

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-EIGHTH SESSION**

**S.F. No. 2988**

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DATE	D-PG	OFFICIAL STATUS
05/15/2014	9451	Introduction and first reading Referred to Environment and Energy

A bill for an act

1.1 relating to natural resources; modifying authority of soil and water conservation  
 1.2 districts; granting levy authority; providing for creation of soil and water  
 1.3 management areas; amending Minnesota Statutes 2012, sections 103C.331,  
 1.4 subdivision 16, by adding a subdivision; 444.075, by adding a subdivision;  
 1.5 Minnesota Statutes 2013 Supplement, section 275.066; proposing coding for new  
 1.6 law in Minnesota Statutes, chapter 103C.  
 1.7

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

1.9 Section 1. Minnesota Statutes 2012, section 103C.331, subdivision 16, is amended to  
 1.10 read:

1.11 Subd. 16. **Budget.** The district board shall annually present a budget consisting of  
 1.12 ~~an itemized statement of district expenses~~ a work plan and budget for the ensuing calendar  
 1.13 year to the boards of county commissioners of the counties in which the district is located.  
 1.14 The county boards may levy an annual tax on all taxable real property in the district for the  
 1.15 amount that the boards determine is necessary to meet the requirements of the district. ~~The~~  
 1.16 ~~amount levied shall be collected and distributed to the district as prescribed by chapter 276~~  
 1.17 or the district may adopt and certify a levy according to section 103C.332. The amount  
 1.18 may be spent by the district board for a district purpose authorized by law.

1.19 Sec. 2. Minnesota Statutes 2012, section 103C.331, is amended by adding a  
 1.20 subdivision to read:

1.21 Subd. 21. **Water resource management activities.** The supervisors may conduct  
 1.22 studies of and monitor soil and water resources within the district and implement soil  
 1.23 and water resource management programs.

2.1 **Sec. 3. [103C.332] BUDGET; DISTRICT FUNDS, LEVIES, AND CHARGES.**

2.2 **Subdivision 1. District operations fund.** (a) A district shall create an operations  
2.3 fund of:

2.4 (1) an ad valorem tax levy, that may not exceed 0.048 percent of taxable market  
2.5 value, or \$1,000,000, whichever is less;

2.6 (2) revenue received from the county for operation of the district under section  
2.7 103C.331, subdivision 16; and

2.8 (3) revenue collected from charges associated with the establishment of a soil and  
2.9 water management area under section 103C.333.

2.10 (b) The money in the fund shall be used for administrative costs, technical assistance,  
2.11 projects, and programs that are of common benefit to the district.

2.12 **Subd. 2. Soil and water management fund.** A district may create a soil and water  
2.13 management fund or funds for implementation of special projects and programs or to  
2.14 match grants from outside sources consisting of:

2.15 (1) charges levied or to be levied against real property in one or more soil and water  
2.16 management areas, established under section 103C.333, for the implementation of special  
2.17 projects and programs of the district or to match grants authorized by the district board; and

2.18 (2) revenue received from a county, state, or federal agency for implementation of  
2.19 special projects and programs of the district or to match grants.

2.20 **Subd. 3. Budget adoption.** On or before September 15 of each year, the district  
2.21 board shall adopt a budget for the next year and decide on the total amount necessary  
2.22 to be raised from ad valorem tax levies or soil and water management charges to meet  
2.23 the district's budget.

2.24 **Subd. 4. Budget hearing.** (a) Before adopting a budget, the district board shall hold  
2.25 a public hearing on the proposed budget.

2.26 (b) The district board shall publish a notice of the hearing with a summary of  
2.27 the proposed budget in one or more newspapers of general circulation in each county  
2.28 consisting of part of the district. The notice and summary shall be published once each  
2.29 week for two successive weeks before the hearing. The last publication shall be at least  
2.30 two days before the hearing.

2.31 **Subd. 5. Certification of levy to auditor.** After adoption of the budget and no  
2.32 later than September 15, the district shall certify to the auditor of each county within the  
2.33 district the county's share of an authorized tax, which shall be an amount bearing the same  
2.34 proportion to the total tax levy as the net tax capacity of the area of the county within the  
2.35 district bears to the net tax capacity of the entire district. The maximum amount of a levy  
2.36 may not exceed the amount provided in subdivision 1.

3.1 Subd. 6. Levy. Section 275.067 applies to levies authorized by this section. The  
 3.2 auditor of each county in the district shall add the amount of an authorized levy made by  
 3.3 the district board to the other tax levies on the property of the county within the district  
 3.4 for collection by the county treasurer with other taxes. The county treasurer shall make  
 3.5 settlement of the taxes collected with the treasurer of the district in the same manner as  
 3.6 other taxes are distributed to the other political subdivisions.

3.7 **Sec. 4. [103C.333] SOIL AND WATER MANAGEMENT AREA.**

3.8 Subdivision 1. Soil and water management area. A district may establish,  
 3.9 consistent with the district's comprehensive plan, a soil and water management area  
 3.10 or areas within the district's territory, for collecting revenues and paying the costs of  
 3.11 programs and projects that are consistent with the district's comprehensive plan and  
 3.12 authorized under sections 103B.301 to 103B.355, 103C.331, 103C.501, and 103C.601.

