

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **3644**

03/29/2016 Authored by Wagenius, Draskowski and Nash

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act  
1.2 relating to the Metropolitan Council; regulating sewer availability charges  
1.3 imposed on eating and drinking establishments that add or expand outdoor  
1.4 seating; 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

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

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

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

(d) The council must not impose a SAC charge on an existing eating or drinking establishment due to an addition or expansion of outdoor seating unless the establishment also increases the number or capacity of its facilities using water and the sanitary sewer system. If the establishment increases the number or capacity of its facilities, the charge must be proportionate to the increase in use of the water and sanitary sewer system. "Eating and drinking establishments" include coffee shops, bars, restaurants, and similar businesses that serve food or beverages to customers on site.

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