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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2296

03/11/2019 Authored by Tabke, Albright, Cantrell and Elkins
The bill was read for the first time and referred to the Committee on Government Operations
05/12/2020 Adoption of Report: Placed on the General Register
Read for the Second Time

1.1 A bill for an act
1.2 relating to local government; authorizing municipalities to charge a street impact
1.3 fee; amending Minnesota Statutes 2018, section 462.358, by adding subdivisions.

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

1.5 Section 1. Minnesota Statutes 2018, section 462.358, is amended by adding a subdivision
1.6 to read:

1.7 Subd. 12. Street impact fee. (a) In addition to all other existing authority of a
1.8 municipality, a municipality may impose a fee as set by ordinance on an applicant based
1.9 on the net buildable acreage of the subdivision, the subdivision's impact on the municipality's
1.10 transportation system, or the municipality's transportation plan.

1.11 (b) Cash payments received must be placed by the municipality in a special fund to be
1.12 used only for the acquisition and construction, maintenance, or improvement of streets,
1.13 roads, intersections, and related transportation infrastructure based on the municipality's
1.14 approved transportation plan.

1.15 (c) In addition to any other authority, the municipality may deny the approval of a
1.16 subdivision based solely on an inadequate transportation system within the municipality.

1.17 (d) Previously subdivided property from which a street impact fee has been received
1.18 that is being resubdivided with the same number of lots is exempt from street impact fee
1.19 requirements. If, as a result of resubdividing the property, the number of lots is increased,
1.20 the street impact fee applies only to the net increase of lots.

2.1 Sec. 2. Minnesota Statutes 2018, section 462.358, is amended by adding a subdivision to
2.2 read:

2.3 Subd. 13. **Street impact fee nexus.** (a) There must be an essential nexus between the
2.4 fees imposed under subdivision 12 and the municipal purpose sought to be achieved by the
2.5 fee. The fee must bear a rough proportionality to the need created by the proposed subdivision
2.6 or development.

2.7 (b) If a municipality is given written notice of a dispute over a proposed fee before the
2.8 municipality's final decision on an application, a municipality must not condition the approval
2.9 of any proposed subdivision or development on an agreement to waive the right to challenge
2.10 the validity of a fee.

2.11 (c) A application may proceed as if the fee had been paid, pending a decision on the
2.12 appeal of a dispute over a proposed fee, if (1) the person aggrieved by the fee puts the
2.13 municipality on written notice of a dispute over a proposed fee, (2) prior to the municipality's
2.14 final decision on the application, the fee is deposited in escrow, and (3) the person aggrieved
2.15 by the fee appeals under section 462.361 within 60 days of the approval of the application.
2.16 If an appeal is not filed by the deadline or the person aggrieved by the fee does not prevail
2.17 on the appeal, the funds paid into escrow must be transferred to the municipality.