

2.1 Sec. 2. **[103C.332] BUDGET; DISTRICT FUNDS AND LEVIES.**

2.2 Subdivision 1. **District operations fund.** (a) A district must create an operations fund
2.3 consisting of:

2.4 (1) an ad valorem tax levy;

2.5 (2) revenue received from the county for operating the district under section 103C.331,
2.6 subdivision 16; and

2.7 (3) revenue collected from charges associated with establishing a soil and water
2.8 management area under section 103C.333.

2.9 (b) The money in the operations fund must be used for administrative costs, technical
2.10 assistance, projects, and programs that benefit the district as a whole.

2.11 Subd. 2. **Soil and water management fund.** A district may create a soil and water
2.12 management fund or funds for implementing special projects and programs or to match
2.13 funds from outside sources. Management funds consist of:

2.14 (1) charges levied or to be levied against real property in one or more soil and water
2.15 management areas, established under section 103C.333, for implementing special projects
2.16 and programs of the district or to match funds authorized by the district board; and

2.17 (2) revenue received from a county, state, or federal agency for implementing special
2.18 projects and programs of the district or to match funds.

2.19 Subd. 3. **Budget adoption.** On or before September 15 of each year, the district board
2.20 must adopt a budget for the next year and decide on the total amount necessary to be raised
2.21 from ad valorem tax levies to meet the district's budget.

2.22 Subd. 4. **Budget hearing.** (a) Before adopting a budget, the district board must hold a
2.23 public hearing on the proposed budget.

2.24 (b) The district board must publish a notice of the hearing with a summary of the proposed
2.25 budget in one or more newspapers of general circulation in each county in the district. The
2.26 notice and summary must be published once each week for two successive weeks before
2.27 the hearing. The last publication must be at least two days before the hearing.

2.28 Subd. 5. **Certifying levy to auditor.** After adopting the budget and no later than
2.29 September 15, the district must certify to the auditor of each county in the district the county's
2.30 share of an authorized tax, which is an amount bearing the same proportion to the total tax
2.31 levy as the net tax capacity of the area of the county in the district bears to the net tax
2.32 capacity of the entire district.

Subd. 6. **Levy.** Section 275.067 applies to levies authorized by this section. The auditor of each county in the district must add the amount of an authorized levy made by the district board to the other tax levies on the property of the county in the district for the county treasurer to collect with other taxes. The county treasurer must make settlement of the taxes collected with the treasurer of the district in the same manner as other taxes are distributed to the other political subdivisions.

Sec. 3. **[103C.333] SOIL AND WATER MANAGEMENT AREA.**

Subdivision 1. **Soil and water management area.** A district may establish, consistent with the district's comprehensive plan, a soil and water management area or areas in the district's territory for collecting revenues and paying costs of programs and projects that are consistent with the district's comprehensive plan and authorized under sections 103B.301 to 103B.355, 103C.331, 103C.501, or 103C.601.

Subd. 2. **Procedure.** A district may establish a soil and water management area only by order of the district board after public notice and hearings. The proposed order must describe the territory to be included in the soil and water management area; the purpose of the soil and water management area; the budgeting process, including the public notice and hearing that will be used to set the amount of the necessary charges each year; the methods used to determine charges; and the length of time the management area will remain in force. After adoption, the order must be filed with the county auditor and county recorder. The soil and water management area may be dissolved by the procedure prescribed for establishing the soil and water management area.

Subd. 3. **Notification.** The district board must, ten days before a hearing regarding the programs and projects implemented under this section, provide notice to the cities and counties in the soil and water management area. The cities and counties receiving notice must submit to the district board concerns relating to implementing the programs or projects. The district board must consider the concerns of the cities and counties in the board's decision.

Sec. 4. Minnesota Statutes 2016, section 275.066, is amended to read:

275.066 SPECIAL TAXING DISTRICTS; DEFINITION.

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

(1) watershed districts under chapter 103D;

- 4.1 (2) sanitary districts under sections 442A.01 to 442A.29;
- 4.2 (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- 4.3 (4) regional public library districts under section 134.201;
- 4.4 (5) park districts under chapter 398;
- 4.5 (6) regional railroad authorities under chapter 398A;
- 4.6 (7) hospital districts under sections 447.31 to 447.38;
- 4.7 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- 4.8 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- 4.9 (10) regional development commissions under sections 462.381 to 462.398;
- 4.10 (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- 4.11 (12) port authorities under sections 469.048 to 469.068;
- 4.12 (13) economic development authorities under sections 469.090 to 469.1081;
- 4.13 (14) Metropolitan Council under sections 473.123 to 473.549;
- 4.14 (15) Metropolitan Airports Commission under sections 473.601 to 473.679;
- 4.15 (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;
- 4.16 (17) Morrison County Rural Development Financing Authority under Laws 1982, chapter
- 4.17 437, section 1;
- 4.18 (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- 4.19 (19) East Lake County Medical Clinic District under Laws 1989, chapter 211, sections
- 4.20 1 to 6;
- 4.21 (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article 5,
- 4.22 section 39;
- 4.23 (21) Middle Mississippi River Watershed Management Organization under sections
- 4.24 103B.211 and 103B.241;
- 4.25 (22) emergency medical services special taxing districts under section 144F.01;
- 4.26 (23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;
- 4.27 (24) soil and water conservation districts under chapter 103C;

(24) (25) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home under Laws 2003, First Special Session chapter 21, article 4, section 12;

(25) (26) an airport authority created under section 360.0426; and

(26) (27) any other political subdivision of the state of Minnesota, excluding counties, school districts, cities, and towns, that has the power to adopt and certify a property tax levy to the county auditor, as determined by the commissioner of revenue.

Sec. 5. Minnesota Statutes 2016, section 444.075, is amended by adding a subdivision to read:

Subd. 2b. Collection of charges by soil and water conservation districts. (a) Charges established by a soil and water conservation district under section 103C.333 for district operations and programs and projects authorized under sections 103B.301 to 103B.355, 103C.331, 103C.501, or 103C.601 may be billed and collected as the district determines, including certification to the counties with territory in the district for collection by the counties. A county may bill and collect the charges as the county board determines or as described in paragraph (b).

(b) On or before October 15 in each year, the district or county board may certify to the county auditor all unpaid outstanding charges and a description of the lands against which the charges arose. The county auditor must extend the charges with interest not to exceed the interest rate provided for in section 279.03, subdivision 1, upon the tax rolls of the county for the taxes of the year in which the charge is filed. For each year ending October 15, the charge with interest must be carried into the tax becoming due and payable in January of the following year and must be enforced and collected as provided for enforcing and collecting real property taxes. The charges, if not paid, become delinquent and subject to the same penalties and the same rate of interest as real property taxes.

(c) An individual may appeal the charges according to section 103C.635.