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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2988

04/02/2012 Authored by Hackbarth

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

1.1 A bill for an act
1.2 relating to local government; limiting fees and charges related to housing and
1.3 vacant buildings; preempting municipal ordinances on hazardous buildings;
1.4 creating a Citizen Housing Review Board; amending Minnesota Statutes 2010,
1.5 sections 429.101, subdivision 1; 462.3612, subdivision 2; proposing coding for
1.6 new law in Minnesota Statutes, chapters 463; 471; repealing Minnesota Statutes
1.7 2010, section 463.26.

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

1.9 Section 1. Minnesota Statutes 2010, section 429.101, subdivision 1, is amended to read:

1.10 Subdivision 1. **Ordinances.** (a) In addition to any other method authorized by
1.11 law or charter, the governing body of any municipality may provide for the collection
1.12 of unpaid special charges as a special assessment against the property benefited for all
1.13 or any part of the cost of:

1.14 (1) snow, ice, or rubbish removal from sidewalks;

1.15 (2) weed elimination from streets or private property;

1.16 (3) removal or elimination of public health or safety hazards from private property,
1.17 excluding any structure included under the provisions of sections 463.15 to 463.26;

1.18 (4) installation or repair of water service lines, street sprinkling or other dust
1.19 treatment of streets;

1.20 (5) the trimming and care of trees and the removal of unsound trees from any street;

1.21 (6) the treatment and removal of insect infested or diseased trees on private property,
1.22 the repair of sidewalks and alleys;

1.23 (7) the operation of a street lighting system;

1.24 (8) the operation and maintenance of a fire protection or a pedestrian skyway system;

1.25 (9) inspections relating to a municipal housing maintenance code violation; or

(10) the recovery of any disbursements under section 504B.445, subdivision 4, clause (5), including disbursements for payment of utility bills and other services, even if provided by a third party, necessary to remedy violations as described in section 504B.445, subdivision 4, clause (2), ~~or.~~

(11) [Repealed, 2004 c 275 s 5]

~~(12) the recovery of delinquent vacant building registration fees under a municipal program designed to identify and register vacant buildings.~~

(b) The council may by ordinance adopt regulations consistent with this section to make this authority effective, including, at the option of the council, provisions for placing primary responsibility upon the property owner or occupant to do the work personally (except in the case of street sprinkling or other dust treatment, alley repair, tree trimming, care, and removal, or the operation of a street lighting system) upon notice before the work is undertaken, and for collection from the property owner or other person served of the charges when due before unpaid charges are made a special assessment.

(c) A home rule charter city, statutory city, county, or town operating an energy improvements financing program under section 216C.436 has the authority granted to a municipality under paragraph (a) with respect to energy improvements financed under that section.

Sec. 2. Minnesota Statutes 2010, section 462.3612, subdivision 2, is amended to read:

Subd. 2. **Conditions; contents.** (a) When there is an increased housing fiscal impact resulting from the adoption or amendment of an official control, the responsible municipality may prepare a housing fiscal impact note prior to the public hearing on the proposed adoption or amendment of an official control.

(b) The housing fiscal impact note may:

- (1) estimate in dollar amounts the increase or decrease in the costs as a result of the municipal proposed action;
- (2) specify long-range implications of the proposed action;
- (3) describe appropriate alternatives to the proposed action; and
- (4) discuss the rationale for the proposed change.

Sec. 3. **[463.265] VACANT BUILDING; REGISTRATION AND COMPLIANCE FEES.**

(a) A statutory or home rule charter city, or an agency of the city, may require payment of a onetime fee of up to \$1,000 for the identification or registration of ownership of a vacant building. The city or agency must not, by ordinance or otherwise, require

3.1 payment of an annual fee for identification or registration of ownership of a vacant
3.2 building. A delinquent registration or ownership fee may be included as a line item on
3.3 the closing documents to be paid by the seller and distributed to the city at the time of
3.4 closing of the sale.

3.5 (b) The fee required by a statutory or home rule charter city, or an agency of the city,
3.6 for any inspection or code compliance reports required to obtain approval for the sale of a
3.7 vacant building pursuant to a purchase agreement must not exceed the reasonable cost of
3.8 providing the service and may be included as a line item on the closing documents to be
3.9 paid by the seller and distributed to the city at the time of closing of the sale.

3.10 **Sec. 4. [463.27] LOCAL ACTS AND CHARTER PROVISIONS.**

3.11 The legislature preempts all authority of a municipality to regulate hazardous
3.12 buildings under sections 463.15 to 463.26 unless otherwise explicitly authorized by law.
3.13 A municipality may adopt an ordinance that is identical to state law. Local regulation
3.14 inconsistent with this section is void.

3.15 **Sec. 5. [471.9998] RENTAL FEES.**

3.16 Subdivision 1. **Definitions.** (a) "Dwelling" means an area meant for living or
3.17 sleeping by human occupants.

3.18 (b) "Municipality" means any county or home rule or charter city.

