an 80 percent vote of the county board, subject to reverse referendum. It provides for the current office holder to complete the term to which that person was elected before the office is made an appointed position. The county board resolution cannot be adopted until after notice is given and the public has an opportunity to comment at two separate meetings, one held during the day and one in the evening. 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. If a petition is filed, the

question must be on the ballot at a regular or special election. The law also provides a process to revert back to elected positions.

[Laws 2011, chapter 99](#), authorized Marshall County to make the county recorder and auditor-treasurer appointed positions, but after holding a public hearing on the matter, the county board voted not to implement it and did not complete approval of the special law. That special law expired and did not take effect.

Ch. 92, art. 3, § 5, as corrected by ch. 99, § 9, effective upon local approval.

Melrose

Fire relief; sales tax exemption. Property owners, including the city, have a sales tax exemption for construction materials, equipment, and supplies used to construct or replace property affected by the September 8, 2016, fire in Melrose. The exemption applies to purchases by the property owner or by a contractor, subcontractor, or builder. For the period between September 30, 2016, and July 1, 2017, the tax must be paid at the time the material is purchased and the owner of the property must apply for a refund of the tax. For the remaining exemption period—through January 1, 2019—the exemption is an upfront exemption at the time of sale.

1st spec. sess. ch. 1, art. 3, § 32, amending Minn. Stat. § 297A.71, adding subd. 50, effective retroactively for sales and purchases made after September 30, 2016, and before January 1, 2019.

Appropriation, fire remediation. A grant of \$1,296,458 is made to the city of Melrose to remediate the effects of fires in the city of Melrose on September 8, 2016. The grant must be used for remediation costs, including disaster recovery, infrastructure, reimbursement for emergency personnel and equipment costs, and reimbursement for property tax abatements.

1st spec. sess. ch. 1, art. 4, § 31 (part), effective May 31, 2017.

Minneapolis

Liquor laws. Minneapolis may issue on-sale liquor licenses for an urban food hall to be located at 501 30th Avenue Southeast, the Malcolm Yards Market, that will be opening in 2018 and a restaurant located at 4312 Upton Avenue South (the Upton 43).

1st spec. sess. ch. 4, art. 5, §§ 12, 13, effective upon local approval.

Moorhead

The five-year rule for the city of Moorhead's 1st Avenue North (Central Corridors) Redevelopment TIF District is extended to eight years. The district was certified on July 12, 2012. The extension is similar to the extension granted to Anoka.

1st spec. sess. ch. 1, art. 6, § 17, effective June 20, 2017, when the certificate of local approval was filed with the Secretary of State.

Moose Lake

The city of Moose Lake may impose a local sales tax of up to 0.5 percent to fund: (1) city park improvements; (2) street and related infrastructure improvements; and (3) improvements to its municipal arena. The voters approved this at the 2012 general election. The city may also bond for up to \$3 million for the projects without an additional vote. The tax expires at the earlier of 20 years or when revenues are sufficient to pay off the bonds.

1st spec. sess. ch. 1, art. 5, § 21, effective June 20, 2017, when the certificate of local approval was filed with the Secretary of State.

Morrison 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 Morrison County to make the office of recorder an appointed position if approved by an 80 percent vote of the county board, subject to reverse referendum. It provides for the current office holder to complete the term to which that person was elected before the office is made an appointed position. The county board resolution cannot be adopted until after notice is given and the public has an opportunity to comment at two separate meetings, one held during the day and one in the evening. 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. If a petition is filed, the question must be on the ballot at a regular or special election. The law also provides a process to revert back to elected positions.

Ch. 92, art. 3, § 1, as corrected by ch. 99, § 5, effective upon local approval.

New Brighton

The Commissioner of Public Safety must revise the city of New Brighton's driver's license agent authority so its office at city hall can provide the full range of driver licensing services.

1st spec. sess. ch. 3, art. 3, § 127, effective July 1, 2017.

New Hope

Liquor license. The city of New Hope may issue an on-sale intoxicating liquor license for the New Hope Village Golf Course that is owned by the city.

1st spec. sess. ch. 4, art. 5, § 16, effective upon local approval.

