

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 668**

(SENATE AUTHORS: BIGHAM, Hall and Chamberlain)

DATE  
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Introduction and first reading  
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to political subdivisions; authorizing the creation of fire protection special  
1.3 taxing districts; authorizing property tax levies and issuance of bonds; amending  
1.4 Minnesota Statutes 2018, section 275.066; proposing coding for new law as  
1.5 Minnesota Statutes, chapter 299O.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2018, section 275.066, is amended to read:

1.8 **275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

1.9 For the purposes of property taxation and property tax state aids, the term "special taxing  
1.10 districts" includes the following entities:

- 1.11 (1) watershed districts under chapter 103D;
- 1.12 (2) sanitary districts under sections 442A.01 to 442A.29;
- 1.13 (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- 1.14 (4) regional public library districts under section 134.201;
- 1.15 (5) park districts under chapter 398;
- 1.16 (6) regional railroad authorities under chapter 398A;
- 1.17 (7) hospital districts under sections 447.31 to 447.38;
- 1.18 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- 1.19 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- 1.20 (10) regional development commissions under sections 462.381 to 462.398;

- 2.1 (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- 2.2 (12) port authorities under sections 469.048 to 469.068;
- 2.3 (13) economic development authorities under sections 469.090 to 469.1081;
- 2.4 (14) Metropolitan Council under sections 473.123 to 473.549;
- 2.5 (15) Metropolitan Airports Commission under sections 473.601 to 473.679;
- 2.6 (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;
- 2.7 (17) Morrison County Rural Development Financing Authority under Laws 1982, chapter  
2.8 437, section 1;
- 2.9 (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- 2.10 (19) East Lake County Medical Clinic District under Laws 1989, chapter 211, sections  
2.11 1 to 6;
- 2.12 (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article 5,  
2.13 section 39;
- 2.14 (21) Middle Mississippi River Watershed Management Organization under sections  
2.15 103B.211 and 103B.241;
- 2.16 (22) emergency medical services special taxing districts under section 144F.01;
- 2.17 (23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;
- 2.18 (24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home  
2.19 under Laws 2003, First Special Session chapter 21, article 4, section 12;
- 2.20 (25) an airport authority created under section 360.0426; ~~and~~
- 2.21 (26) fire protection special taxing districts under section 299O.01; and
- 2.22 (27) any other political subdivision of the state of Minnesota, excluding counties, school  
2.23 districts, cities, and towns, that has the power to adopt and certify a property tax levy to the  
2.24 county auditor, as determined by the commissioner of revenue.

2.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.26 **Sec. 2. [299O.01] FIRE PROTECTION SPECIAL TAXING DISTRICTS.**

2.27 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have  
2.28 the meanings given unless the context clearly requires otherwise.

2.29 (b) "City" means a statutory or home rule charter city.

3.1 (c) "Governing body" means for a city, its city council; for a county, its county board;  
3.2 and for a town, the board of supervisors.

3.3 (d) "Political subdivision" means a county, a city, or a township organized to provide  
3.4 town government.

3.5 Subd. 2. **Authority to establish.** (a) Two or more political subdivisions may establish,  
3.6 by resolution of their governing bodies, a special taxing district to provide fire protection  
3.7 or emergency medical services or both in the area of the district, comprising the jurisdiction  
3.8 of each of the political subdivisions forming the district. For a county that participates in  
3.9 establishing a district, the county's jurisdiction comprises the unorganized territory of the  
3.10 county that it designates in its resolution for inclusion in the district. The area of the special  
3.11 taxing district does not need to be contiguous or its boundaries continuous.

3.12 (b) Before establishing a district under this section, the participating political subdivisions  
3.13 must enter an agreement that specifies how any liabilities, other than debt issued under  
3.14 subdivision 6, and assets of the district will be distributed if the district is dissolved. The  
3.15 agreement may also include other terms, including a method for apportioning the levy of  
3.16 the district among participating political subdivisions under subdivision 4, paragraph (b),  
3.17 as the political subdivisions determine appropriate. The agreement must be adopted no later  
3.18 than upon passage of the resolution establishing the district under paragraph (a), but may  
3.19 be later amended by agreement of each of the political subdivisions participating in the  
3.20 district.

3.21 Subd. 3. **Board.** The special taxing district established under this section is governed  
3.22 by a board made up initially of representatives of each participating political subdivision  
3.23 in the proportions set out in the establishing resolution, subject to change as provided in the  
3.24 district's charter, if any, or in the district's bylaws. Each participating political subdivision's  
3.25 representative must be an elected member of the governing body of the political subdivision  
3.26 and serves at the pleasure of that participant's governing body.

3.27 Subd. 4. **Property tax levy.** (a) The board may levy a tax on the taxable real and personal  
3.28 property in the district. The proceeds of the levy must be used as provided in subdivision  
3.29 5. The board shall certify the levy at the times provided under section 275.07. The board  
3.30 shall provide the county with whatever information is necessary to identify the property  
3.31 that is located within the district. If the boundaries include a part of a parcel, the entire parcel  
3.32 is included in the district. The county auditors must spread, collect, and distribute the  
3.33 proceeds of the tax at the same time and in the same manner as provided by law for all other  
3.34 property taxes.

