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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **756**

02/04/2019 Authored by Cantrell, Mann, Poppe, Masin, Wolgamott and others  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to taxation; authorizing municipalities to enter into a fire protection district;  
1.3 amending Minnesota Statutes 2018, section 275.066; proposing coding for new  
1.4 law in Minnesota Statutes, chapter 471.

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

1.6 Section 1. Minnesota Statutes 2018, section 275.066, is amended to read:

1.7 **275.066 SPECIAL TAXING DISTRICTS; DEFINITION.**

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

- 1.10 (1) watershed districts under chapter 103D;
- 1.11 (2) sanitary districts under sections 442A.01 to 442A.29;
- 1.12 (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- 1.13 (4) regional public library districts under section 134.201;
- 1.14 (5) park districts under chapter 398;
- 1.15 (6) regional railroad authorities under chapter 398A;
- 1.16 (7) hospital districts under sections 447.31 to 447.38;
- 1.17 (8) St. Cloud Metropolitan Transit Commission under sections 458A.01 to 458A.15;
- 1.18 (9) Duluth Transit Authority under sections 458A.21 to 458A.37;
- 1.19 (10) regional development commissions under sections 462.381 to 462.398;
- 1.20 (11) housing and redevelopment authorities under sections 469.001 to 469.047;

- 2.1 (12) port authorities under sections 469.048 to 469.068;
- 2.2 (13) economic development authorities under sections 469.090 to 469.1081;
- 2.3 (14) Metropolitan Council under sections 473.123 to 473.549;
- 2.4 (15) Metropolitan Airports Commission under sections 473.601 to 473.679;
- 2.5 (16) Metropolitan Mosquito Control Commission under sections 473.701 to 473.716;
- 2.6 (17) Morrison County Rural Development Financing Authority under Laws 1982, chapter  
2.7 437, section 1;
- 2.8 (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- 2.9 (19) East Lake County Medical Clinic District under Laws 1989, chapter 211, sections  
2.10 1 to 6;
- 2.11 (20) Floodwood Area Ambulance District under Laws 1993, chapter 375, article 5,  
2.12 section 39;
- 2.13 (21) Middle Mississippi River Watershed Management Organization under sections  
2.14 103B.211 and 103B.241;
- 2.15 (22) emergency medical services special taxing districts under section 144F.01;
- 2.16 (23) a county levying under the authority of section 103B.241, 103B.245, or 103B.251;
- 2.17 (24) Southern St. Louis County Special Taxing District; Chris Jensen Nursing Home  
2.18 under Laws 2003, First Special Session chapter 21, article 4, section 12;
- 2.19 (25) an airport authority created under section 360.0426; ~~and~~
- 2.20 (26) fire protection districts under section 471.632; and
- 2.21 ~~(26)~~ (27) any other political subdivision of the state of Minnesota, excluding counties,  
2.22 school districts, cities, and towns, that has the power to adopt and certify a property tax levy  
2.23 to the county auditor, as determined by the commissioner of revenue.

2.24 Sec. 2. **[471.632] FIRE PROTECTION DISTRICTS.**

2.25 Subdivision 1. **Agreement.** Two or more towns or home rule charter or statutory cities  
2.26 may by resolution of their respective city councils and town boards establish a fire protection  
2.27 district for the provision of cooperative fire services. Each city or town may provide that  
2.28 only a described part of its territory be included in the district. The district shall provide  
2.29 fire protection services in its territory and may exercise all the powers of the cities or towns  
2.30 that relate to fire protection anywhere in its territory. Any other contiguous town or home

3.1 rule charter or statutory city may join the district with the agreement of the cities and towns  
3.2 that comprise the district at the time of its application to join. Action to join the district may  
3.3 be taken by the city council or town board of the city or town.

3.4 Subd. 2. **Board.** The district shall be governed by a board composed of one member  
3.5 appointed by the city council or town board of each city and town in the district, whether  
3.6 partially or wholly. A district board member may be, but is not required to be, a member  
3.7 of a city council or town board. Except as provided in this section, members shall serve  
3.8 two-year terms ending the first Monday in January and until their successors are appointed  
3.9 and qualified. Of the members first appointed, as far as possible, the terms of one-half shall  
3.10 expire on the first Monday in January in the first year following their appointment and  
3.11 one-half the first Monday in January in the second year. The terms of those initially appointed  
3.12 shall be determined by lot. If an additional member is added because an additional city or  
3.13 town joins the district, the member's term shall be fixed so that, as far as possible, the terms  
3.14 of one-half of all the members expire on the same date.

3.15 Subd. 3. **Tax.** (a) The district may impose a property tax on real property in the district  
3.16 in an amount sufficient to discharge the district's operating expenses and debt payable in  
3.17 each year. The tax shall be disregarded in the calculation of any levies or limits on levies  
3.18 provided by chapter 275 or other law. A city or town that joins the district may not incur  
3.19 expenses or debt for fire protection services for territory included in the district and may  
3.20 not impose taxes for that purpose. The applicable county auditor or county auditors shall  
3.21 collect the tax and pay it to the district. The district may impose other fees or charges as  
3.22 allowed under statute for the provision of fire services provided.

3.23 (b) The district may also issue certificates of indebtedness subject to debt limits for the  
3.24 district to purchase capital equipment having an expected useful life at least as long as the  
3.25 terms of the certificates. The certificates must be payable in not more than five years and  
3.26 must be issued on the terms and in the manner determined by the board. Before issuing  
3.27 certificates in an amount exceeding 0.25 percent of the estimated market value of taxable  
3.28 property of the district, the board shall publish a resolution indicating the board's intent to  
3.29 issue the certificates in a newspaper of general circulation in the district. The certificates  
3.30 may be issued without an election unless, within ten days of the publication, a petition  
3.31 signed by the sum of at least ten percent of the voters in the member towns voting in the  
3.32 last regular town election and ten percent of the voters of the city voting in the last city  
3.33 general election requesting an election on issuance of the certificates is filed with the board.  
3.34 If a petition is filed, the certificates may not be issued unless issuance of the certificates is  
3.35 approved by a majority of the voters at a general or special election in which all the residents

4.1 of the city and member towns are eligible to vote. A tax levy shall be made against all  
4.2 property in the district to pay the principal and interest on the certificates, in accordance  
4.3 with section 475.61, as in the case of bonds.

4.4 Subd. 4. **Indebtedness.** The district may incur debt in the manner provided for a  
4.5 municipality by chapter 475 when necessary to accomplish its duties.

4.6 Subd. 5. **Withdrawal.** Notice of intent to withdraw from participation in the district  
4.7 may be given only in the month of January, with a minimum of 12 months' notice of intent  
4.8 to withdraw. The district and its members may develop and agree upon certain continuing  
4.9 obligations after withdrawal.