New London

The city of New London may impose a local sales tax of up to 0.5 percent to fund: (1) construction and equipping of a new library and community room; (2) construction of an ambulance bay; and (3) improvements to its senior citizen center. The voters approved this at the 2016 general election. The city may issue bonds for up to \$872,000 for the projects without an additional vote. The tax expires at the earlier of 20 years or when revenues are sufficient to pay off the bonds.

1st spec. sess. ch. 1, art. 5, § 22, effective June 14, 2017, when the certificate of local approval was filed with the Secretary of State.

New Ulm

The city may now raise an additional \$14.8 million with its existing local sales tax and use the revenues to fund costs, including associated bond costs, for the following additional projects:

- constructing an indoor waterpark and improving the existing pool
- constructing an indoor playground, wellness center, and gymnastics facility
- constructing a multipurpose winter dome
- improving Johnson Park Grandstand
- improving the entrance road and parking at Herman Heights Park

The voters already approved the expansion at the 2016 general election.

1st spec. sess. ch. 1, art. 5, §§ 8 to 10, amending Laws 1999, ch. 243, art. 4, § 17, subds. 3, 5, and adding subd. 4a; effective upon local approval.

North Mankato

The city of North Mankato may extend its existing sales tax to raise an additional amount equal to \$9 million plus associated bond costs. Voters approved an extension of the tax at the 2016 general election. In addition to the currently authorized projects, the city may use the additional money to fund construction of indoor athletic facilities. The existing projects include an interchange, trails, a library, riverfront development, and lake improvement projects. The city may issue an additional \$9 million in bonds to fund the authorized projects without an additional vote. The tax is extended to the earlier of December 31, 2038, or when revenues are sufficient to fund the total \$15 million of projects plus associated bond costs.

Under the 2016 vetoed tax bill, the city would have been allowed to increase the amount of projects funded by the sales tax revenues from \$6 million to \$15 million if approved by the voters. The city referendum passed at the 2016 general election authorized an increase of \$15 million, however, despite the referendum, the 2017 tax bill only authorized the \$9 million increase contained in the 2016 vetoed bill.

1st spec. sess. ch. 1, art. 5, § 17, amending Laws 2008, ch. 366, art. 7, § 20, effective July 14, 2017, when the certificate of local approval was filed with the Secretary of State.

Oak Grove Comprehensive Plan

The southeast area of the city of Oak Grove is designated “rural residential” for the purposes of the city’s comprehensive plan update, notwithstanding the system plan for the city, and the Metropolitan Council must conform its plans and the system statement for the city to this designation.

In May 2016, the city’s challenge to the designation of this area as “diversified rural” was rejected by an administrative law judge because the statute did not allow a challenge to the system’s plans. (See the

section on the Metropolitan Council; this statute has been amended to allow challenges.)

According to the community designations information in the Metropolitan Council’s regional development guide, called “Thrive 2040”:

Diversified Rural communities are home to a variety of farm and nonfarm land uses including very large-lot residential, clustered housing, hobby farms, and agricultural uses. Located adjacent to the Emerging Suburban Edge of the Metropolitan Urban Service Area communities, the Diversified Rural Area protects rural land for rural lifestyles today and potential urbanized levels of development sometime after 2040.

Rural Residential communities have residential patterns characterized by large lots and do not have plans to provide urban infrastructure, such as centralized wastewater treatment.

1st spec. sess. ch. 3, art. 3, § 126, effective upon local approval.

Oslo

The city lost \$37,473.50 in 2013 LGA as a penalty for not filing its 2012 financial report with the State Auditor on time. The city will now receive the \$37,473.50 with its first 2017 LGA payment since it filed its 2012 financial report by December 31, 2013. The cities of Dundee, Jeffers, and Woodstock are also granted similar penalty forgiveness for late filing of 2013 financial reports. This provision was originally part of the 2016 vetoed tax bill.

1st spec. sess. ch. 1, art. 4, § 27, effective May 31, 2017.

Pine 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 Pine 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. It provides for the current office holder to complete the term to which that person was elected before the office is made an appointed position. The county board resolution cannot be adopted until after notice is given and the public has an opportunity to comment at two separate meetings, one held during the day and one in the evening. 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. If a petition is filed, the question must be on the ballot at a regular or special election. The law also provides a process to revert back to elected positions.

Ch. 92, art. 3, § 3, as corrected by ch. 99, § 7, effective upon local approval.

