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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-NINTH SESSION

**H. F. No. 3644**

03/29/2016 Authored by Wagenius, Draskowski, Nash, Sanders, Pugh and others  
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy  
04/07/2016 Adoption of Report: Amended and re-referred to the Committee on State Government Finance  
Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8,  
re-referred to the Committee on Rules and Legislative Administration

1.1 A bill for an act  
1.2 relating to the Metropolitan Council; regulating sewer availability charges  
1.3 imposed on eating or drinking establishments that add or expand outdoor seating;  
1.4 amending Minnesota Statutes 2014, section 473.517, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2014, section 473.517, subdivision 3, is amended to read:

1.7 Subd. 3. **Allocation of treatment, interceptor costs; reserved capacity.** (a)  
1.8 In preparing each budget the council shall estimate the current costs of acquisition,  
1.9 betterment, and debt service, only, of the treatment works in the metropolitan disposal  
1.10 system which will not be used to total capacity during the budget year, and the percentage  
1.11 of such capacity which will not be used, and shall deduct the same percentage of such  
1.12 treatment works costs from the current costs allocated under subdivision 1. The council  
1.13 shall also estimate the current costs of acquisition, betterment, and debt service, only,  
1.14 of the interceptors in the metropolitan disposal system that will not be used to total  
1.15 capacity during the budget year, shall estimate the percentage of the total capacity  
1.16 that will not be used, and shall deduct the same percentage of interceptor costs from  
1.17 the current costs allocated under subdivision 1. The total amount so deducted with  
1.18 respect to all treatment works and interceptors in the system shall be allocated among  
1.19 and paid by the respective local government units in the metropolitan area through a  
1.20 metropolitan sewer availability charge for each new connection or increase in capacity  
1.21 demand to the metropolitan disposal system within each local government unit. Amounts  
1.22 collected through the metropolitan sewer availability charge (SAC) must be deposited in  
1.23 the council's wastewater reserve capacity fund. Each fiscal year an amount from the  
1.24 wastewater reserve capacity fund shall be transferred to the wastewater operating fund

2.1 for the reserved capacity costs described in this paragraph. For the purposes of this  
2.2 subdivision, the amount transferred from the wastewater reserve capacity fund to the  
2.3 wastewater operating fund shall be referred to as the "SAC transfer amount."

2.4 (b) If, after appropriate study and a public hearing, the council determines for the  
2.5 next fiscal year that a reduction of the SAC transfer amount is necessary or desirable to  
2.6 ensure adequate funds remain in the wastewater reserve capacity fund, based on a goal  
2.7 of maintaining at least the next year's estimated SAC transfer amount in the wastewater  
2.8 reserve capacity fund, the council may reduce the SAC transfer amount for that fiscal year.  
2.9 If the council reduces the SAC transfer amount for the next fiscal year, the council must  
2.10 then increase the metropolitan sewer availability charge not less than the greater of six  
2.11 percent or the annual percentage change in the Consumer Price Index for the metropolitan  
2.12 region for the previous year plus three percentage points. For the purposes of this  
2.13 subdivision, any reduction in the SAC transfer amount shall be referred to as the "SAC  
2.14 transfer deficit." The provisions of this paragraph expire at the end of calendar year 2015.

2.15 (c) The council will record on a cumulative basis the total SAC transfer deficit. In  
2.16 any year that the wastewater reserve capacity fund has a year-end balance of at least two  
2.17 years' estimated SAC transfer amount, the council shall increase the subsequent annual  
2.18 SAC transfer amount in excess of the amount required by paragraph (a) with the goal  
2.19 of eliminating the cumulative total SAC transfer deficit. The annual amount by which  
2.20 the council increases the SAC transfer amount shall be determined by the council after  
2.21 appropriate study and a public hearing.

2.22 (d) The council must not impose SAC on a local government unit for an existing  
2.23 eating or drinking establishment due to an addition or expansion of outdoor seating unless  
2.24 the establishment also increases the number of fixtures discharging into the sanitary sewer  
2.25 system or increases the capacity of its sanitary sewer pipes connected to the system. If the  
2.26 establishment increases the number of fixtures or capacity of its pipes, the charge must  
2.27 be proportionate to the increase in demand on the sanitary sewer system. "Eating or  
2.28 drinking establishments" include coffee shops, bars, restaurants, and similar businesses  
2.29 that serve food or beverages to customers on site.

2.30 **EFFECTIVE DATE; APPLICATION.** This section is effective for sewer  
2.31 availability charges imposed on or after August 1, 2016. This section applies in the  
2.32 counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.