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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1350

02/22/2021 Authored by Boldon, Huot and Olson, L., 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 municipal planning; providing authority for cities of the first class to
1.3 impose ordinances on the dedication of land or dedication fees on certain permit
1.4 applications; amending Minnesota Statutes 2020, section 462.358, subdivision 2b,
1.5 by adding a subdivision; Laws 2006, chapter 269, section 2, as amended; Laws
1.6 2013, chapter 85, article 5, section 44.

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

1.8 Section 1. Minnesota Statutes 2020, section 462.358, subdivision 2b, is amended to read:

1.9 Subd. 2b. Dedication. (a) The regulations may require that a reasonable portion of the
1.10 buildable land, as defined by municipal ordinance, of any proposed subdivision be dedicated
1.11 to the public or preserved for public use as streets, roads, sewers, electric, gas, and water
1.12 facilities, storm water drainage and holding areas or ponds and similar utilities and
1.13 improvements, parks, recreational facilities as defined in section 471.191, playgrounds,
1.14 trails, wetlands, or open space. The requirement must be imposed by ordinance or under
1.15 the procedures established in section 462.353, subdivision 4a.

1.16 (b) If a municipality adopts the ordinance or proceeds under section 462.353, subdivision
1.17 4a, as required by paragraph (a), the municipality must adopt a capital improvement budget
1.18 and have a parks and open space plan or have a parks, trails, and open space component in
1.19 its comprehensive plan subject to the terms and conditions in this paragraph and paragraphs
1.20 (c) to (i).

1.21 (c) The municipality may choose to accept a cash fee as set by ordinance from the
1.22 applicant for some or all of the new lots created in the subdivision, based on the average
1.23 fair market value of the unplatted land for which park fees have not already been paid that
1.24 is, no later than at the time of final approval or under the city's adopted comprehensive plan,

2.1 to be served by municipal sanitary sewer and water service or community septic and private
2.2 well as authorized by state law. For purposes of redevelopment on developed land, the
2.3 municipality may choose to accept a cash fee based on fair market value of the land no later
2.4 than the time of final approval. "Fair market value" means the value of the land as determined
2.5 by the municipality annually based on tax valuation or other relevant data. If the
2.6 municipality's calculation of valuation is objected to by the applicant, then the value shall
2.7 be as negotiated between the municipality and the applicant, or based on the market value
2.8 as determined by the municipality based on an independent appraisal of land in a same or
2.9 similar land use category.

2.10 (d) In establishing the portion to be dedicated or preserved or the cash fee, the regulations
2.11 shall give due consideration to the open space, recreational, or common areas and facilities
2.12 open to the public that the applicant proposes to reserve for the subdivision.

2.13 (e) The municipality must reasonably determine that it will need to acquire that portion
2.14 of land for the purposes stated in this subdivision as a result of approval of the subdivision.

2.15 (f) Cash payments received must be placed by the municipality in a special fund to be
2.16 used only for the purposes for which the money was obtained.

2.17 (g) Cash payments received must be used only for the acquisition and development or
2.18 improvement of parks, recreational facilities, playgrounds, trails, wetlands, or open space
2.19 based on the approved park systems plan. Cash payments must not be used for ongoing
2.20 operation or maintenance of parks, recreational facilities, playgrounds, trails, wetlands, or
2.21 open space.

2.22 (h) The municipality must not deny the approval of a subdivision based solely on an
2.23 inadequate supply of parks, open spaces, trails, or recreational facilities within the
2.24 municipality.

2.25 (i) Previously subdivided property from which a park dedication has been received,
2.26 being resubdivided with the same number of lots, is exempt from park dedication
2.27 requirements. If, as a result of resubdividing the property, the number of lots is increased,
2.28 then the park dedication or per-lot cash fee must apply only to the net increase of lots.

2.29 **EFFECTIVE DATE.** This section is effective August 1, 2021.

2.30 Sec. 2. Minnesota Statutes 2020, section 462.358, is amended by adding a subdivision to
2.31 read:

2.32 **Subd. 2d. Dedication fee; first class cities.** Notwithstanding subdivisions 2b and 2c,
2.33 **the city council or other chief governing body of a city of the first class, as defined in section**

3.1 410.01, may require that a reasonable portion of land be dedicated to the public, or may
3.2 impose a dedication fee in conjunction with the construction permit required for new housing
3.3 units and new commercial and industrial development in the city, wherever located, for
3.4 public parks, playgrounds, recreational facilities, wetlands, trails, or open space. The city
3.5 council or other chief governing body of the city must enact an ordinance to impose a
3.6 dedication of land or a dedication fee. The ordinance may exempt senior housing and
3.7 affordable housing applicants from the dedication of land or the dedication fee requirements.
3.8 The ordinance may set the cash fee based on current land prices at the time the permit is
3.9 issued or set at a flat fee rate per net new residential unit or other standard basis for
3.10 commercial and industrial property.

3.11 **EFFECTIVE DATE.** This section is effective for ordinances enacted on or after August
3.12 1, 2021.

3.13 Sec. 3. Laws 2006, chapter 269, section 2, as amended by Laws 2008, chapter 331, section
3.14 11, Laws 2008, chapter 366, article 17, section 5, and Laws 2013, chapter 85, article 5,
3.15 section 43, is amended to read:

3.16 Sec. 2. **DEDICATION FEE.**

3.17 Notwithstanding Minnesota Statutes, section 462.358, subdivision 2d, the Minneapolis
3.18 Park and Recreation Board and the Minneapolis City Council may jointly require that a
3.19 reasonable portion of land be dedicated to the public or impose a dedication fee in conjunction
3.20 with the construction permit required for new housing units and new commercial and
3.21 industrial development in the city, wherever located, for public parks, playgrounds,
3.22 recreational facilities, wetlands, trails, or open space. The dedication of land or dedication
3.23 fee must be imposed by an ordinance jointly enacted by the park board and the city council.
3.24 The cash fee may be set at a flat fee rate per net new residential unit. The ordinance may
3.25 exclude senior housing and affordable housing from paying the fee or the dedication of
3.26 land. The provisions of Minnesota Statutes, section 462.358, subdivisions 2b, paragraph
3.27 (b), and 2c, apply to the application and use of the dedication of land or the dedication fee.

3.28 **EFFECTIVE DATE.** This section is effective August 1, 2021.

4.1 Sec. 4. Laws 2013, chapter 85, article 5, section 44, is amended to read:

4.2 **Sec. 44. CITY OF ST. PAUL DEDICATION FEE.**

4.3 Notwithstanding Minnesota Statutes, section 462.358, subdivision 2d, the city of St.
4.4 Paul may require that a reasonable portion of land be dedicated to the public or impose a
4.5 dedication fee in conjunction with the construction permit required for new housing units
4.6 and new commercial and industrial development in the city, wherever located, for public
4.7 parks, playgrounds, recreational facilities, wetlands, trails, or open space. The dedication
4.8 of land or dedication fee must be imposed by an ordinance enacted by the city council. The
4.9 cash fee may be set at a flat fee rate per net new residential unit. The ordinance may exclude
4.10 senior housing and affordable housing from paying the fee or the dedication of land. The
4.11 provisions of Minnesota Statutes, section 462.358, subdivisions 2b, paragraph (b); and 2c,
4.12 apply to the application and use of the dedication of land or the dedication fee.

4.13 **EFFECTIVE DATE.** This section is effective August 1, 2021.