Plymouth

The city has a retroactive sales tax exemption for materials and supplies used in and equipment incorporated into the construction, remodeling, expansion, or improvement of an ice arena or other city-owned buildings and facilities. The exemption applies to purchases made after January 1, 2013, and includes purchases by contractors, subcontractors, and builders as well as direct purchases by the city. The tax must be paid at the time of purchase and the city must apply for the refund. The total amount of refund that the city may apply for is \$2.5 million.

1st spec. sess. ch. 1, art. 3, § 30, amending Minn. Stat. § 297A.71, subd. 44, effective retroactively for sales and purchases made after January 1, 2013.

Proctor

Proctor may increase the rate of its existing local sales tax from 0.5 percent to 1 percent, as approved by voters at the November 2014 general election. The revenue from the increased tax would pay for the \$10 million in improvements to public utilities, sidewalks, bike paths and trails, and park and recreation facilities authorized in the 2008 and 2010 special laws. No additional projects are authorized.

The current 0.5 percent was not raising sufficient funds to pay for the authorized projects before the tax was required to blink off. Also the surrounding communities of Hermantown and Duluth already imposed local sales taxes at 1 percent.

1st spec. sess. ch. 1, art. 5, § 11, amending Laws 1999, ch. 243, art. 4, § 18, subd. 1, as amended by Laws 2008, ch. 366, art. 7, § 12; effective June 27, 2017, when the certificate of local approval was filed with the Secretary of State.

Ramsey County

Personnel statute. Ramsey County's personnel statutes were updated. First, the time a person remains on a list of eligible applicants for Ramsey County employment is now at the discretion of the director of human resources. It was previously six months. The statute's terminology in general was updated. And, finally, mandatory retirement by age 70 is now repealed.

Ch. 28, amending Minn. Stat. § 383A.289, repealing § 383A.295, subd. 3, effective July 18, 2017, when the certificate of local approval was filed with the Secretary of State.

Supported work program. Ramsey County may have up to five full-time positions in the county be filled by selection in a supported work program for people with disabilities who require continued support of a job coach. This is an exception to entry into the county's classified service, which requires successful competition in an examination and certification and appointment process.

Ch. 61, amending Minn. Stat. § 383A.288, adding subd. 7, effective August 1, 2017.

Rice 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 Rice County to make the offices of recorder and

auditor-treasurer appointed positions if approved by an 80 percent vote of the county board, subject to reverse referendum. It provides for a current office holder to complete the term to which that person was elected before the office is made an appointed position. The county board resolution cannot be adopted until after notice and an opportunity for the public to comment at two separate meetings, one held during the day and one in the evening. 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. If a petition is filed, the question must be on the ballot at a regular or special election. The law also provides a process to revert back to elected positions.

Ch. 92, art. 3, § 6, as corrected by ch. 99, § 10, effective upon local approval.

Rice Lake

The base amount used in calculating Pay 2018 LGA for the city of Rice Lake, which incorporated on October 13, 2015, is equal to \$95 per capita. Using this amount as a starting point for the city's Pay 2018 aid will increase its payment from \$5,639 to \$389,500.

The general LGA formula provides for only incremental LGA changes from a city's aid in the previous year and because of the small appropriation for town LGA (\$10 million), a town that incorporates into a city will start with an extremely low base from which to calculate its city LGA without some adjustment.

1st spec. sess. ch. 1, art. 4, § 26, effective for aids payable in 2018.

Richfield

The city and its Housing and Redevelopment Authority may extend their Cedar Avenue TIF District by ten years.

The five-year rule for the city's Lyndale Gardens TIF district is extended to seven years.

1st spec. sess. ch. 1, art. 6, § 18, 19, effective upon local approval.

Sartell

The city of Sartell may issue on-sale licenses for several city-owned facilities.

1st spec. sess. ch. 4, art. 5, § 17, effective upon local approval.

Sherburne County

Law library funds for construction project. If the Sherburne County law library has reserves adequate to sustain operations for five years, it may transfer up to half of the reserve, not to exceed \$200,000, to the county to pay for construction of a new law library and courts building.

Ch. 95, art. 2, § 3, and also 1st spec. sess. ch. 4, art. 2, § 28, adding Minn. Stat. § 134A.17, effective July 1, 2017. Note: the general law approach for this was vetoed. See ch. 27.