3.13 Subd. 2. Procedure. A district may establish a soil and water management area only  
 3.14 by district board order after public notice and hearings. The proposed order shall describe  
 3.15 with particularity the territory to be included in the soil and water management area, the  
 3.16 purpose of the soil and water management area, the budgeting process including public  
 3.17 notice and hearing that will be used to set the amount of the necessary charges each year,  
 3.18 the methods used to determine charges, and the length of time the water management area  
 3.19 will remain in force. After adoption, the order shall be filed with the county auditor and  
 3.20 county recorder. The soil and water management area may be dissolved by the procedure  
 3.21 prescribed for the establishment of the soil and water management area.

3.22 Subd. 3. Notification. The district board shall, ten days prior to a hearing regarding  
 3.23 the programs and projects implemented under this section, provide notice to the cities and  
 3.24 counties within the soil and water management area. The cities and counties receiving  
 3.25 notice shall submit to the district board concerns relating to the implementation of the  
 3.26 programs or projects. The district board shall consider the concerns of the cities and  
 3.27 counties in its decision.

3.28 Sec. 5. Minnesota Statutes 2013 Supplement, section 275.066, is amended to read:

3.29 **275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

3.30 For the purposes of property taxation and property tax state aids, the term "special  
 3.31 taxing districts" includes the following entities:

- 3.32 (1) watershed districts under chapter 103D;  
 3.33 (2) sanitary districts under sections 442A.01 to 442A.29;  
 3.34 (3) regional sanitary sewer districts under sections 115.61 to 115.67;

- 4.1 (4) regional public library districts under section 134.201;
- 4.2 (5) park districts under chapter 398;
- 4.3 (6) regional railroad authorities under chapter 398A;
- 4.4 (7) hospital districts under sections 447.31 to 447.38;
- 4.5 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- 4.6 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- 4.7 (10) regional development commissions under sections 462.381 to 462.398;
- 4.8 (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- 4.9 (12) port authorities under sections 469.048 to 469.068;
- 4.10 (13) economic development authorities under sections 469.090 to 469.1081;
- 4.11 (14) Metropolitan Council under sections 473.123 to 473.549;
- 4.12 (15) Metropolitan Airports Commission under sections 473.601 to 473.679;
- 4.13 (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;
- 4.14 (17) Morrison County Rural Development Financing Authority under Laws 1982,
- 4.15 chapter 437, section 1;
- 4.16 (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- 4.17 (19) East Lake County Medical Clinic District under Laws 1989, chapter 211,
- 4.18 sections 1 to 6;
- 4.19 (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article
- 4.20 5, section 39;
- 4.21 (21) Middle Mississippi River Watershed Management Organization under sections
- 4.22 103B.211 and 103B.241;
- 4.23 (22) emergency medical services special taxing districts under section 144F.01;
- 4.24 (23) a county levying under the authority of section 103B.241, 103B.245, or
- 4.25 103B.251;
- 4.26 (24) soil and water conservation districts under chapter 103C;
- 4.27 (25) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home
- 4.28 under Laws 2003, First Special Session chapter 21, article 4, section 12;
- 4.29 ~~(25)~~ (26) an airport authority created under section 360.0426; and
- 4.30 ~~(26)~~ (27) any other political subdivision of the state of Minnesota, excluding
- 4.31 counties, school districts, cities, and towns, that has the power to adopt and certify a
- 4.32 property tax levy to the county auditor, as determined by the commissioner of revenue.

4.33 Sec. 6. Minnesota Statutes 2012, section 444.075, is amended by adding a subdivision

4.34 to read:

5.1 Subd. 2b. Collection of charges by soil and water conservation districts. (a)  
5.2 With respect to soil and water conservation districts, charges established under section  
5.3 103C.333 for district operations and programs and projects authorized under sections  
5.4 103B.301 to 103B.355, 103C.331, 103C.501, and 103C.601 may be billed and collected in  
5.5 a manner the district shall determine, including certification to the counties with territory  
5.6 within the district for collection by the counties. A county may bill and collect the charges  
5.7 in a manner the county board shall determine or as described in paragraph (b).

5.8 (b) On or before October 15 in each year, the district or county board may certify to  
5.9 the county auditor all unpaid outstanding charges and a description of the lands against  
5.10 which the charges arose. The county auditor shall extend the charges with interest not  
5.11 to exceed the interest rate provided for in section 279.03, subdivision 1, upon the tax  
5.12 rolls of the county for the taxes of the year in which the charge is filed. For each year  
5.13 ending October 15, the charge with interest shall be carried into the tax becoming due  
5.14 and payable in January of the following year, and shall be enforced and collected in the  
5.15 manner provided for the enforcement and collection of real property taxes. The charges,  
5.16 if not paid, become delinquent and subject to the same penalties and the same rate of  
5.17 interest as real property taxes.

5.18 (c) An individual may appeal the charges according to section 103C.635.