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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 112

01/09/2017 Authored by Runbeck, Dettmer and Pugh

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

03/13/2017 Adoption of Report: Re-referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to local governments; providing for reverse referendum approval of certain
1.3 issuance of debt; proposing coding for new law in Minnesota Statutes, chapter
1.4 416.

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

1.6 Section 1. **[416.17] VOTER APPROVAL REQUIRED; LEASES OF PUBLIC**
1.7 **BUILDINGS.**

1.8 Subdivision 1. **Reverse referendum; certain leases.** (a) Before executing a qualified
1.9 lease, a municipality must publish notice of its intention to execute the lease and the date
1.10 and time of a hearing to obtain public comment on the matter. The notice must be published
1.11 in the official newspaper of the municipality or in a newspaper of general circulation in the
1.12 municipality and must include a statement of the amount of the obligations to be issued by
1.13 the authority and the maximum amount of annual rent to be paid by the municipality under
1.14 the qualified lease. The notice must be published at least 14, but not more than 28, days
1.15 before the date of the hearing.

1.16 (b) A municipality may enter a lease subject to paragraph (a) only upon obtaining the
1.17 approval of a majority of the voters voting on the question of issuing the obligations, if a
1.18 petition requesting a vote on the issuance is signed by voters equal to five percent of the
1.19 votes cast in the municipality in the last general election and is filed with the county auditor
1.20 within 30 days after the public hearing.

1.21 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
1.22 meanings given them.

2.1 (b) "Authority" includes any of the following governmental units, the boundaries of
2.2 which include all or part of the geographic area of the municipality:

2.3 (1) a housing and redevelopment authority, as defined in section 469.002, subdivision
2.4 2;

2.5 (2) a port authority, as defined in section 469.048;

2.6 (3) an economic development authority, as established under section 469.091; or

2.7 (4) an entity established or exercising powers under a special law with powers similar
2.8 to those of an entity described in clauses (1) to (3).

2.9 (c) "Municipality" means a statutory or home rule charter city, a county, or a town
2.10 described in section 368.01, but does not include a city of the first class, however organized,
2.11 as defined in section 410.01.

2.12 (d) "Qualified lease" means a lease for use of public land, all or part of a public building,
2.13 or other public facilities consisting of real property for a term of three or more years as a
2.14 lessee if the property to be leased to the municipality was acquired or improved with the
2.15 proceeds of obligations, as defined in section 475.51, subdivision 3, issued by an authority.