Title examiner. The examiner of titles is a position appointed in each county by the judges of the district court to serve as legal adviser to the county registrar and to examine titles that are presented for recording, registration, or some other action which requires the approval of the

examiner. Under current law:

- (1) in counties with a population of 75,000 or more, except in Stearns, Dakota, Scott, Wright, and Olmsted counties, the examiner of titles is compensated in an amount determined by the court and paid in the same manner as other county employees; and
- (2) in counties with less than 75,000, and in Stearns, Dakota, Scott, Wright, and Olmsted counties, the examiner of titles is compensated in an amount determined by the court and paid in the same manner as other county employees but paid on a fee-for-service basis by the person who is presenting the title for action by the examiner.

This act adds Sherburne County to the list of counties that have grown to more than 75,000 inhabitants but that continue to pay title examiners from fees. Sherburne County exceeded 75,000 for the first time with the 2010 federal decennial census.

Stearns and Dakota were added to the exceptions in 1961, Olmsted was added in 1994, and Scott and Wright were added in 2003.

1st spec. sess. ch. 4, art. 2, § 47, amending Minn. Stat. § 508.12, subd. 1, effective July 1, 2017.

Sleepy Eye

The city of Sleepy Eye may impose a local lodging tax of up to 2 percent in addition to the general local lodging tax of 3 percent allowed under general statute. The combined lodging tax under this special law plus the general authority is limited to 5 percent. Ninety-five percent of the revenues from this additional lodging tax must be used for tourism promotion—the same purposes listed in the general law.

1st spec. sess. ch. 1, art. 5, § 23, effective July 17, 2017, when the certificate of local approval was filed with the Secretary of State.

South St. Paul

The South St. Paul Economic Development Authority may retroactively approve an interfund loan for its 4th Avenue Village TIF district that was not approved prior to the funds being expended.

1st spec. sess. ch. 1, art. 6, § 20, effective May 31, 2017.

Spicer

The city of Spicer may impose a local sales tax of up to 0.50 percent to fund: (1) pedestrian public safety improvements on Trunk Highway 23; (2) park and trail capital improvements; and (3) capital improvements to regional community facilities. The city may issue bonds for up to \$800,000 for the projects without an additional vote. The voters approved this at the 2016 general election. The tax expires at the earlier of (1) ten years after first imposed; (2) December 31, 2027; or (3) when revenues are sufficient to pay off the bonds and associated bond costs.

1st spec. sess. ch. 1, art. 5, § 24, effective June 30, 2017, when the certificate of local approval was filed with the Secretary of State.

St. Louis County

County environmental trust fund. The St. Louis County Board must deposit any money received from the sale of tax-forfeited land purchased by the Fond du Lac Band of Lake Superior Chippewa with money appropriated from the outdoor heritage fund in fiscal year 2015, into an environmental trust fund established by the county. The principal in that account cannot be used and the interest must be used only for purposes of improving natural resources.

Ch. 93, art. 2, § 161, effective upon local approval.

Lake Vermilion-Soudan Underground Mine State Park; state payments. The state PILT to the county for state-owned land in the park will now be equal to 1.5 percent of the greater of: (1) the land's current appraised value; or (2) its 2010 appraised value. The guaranteed minimum payment is added but the basic formula is unchanged.

1st spec. sess. ch. 1, art. 4, § 23, amending Minn. Stat. § 477A.17, effective beginning with aids payable in 2017.

St. Louis Park

The pooling percentage for the city's Elmwood Village TIF district is increased from 25 percent to 30 percent. (The duration of the district was extended for seven additional years in 2009.)

1st spec. sess. ch. 1, art. 6, § 21, effective upon local approval.

St. Paul

Soccer stadium property tax exemption. The soccer stadium and related facilities used for the primary purpose of providing a Major League Soccer stadium are exempt from state and local property taxes. The property remains subject to special assessments. The exemption applies to property subject to a lease or use agreement between the city and a private party as long as the use is related to operation of the stadium and related parking facilities. The exemption does not apply to property under a lease or use agreement for residential, business, or commercial development unrelated to the operation of the stadium. This is similar to the exemption for other major sports facilities in the state.

1st spec. sess. ch. 1, art. 2, § 42, effective upon local approval.

