A bill for an act

relating to municipalities; authorizing the city of Minnetonka to establish street improvement districts and apportion street improvement fees within districts; requiring adoption of street improvement plan; authorizing collection of fees; proposing coding for new law in Minnesota Statutes, chapter 435.

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

Section 1. **[435.39] MUNICIPAL STREET IMPROVEMENT DISTRICTS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Eligible property" means real property that is not residential and includes the nonresidential portion of real property that has more than one use.

(c) "Governing body" means the Minnetonka City Council.

(d) "Improvements" means construction, reconstruction, and facility upgrades involving:

(1) right-of-way acquisition;

(2) paving;

(3) curbs and gutters;

(4) bridges and culverts and their repair;

(5) milling;

(6) overlaying;

(7) drainage and storm sewers;

(8) excavation;

(9) base work;

(10) subgrade corrections;

(11) street lighting;

(12) traffic signals;

(13) signage;

(14) sidewalks;

(15) pavement markings;

(16) boulevard and easement restoration;

(17) impact mitigation;

(18) reconstruction, connection, and reconnection of utilities;

(19) turn lanes;

(20) medians;

(21) street and alley returns;

(22) retaining walls;

(23) fences;

(24) lane additions; or

(25) fixed transit infrastructure, trails, or pathways. "Fixed transit infrastructure" does not include commuter rail rolling stock, light rail vehicles, or transitway buses; capital costs for park-and-ride facilities; feasibility studies, planning, alternative analyses, environmental studies, engineering, or construction of transitways; or operating assistance for transitways.

(e) "Maintenance" means striping, seal coating, crack sealing, pavement repair, bridge and retaining wall repair, sidewalk maintenance, signal maintenance, street light maintenance, and signage.

(f) "Municipal street" means a street, alley, or public way in which the municipality has powers conferred by section 429.021, or for which the municipality will contribute funds to another unit of government.

(g) "Municipality" means the city of Minnetonka.

(h) "Street improvement district" means a geographic area designated by the municipality within which street improvement and maintenance may be undertaken and financed according to this section.

Subd. 2. **Establishment of districts.** The municipality may, by ordinance, establish municipal street improvement districts within the areas bounded by:

(1) Smetana Road on the north, marked Trunk Highway 169 on the east, marked Trunk Highway 62 on the south, and Shady Oak Road on the west; and

(2) a line located one-half mile to the north of Interstate Highway 394, a line located one-half mile to the south of Interstate Highway 394, and the municipality's city limits on the east and the west.

Subd. 3. **Authorization.** The municipality may defray all or part of the total costs of municipal street improvements and maintenance by apportioning street improvement fees on a uniform basis to all eligible property located in the district.

Subd. 4. **Adoption of plan.** Before establishing a municipal street improvement district or authorizing a street improvement fee, the municipality must propose and adopt a street improvement plan that identifies and estimates the costs of proposed improvements and maintenance for the following five years and identifies the location of the municipal street improvement district. Notice of a public hearing on the proposed plan must be given by mail to all affected owners of eligible property at least ten days before the hearing and posted for at least ten days before the hearing. At the public hearing, the governing body must present the plan and all affected owners of eligible property in attendance must have the opportunity to comment before the governing body considers adoption of the plan.

Subd. 5. **Use of fees.** Revenues collected from property in a district from the fee authorized in this section must be placed in a separate account and be used only for projects located within that same district and identified in the municipal street improvement district plans.

Subd. 6. **Unpaid fees.** Fees that, as of October 15 of each calendar year, have remained unpaid for at least 30 days may be certified to the county auditor for collection as a special assessment payable in the following calendar year against the affected property.

Subd. 7. **Notice; hearings.** The municipality may impose a municipal street improvement fee provided in this section by ordinance. The ordinance must not be voted on or adopted until after a public hearing has been held on the question, as provided in subdivision 4.

Subd. 8. **Not exclusive means of financing improvements.** The use of the municipal street improvement fee by the municipality does not restrict the municipality from imposing other measures to pay the costs of local street improvements or maintenance, except that the municipality must not impose special assessments for projects funded with street improvement fees.