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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2894

01/31/2022

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

1.1 A bill for an act  
1.2 relating to local government; permitting counties to establish subordinate service  
1.3 districts; amending Minnesota Statutes 2020, sections 375B.02; 375B.03; 375B.04.

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

1.5 Section 1. Minnesota Statutes 2020, section 375B.02, is amended to read:

1.6 **375B.02 DEFINITION.**

1.7 "Subordinate service district" means a compact and contiguous district within the county  
1.8 in which one or more governmental services or additions to countywide services are provided  
1.9 by the county and financed from revenues secured from within that district. The boundaries  
1.10 of a single subordinate service district may not embrace an entire county.

1.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.12 Sec. 2. Minnesota Statutes 2020, section 375B.03, is amended to read:

1.13 **375B.03 ESTABLISHMENT OF SERVICE DISTRICTS.**

1.14 Notwithstanding any provision of law requiring uniform property tax rates on real or  
1.15 personal property within the county, any county in this state, ~~except a metropolitan county~~  
1.16 ~~as defined in section 473.121, subdivision 4, and any other county containing a city of the~~  
1.17 ~~first class,~~ may establish subordinate service districts to provide and finance any  
1.18 governmental service or function which it is otherwise authorized to undertake. A function  
1.19 or service to be provided shall not include a function or service which the county generally  
1.20 provides throughout the county unless an increase in the level of the service is to be supplied  
1.21 in the service district.

2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.2 Sec. 3. Minnesota Statutes 2020, section 375B.04, is amended to read:

2.3 **375B.04 CREATION BY COUNTY BOARD.**

2.4 The county board of commissioners of any county, ~~except a metropolitan county as~~  
2.5 ~~defined in section 473.121, subdivision 4, and any other county containing a city of the first~~  
2.6 ~~class,~~ may establish a subordinate service district in a portion of the county by adoption of  
2.7 an appropriate resolution. Before the adoption of the resolution, the county board shall hold  
2.8 a public hearing on the question of whether or not a subordinate service district shall be  
2.9 established. The resolution shall specify the service or services to be provided within the  
2.10 subordinate service district and shall specify the territorial boundaries of the district.

2.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.