Soccer stadium sales tax exemption. The existing refundable sales tax exemption for certain large (\$40 million or more) capital projects in cities of the first class is made an upfront exemption for a sports facility project of at least \$100 million that begins construction between July 1, 2016, and December 31, 2017. This allows an upfront sales tax exemption for the St. Paul soccer stadium, including related public infrastructure at the stadium site, rather than requiring the tax to be paid and the city to file for a refund.

1st spec. sess. ch. 1, art. 3, § 30, amending Minn. Stat. § 297A.71, subd. 44, effective May 31, 2017.

TIF. The city's HRA may waive receipt of the first four years of increment from the Ford Site Redevelopment TIF district, which allows

the city to delay the start of the 25-year duration of the district. If the city elects to do so, the certification date for purposes of calculating the five-year and four-year rules, is January 2 of the assessment year in which increment is first received under the waiver.

1st spec. sess. ch. 1, art. 6, § 22, effective July 1, 2017.

Liquor licenses. The city of St. Paul may issue an on-sale wine and malt liquor license for the Capitol, subject to control by the Department of Administration. The city may also issue two temporary licenses for special events at the Capitol—the ceremonial opening of the restored Capitol building in August 2017 and the Super Bowl in 2018. In addition, the on-sale malt liquor license the city of St. Paul may issue for the Twin Cities marathon on the Capitol grounds was modified to allow for on-sale of intoxicating liquor.

1st spec. sess. ch. 4, art. 5, § 8, adding Minn. Stat. § 340A.425; § 10, amending Laws 1999, ch. 202, § 13, as amended by Laws 2013, ch. 42, § 8; § 14; effective upon local approval; § 19, repealing Laws 2001, ch. 193, § 10 as amended (liquor at the Capitol).

Stearns County

Appointment of the county recorder. 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 Stearns County to make the office of recorder an appointed position if approved by an 80 percent vote of the county board, subject to reverse referendum. It provides for the current office holder to complete the term to which that person was elected before the office is made an appointed position. The county board resolution cannot be adopted until after notice is given and the public has an opportunity to comment at two separate meetings, one held during the day and one in the evening. 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. If a petition is filed, the question must be on the ballot at a regular or special election. The law also provides a process to revert back to elected positions.

Ch. 92, art. 3, § 4, as corrected by ch. 99, § 8, effective upon local approval.

Appropriation; fire remediation. A grant of \$95,800 is made to Stearns County to remediate the effects of fires in the city of Melrose on September 8, 2016. The grant must be used for remediation costs, including disaster recovery, infrastructure, reimbursement for emergency personnel and equipment costs, and reimbursement for property tax abatements.

1st spec. sess. ch. 1, art. 4, § 31 (part), effective May 31, 2017.

Taylors Falls

\$50,000 of the border city allocation (see Cities) is appropriated to the city of Taylors Falls to exercise border city development powers to reduce state taxes in designated zones. The city may designate all or any

part of the city as a border city development zone. The general law rules for border city development zones apply to these zones, which means that the city can allow businesses locating or expanding in designated zones to qualify for property tax exemptions, corporate franchise tax credits, and sales tax exemptions. Cities with these powers also can extend some of these benefits to businesses located within their cities, but outside a development zone. To receive these tax reductions, a business must apply to the city in which it is located.

The Commissioner of Revenue is authorized to waive the \$50,000 dollar limit, if the commissioner determines that the general law rules would permit waiver.

1st spec. sess. ch. 1, art. 4, § 29, effective July 1, 2017.

Tower

The Commissioner of the Iron Range Resources and Rehabilitation Board may continue to use remaining funds in the Highway 1 Corridor account to fund approved economic development projects in the cities of Babbitt, Cook, Ely, or Tower. This account was funded by a 2007 distribution of the production tax on taconite but the provision making the 2007 distribution was repealed in 2016. This clarifies that the money in the account did not lapse or cancel with the repeal.

1st spec. sess. ch. 1, art. 11, § 18, effective retroactively from May 22, 2016.

Wadena County

Wadena County will receive onetime grants of \$600,000 in each of fiscal years 2018 and 2019. Although the law does not specify how the county should use these grants, there was some discussion that the county has higher than average human service costs and a very low tax base.