4.1 (b) As an alternative to paragraph (a), the board may apportion its levy among the political  
4.2 subdivisions that are members of the district under a formula or method, such as population,  
4.3 number of service calls, cost of providing service, the market value of improvements, or  
4.4 other measure or measures, that was approved by the governing body of each of the political  
4.5 subdivisions that is a member of the district. The amount of the levy allocated to each  
4.6 political subdivision must be added to that political subdivision's levy and spread at the  
4.7 same time and in the same manner as provided by law for other taxes. The proceeds of the  
4.8 levy must be collected and remitted to the district and used as provided in subdivision 5.

4.9 Subd. 5. **Use of levy proceeds.** The proceeds of property taxes levied under this section  
4.10 must be used to provide fire protection or emergency medical services to residents of the  
4.11 district and property located in the district, as well as to pay debt issued under subdivision  
4.12 6. Services may be provided by employees of the district or by contracting for services  
4.13 provided by other governmental or private entities.

4.14 Subd. 6. **Debt.** (a) The district may incur debt under chapter 475 when the board  
4.15 determines doing so is necessary to accomplish its duties.

4.16 (b) In addition, the board of the district may issue certificates of indebtedness or capital  
4.17 notes under section 412.301 to purchase capital equipment. In applying section 412.301,  
4.18 paragraph (e), to the district the following rules apply:

4.19 (1) the taxable property of the entire district must be used to calculate the percent of  
4.20 estimated market value; and

4.21 (2) "the number of voters at the last municipal election" means the sum of the number  
4.22 of voters at the last municipal election for each of the cities that is a member of the district  
4.23 plus the number of registered voters in each town that is a participating member of the  
4.24 district.

4.25 Subd. 7. **Powers.** (a) In addition to authority expressly granted in this section, a special  
4.26 taxing district may exercise any power that may be exercised by any of its participating  
4.27 political subdivisions and that is necessary or reasonable to support the services set out in  
4.28 subdivision 5. The district may only levy the taxes authorized in subdivision 4. These powers  
4.29 include, without limitation, the authority to participate in state programs and to enforce or  
4.30 carry out state laws related to fire protection or emergency medical services, including  
4.31 programs providing state aid, reimbursement or funding of employee benefits, authorizing  
4.32 local enforcement of state standards, and similar. These include but are not limited to fire  
4.33 protection related programs and political subdivision powers or responsibilities under

5.1 chapters 299A and 424A; sections 6.495, 69.011, and 353.64; and any administrative rules  
5.2 related to the fire code.

5.3 (b) To the extent that the district's authority under this subdivision overlaps with or may  
5.4 conflict with the authority of the participating political subdivision, the agreement under  
5.5 subdivision 2, paragraph (b), must provide for allocation of those powers or responsibilities  
5.6 between the participating political subdivisions and the district and may provide for resolution  
5.7 of conflicts in the exercise of those powers.

5.8 Subd. 8. **Additions and withdrawals.** (a) Additional eligible political subdivisions may  
5.9 be added to a special taxing district under this section as provided by the board of the district  
5.10 and agreed to in a resolution of the governing body of the political subdivision proposed to  
5.11 be added.

5.12 (b) A political subdivision may withdraw from a special taxing district under this section  
5.13 by resolution of its governing body. The political subdivision must notify the board of the  
5.14 special taxing district of the withdrawal by providing a copy of the resolution at least two  
5.15 years in advance of the proposed withdrawal. The taxable property of the withdrawing  
5.16 member is subject to the property tax levy under subdivision 4 for the two taxes payable  
5.17 years following the notice of the withdrawal, unless the board and the withdrawing member  
5.18 agree otherwise by a resolution adopted by each of their governing bodies. If a political  
5.19 subdivision withdraws from a district for which debt was issued under subdivision 6 when  
5.20 the political subdivision was a participating member of the district and which is outstanding  
5.21 when the political subdivision withdraws from the district, the taxable property of the  
5.22 withdrawing political subdivision remains subject to the special taxing district debt levy  
5.23 until that outstanding debt has been paid or defeased. If the district's property levy to repay  
5.24 the debt was apportioned among the political subdivisions under an alternative formula or  
5.25 method under subdivision 4, paragraph (b), the withdrawing political subdivision is subject  
5.26 to the same percentage of the debt levy as applied in the taxes payable year immediately  
5.27 before its withdrawal from the district.

5.28 (c) Notwithstanding subdivision 2, a special taxing district comprised of two political  
5.29 subdivisions continues to exist even if one of the political subdivisions withdraws.

5.30 Subd. 9. **Dissolution.** The special taxing district may be dissolved by resolution approved  
5.31 by majority vote of the board. If the special taxing district is dissolved, the assets and  
5.32 liabilities may be assigned to a successor entity, if any, or otherwise disposed of for public  
5.33 purposes as provided in the agreement adopted under subdivision 2, paragraph (b), or

- 6.1 otherwise agreed to by the participating political subdivisions. A district may not be dissolved
- 6.2 until all debt issued under subdivision 6 has been paid or defeased.
- 6.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.