3.19 (c) "Residential building" means a building used in whole or in part as a dwelling,
3.20 including single-family homes and multiple-family units, either rental or owner-occupied.

3.21 Subd. 2. **Fees prohibited.** (a) A municipality must not impose a charge or fee
3.22 related to the conversion of an owner-occupied dwelling or owner-occupied residential
3.23 building to a rental dwelling or rental residential building.

3.24 (b) A municipality must not impose a charge or fee related to the change of
3.25 ownership of a rental dwelling or rental residential building.

3.26 (c) A municipality must not impose a charge or fee for an inspection related only
3.27 to the conversion of a property or change in ownership. A city may perform inspections
3.28 pursuant to a local ordinance and impose a fee or charge if the inspection is not triggered
3.29 by the conversion of a property or a change in ownership.

3.30 (d) A municipality must not impose a charge or fee for reinstating a rental license
3.31 to an individual whose rental license has been denied, revoked, or suspended by the
3.32 municipality.

3.33 (e) A municipality may impose a rental license charge or fee pursuant to a local
3.34 ordinance. The rental license charge or fee must be directly related to services provided

by the city. In setting the license fee, the municipality shall not include any amount attributable to conversion, change in ownership, or inspections.

Sec. 6. **[471.9999] CITIZEN HOUSING REVIEW BOARD.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Board" means the Citizen Housing Review Board.

(c) "Dwelling" means an area meant for living or sleeping by human occupants.

(d) "Governing body" means the city council or county board of the entity that created the board.

(e) "Municipality" means any county or any home rule or charter city.

(f) "Residential building" means a building used in whole or in part as a dwelling, including single-family homes and multiple-family units, either rental or owner-occupied.

(g) "State or federal funding" means any funds from the state or federal government in any form, including grants, forgivable loans, loans, or matching funds, for housing or housing-related purposes.

Subd. 2. **Established.** Any municipality that receives state or federal funding for the purpose of constructing, improving, or remodeling residential structures shall establish, by ordinance, a Citizen Housing Review Board pursuant to this section. The enabling ordinance must provide for the number of members and the entities to be represented, consistent with subdivision 3. The enabling ordinance may provide for additional duties but must not be less restrictive than or conflict with this section.

Subd. 3. **Members.** The board shall consist of at least five members appointed by the mayor or the chair of the county board. The members shall include at least one representative from each of the following groups: tenants, landlords, general contractors, real estate investors, and underrepresented minorities. Each member shall serve for a term of four years, except that when the board is established, approximately one-half of the members shall serve a two-year term. The members shall serve without compensation. The members are not required to be residents of the municipality unless required by the enabling ordinance.

Subd. 4. **Board scope; duties.** (a) The board is advisory in nature and shall have no enforcement authority. The board shall report to the governing body of the municipality.

(b) The board shall review and comment on all actions, programs, and projects of the municipality that:

(1) improve or enhance existing housing stock;

(2) reduce the existing housing stock;

5.1 (3) create, or have the appearance of creating, barriers to affordable housing; or

5.2 (4) affect, in any way, affordable housing in the community.

5.3 (c) The board shall review and comment on all records, reports, and other documents
5.4 that are housing-related that are prepared by the municipality pursuant to state or federal
5.5 law.

5.6 (d) To the extent possible, the board shall ensure that all applicable state and federal
5.7 laws are followed by the municipality.

5.8 Subd. 5. **Municipality duties.** (a) The municipality shall provide access to records
5.9 of the municipality that are necessary to the work of the board.

5.10 (b) The municipality shall submit reports to the board of any actions within the
5.11 scope of subdivision 4 once per month or after each regular meeting of the governing
5.12 body, whichever is more frequent.

5.13 (c) When the municipality must submit a report, application, or other document to
5.14 the state or federal government regarding housing, whenever possible, the municipality
5.15 must provide the report, application, or other document to the board prior to submission so
5.16 that the board may review and comment.

5.17 Subd. 6. **Open meetings; data.** (a) The meetings of the board are subject to the
5.18 requirements of chapter 13D.

5.19 (b) All data received or created by the board is governed by chapter 13. Any data
5.20 that is received by the board retains the classification that it had under the providing entity.

5.21 Subd. 7. **Terminating board.** If the municipality does not anticipate receiving any
5.22 state or federal funding for housing or housing-related purposes, the governing body may
5.23 abolish the board by repealing the enabling ordinance. In the event that the municipality
5.24 will again receive state or federal funding, the municipality shall reestablish the board
5.25 pursuant to this section.

5.26 **Sec. 7. REPEALER.**

5.27 Minnesota Statutes 2010, section 463.26, is repealed.

5.28 **Sec. 8. EFFECTIVE DATE.**

5.29 Sections 1 to 7 are effective January 1, 2013.

APPENDIX
Repealed Minnesota Statutes: 12-5835

463.26 LOCAL ACTS AND CHARTER PROVISIONS.

Sections 463.15 to 463.26 are supplementary to other statutory and charter provisions and do not limit the authority of any city to enact and enforce ordinances on the same subject.