1st spec. sess. ch. 1, art. 4, § 32, effective July 1, 2017.

Waite Park

In order to help the city combat trafficking at hotels and motels in the city, the legislature authorized the city of Waite Park to adopt an ordinance to require a hotel, motel, or lodging establishment operating within the city's jurisdiction to have a valid license issued by the city. The license may prohibit the licensee from:

- (1) knowingly allowing a room to be occupied for purposes of sex trafficking;
- (2) knowingly allowing a room to be occupied for the purposes of illegal drug activity;
- (3) knowingly allowing a room to be occupied by a minor for the consumption of alcoholic beverages;
- (4) prohibiting the inspection of the licensed premises;
- (5) failing to report observed or suspected illegal activity to the police in a reasonable period of time; and

- (6) failure to maintain the licensed premises to all building, fire, mechanical, zoning, or licensing codes.

The ordinance may provide for inspections related to the activities the license addresses. The city may collect a reasonable fee related to the cost of issuing the license and conducting inspections.

1st spec. sess. ch. 4, art. 2, § 62, effective May 31, 2017.

Walker

The city of Walker may impose a local sales tax of up to 1.5 percent to fund a number of projects outlined in its 2012 capital improvement plan. The voters approved this at the 2012 general election. The city may also bond for up to \$20 million for the projects without an additional vote. The tax expires at the earlier of 20 years or when revenues are sufficient to pay off the bonds.

1st spec. sess. ch. 1, art. 5, § 25, effective upon approval by the city.

Washington County

The Washington County Community Development Agency or the county may establish TIF districts in the city of Newport. Certain parcels are deemed by law to be substandard for the purpose of qualifying the district as a redevelopment district. Increments spent outside the district may only be spent within the project area and the pooling requirement is increased from the statutorily prescribed 25 percent to 30 percent. The five-year rule for a district created under the law is extended to nine years. The city of Newport must approve the addition, as required by the 2012 special law for the Washington County HRA (renamed the Washington County Community Development Agency in 2016). The project area retroactively includes the area approved by the county November 8, 2016.

1st spec. sess. ch. 1, art. 6, § 23, effective upon local approval.

Wayzata

The five-year rule is waived for the city of Wayzata's TIF District 3 (Widsten), provided that tax increment is used for purposes initially contemplated for the district, including a municipal parking ramp.

1st spec. sess. ch. 1, art. 6, § 24, effective upon local approval.

Wilkin County

Wilkin County, the city of Nashua, and the town of Champion are part of a working group the Commissioner of Transportation must establish to consider options for Wilkin County Road 19 between marked Trunk Highway 55 and the railroad tracks north of marked Trunk Highway 55. The group must identify a preferred option, and then those who would be responsible for it must develop funding strategies and a delivery schedule with the goal that the project be completed by December 31, 2019.

1st spec. sess. ch. 3, art. 3, § 139, effective July 1, 2017.

Woodstock

The city lost \$32,906 in 2014 LGA as a penalty for not filing its 2013 financial report with the State Auditor on time. The city will now receive the \$32,906 with its first 2017 LGA payment since it filed its 2013 and 2014 financial reports by June 1, 2015. The cities of Dundee and Jeffers are also granted similar penalty forgiveness. This provision was originally part of the 2016 vetoed tax bill.

1st spec. sess. ch. 1, art. 4, § 28, effective May 31, 2017.

Worthington

The city of Worthington may expand the amount of local sales tax revenues raised and spend the additional revenue to pay the debt service on bonds issued to fund public athletic facilities, subject to reverse referendum. The additional amount that can be raised is the amount needed to cover an additional \$1.3 million in bonds plus associated bond costs.

1st spec. sess. ch. 1, art. 5, § 14, amending Laws 2005, 1st spec. sess. ch. 3, art. 5, § 44, subd. 3, as amended by Laws 2014, ch. 308, art. 7, § 3; § 15, and amending Laws 2005, 1st spec. sess. ch. 3, art. 5, § 44, subd. 4; and § 16, amending Laws 2005, 1st spec. sess. ch. 3, art. 5, § 44, subd. 5, as amended by Laws 2014, ch. 308, art. 7, § 4, effective June 27, 2017, when the certificate of local approval was filed with the Secretary of State.

Metropolitan Government

Small Wireless Facilities

The Metropolitan Council is included in the new law governing placement of small wireless facilities in public rights-of-way. See page 5 for more information.

Ch. 94, art. 9, § 1, amending Minn. Stat. § 237.162, subd. 2, effective May 31, 2017.

Transportation

In addition to appropriations in various bills to the Metropolitan Council, including appropriations for regional parks and open space and transit operations, the omnibus tax and transportation finance and policy acts included a number of provisions affecting the Metropolitan Council and metropolitan area transportation.

Transit capital financing. The Metropolitan Council may issue up to \$126,000,000 in bonds or other obligations to finance capital expenditures under its transit capital improvement program. Up to \$82,100,000 of this amount may be issued beginning in fiscal year 2018 and up to \$43,900,000 may be issued beginning in fiscal year 2019.

1st spec. sess. ch. 1, art. 7, § 7, amending Minn. Stat. § 473.39 by adding subd. 1u, effective May 31, 2017.

LRT limitations. The council cannot use debt financing to establish, expand, or extend an LRT line, except as provided in contracts entered

into before March 25, 2017. This has the effect of allowing the Southwest LRT project to continue, but prohibits other projects.

1st spec. sess., ch. 1, art. 7, § 8, amending Minn. Stat. § 473.39 by adding subd. 6, effective for expenditures made after May 31, 2017.

The council cannot issue certificates of participation backed by MVST revenues for LRT projects. In addition, the council must use nonstate sources to pay for operations and maintenance of LRT lines that entered the engineering phase of the federal New Starts program between August 1 and December 31, 2016—i.e., the Southwest line.

1st spec. sess. ch. 3, art. 3, §§ 119, 120, amending Minn. Stat. § 473.39, adding subd. 6, § 473.4051, subd. 2, effective May 31, 2017.

Zip Rail. The Metropolitan Council is prohibited from spending public money on development or operation of an intercity or interregional passenger rail service between Rochester and the Twin Cities metropolitan area (commonly referred to as the Zip Rail project). The prohibition does not apply to private contributions or if the legislature adds the Zip Rail project to the state freight and passenger rail plan.

1st spec. sess. ch. 1, art. 11, § 16, adding Minn. Stat. § 473.1467, effective May 31, 2017.

Budget submission to the legislature. In the budget submission to the legislature under Minnesota Statutes, section 16A.11, for fiscal years 2020 and 2021, the council must present budget narratives and the proposed appropriations, if any, for each of the following categories: Metro Mobility, contracted bus service, regular route bus service, light rail transit, commuter rail, transportation planning, and allocation to the regional administration.

1st spec. sess. ch. 3, art. 1, § 6, para. (b), effective July 1, 2017.

Eminent domain. Taking real property for construction or expansion of light rail or bus rapid transit is subject to the provisions for compensation for attorney's fees, appraisals, loss of going concern, minimum compensation, and certain other provisions that other public service corporations are not subject to.

1st spec. sess. ch. 3, art. 3, § 3, amending Minn. Stat. § 117.189, effective from January 1, 2017.

Metropolitan area transit investment. The Metropolitan Council will now be the lead agency for the report to the legislature on transit finance and service, in place of the Department of Transportation, and the report must provide more comprehensive information.

1st spec. sess. ch. 3, art. 3, § 104, amending Minn. Stat. § 174.93, effective January 1, 2018, and applies beginning with the report due October 15, 2018.

Regional railroad authorities. The provision that limits regional railroad authorities' contributions to LRT and commuter rail applies to

any county that imposed the CTIB tax, whether currently or in the past. In addition, a “project” now includes extensions of a line.

1st spec. sess. ch. 3, art. 3, §§ 114, 115, amending Minn. Stat. § 398A.10, subds. 3, 4, effective May 31, 2017.

Opt-outs allocation of transit financial assistance. In state fiscal years 2018 and 2019, the Metropolitan Council must allocate a minimum of 0.35 percent of revenue from the motor vehicle sales tax (MVST) to suburban transit providers (opt-outs), over and above the current formula-based amount. The council must establish a process to allocate the money that follows the policies and requirements in the new law.

1st spec. sess. ch. 3, art. 3, §§ 117, 118, amending Minn. Stat. § 473.388, subd. 4, adding subd. 4a, effective May 31, 2017.

Right-of-way use; liability in Southwest corridor. The council or other public entity may contract with a railroad for use of the right-of-way for LRT. The contract may provide for allocation of financial responsibilities, indemnification, and procurement of insurance among the parties.

For the Southwest LRT line, a freight railroad is given limited liability protection if a claim or damage would not have occurred but for the LRT and the council is required to purchase insurance.

1st spec. sess. ch. 3, art. 3, § 121, adding Minn. Stat. § 473.4052, effective the earlier of when the council begins construction of an LRT line or extension or enters into a full funding grant agreement with the Federal Transit Administration for construction of an LRT line or extension after July 1, 2017.

Vibration management plan on Calhoun Isles property. Before construction begins, the council must have a plan to prevent vibration impacts to the Calhoun Isles property due to the Southwest LRT construction and operations.

1st spec. sess. ch. 3, art. 3, § 134, effective May 31, 2017.

Metro Mobility task force. A Metro Mobility Task Force is established to analyze the program, look for efficiencies and improvements, including potential partnerships with transportation network companies (such as Uber and Lyft). It also requires a report to the legislature by February 15, 2018.

1st spec. sess. ch. 3, art. 3, § 140, effective July 1, 2017, and expires February 15, 2018, or upon submission of the report, whichever is earlier.

Metropolitan Area

Cannon Falls is excluded from the metropolitan area under the Metropolitan Council’s jurisdiction. The city is primarily in Goodhue County but has been growing into the metropolitan area. Other cities that have been excluded as they grew into the metropolitan area are:

New Prague (removed in 1978), Northfield (removed in 1980), and Hanover (removed in 1983), and Rockford (removed in 2003).

1st spec. sess. ch. 3, art. 3, § 116, amending Minn. Stat. § 471.121, subd. 2, effective May 31, 2017.

Land Planning Act

System statements. A local government now may challenge the reasonableness of a metropolitan system plan or part of one when objecting to a system statement.

1st spec. sess. ch. 3, art. 3, § 122, amending Minn. Stat. § 473.857, subd. 2, effective January 1, 2019.

Oak Grove. The southeast area of the city of Oak Grove is designated “rural residential” notwithstanding the system plan for the city. See the Special Legislation section for more information.

1st spec. sess. ch. 3, art. 3, § 126, effective upon local approval.

Transit Financial Activity Review

The Office of the Legislative Auditor (OLA) must review and analyze, on a quarterly basis, the financials of both the transit division in the Metropolitan Council and the Counties Transit Improvement Board (CTIB). The legislature appropriated money to the OLA for fiscal year 2018 for the costs of the reviews. The reviews must include a summary of financial statements, a listing of transit funding obligations and commitments, and an analysis of the fiscal viability of obligations compared to estimated funding. The first transit financials review must cover information back to January 1, 2016, with information to be shared with each reviewed entity. (CTIB is dissolving.)

1st spec. sess. ch. 4, art. 1, § 2, subd. 4, (appropriating money to for the Legislative Auditor to conduct the reviews), effective July 1, 2017; art. 2, §§ 4 to 6, amending Minn. Stat. § 3.971, subs. 2, 6; § 3.972, adding subd. 4; § 56; effective May 31, 2017.

Vetoed Legislation

County Law Library Fund Transfers

The governor vetoed a bill that would have allowed any county law library with reserves sufficient to finance the library for five years to transfer up to half, but not more than \$200,000, to the county to build a new building for the law library and courts. This was requested by Sherburne County although it applied statewide. Law library funds come from fees assessed by the courts as part of litigation.

Ch. 27 (H.F. 1390/S.F. 1113) (Note: a Sherburne County special law was enacted in two other bills after this bill was vetoed. See Special Laws above.)

Interim Ordinances Relating to Housing

The governor vetoed a bill that would have required a two-thirds vote of city council members present and voting to impose an interim ordinance (moratorium) relating to a housing proposal. The governor's veto message states that while he supports the notice requirement, he does not support the super-majority vote requirement, and stated that he would reconsider the legislation if it was presented again but with a majority vote requirement.

Ch. 49 (H.F. 330/S.F. 201) (Note: this provision, with a simple majority vote, was enacted in [chapter 94](#), article 11, section 3—the omnibus jobs and economic development act.)