

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 4184

(SENATE AUTHORS: TOMASSONI)

DATE
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5349 Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; property and local; authorizing the creation of a fire and
1.3 ambulance special taxing district.

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

1.5 Section 1. VIRGINIA FIRE AND AMBULANCE SPECIAL TAXING DISTRICT.

1.6 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.7 the meanings given unless the context requires otherwise.

1.8 (b) "City" means a statutory or home rule charter city.

1.9 (c) "District" means a special taxing district established under subdivision 2.

1.10 (d) "Governing body" means for a city, its city council; for a county, its county board;
1.11 and for a town, the board of supervisors.

1.12 (e) "Member" means a political subdivision that has established a district under
1.13 subdivision 2, entered into an agreement under subdivision 2, or joined a district under
1.14 subdivision 8.

1.15 (f) "Political subdivision" means a county, a city, or a township organized to provide
1.16 town government.

1.17 Subd. 2. Authority to establish. (a) The city of Virginia, by resolution of its governing
1.18 body, may establish the Virginia Fire and Ambulance Special Taxing District to provide
1.19 fire protection, emergency medical services, or both in the area of the district comprising
1.20 the jurisdiction of the city and any additional political subdivision added to the district under
1.21 paragraph (b) or subdivision 8.

2.1 (b) Any contiguous town or city may join the district with the agreement of the towns
2.2 and cities that comprise the district at the time of its application to join. All participating
2.3 political subdivisions must enter into an agreement that specifies how any liabilities, other
2.4 than debt issued under subdivision 6, and assets of the district will be distributed if the
2.5 district is dissolved. The agreement may also include other terms, including a method for
2.6 apportioning the levy of the district under subdivision 4, paragraph (b), among members of
2.7 the district, as the members determine appropriate. The agreement may be later amended
2.8 by agreement of each of the political subdivisions participating in the district.

2.9 Subd. 3. **Board.** The special taxing district established under this section is governed
2.10 by a board made up initially of representatives of each participating member in the
2.11 proportions set out in the establishing resolution, subject to change as provided in the district's
2.12 charter, if any, or in the district's bylaws. Each member's representative must be an elected
2.13 member of the governing body of the political subdivision and serve at the pleasure of that
2.14 participant's governing body.

2.15 Subd. 4. **Property tax levy.** (a) The board may levy a tax on the taxable real and personal
2.16 property in the district. The proceeds of the levy must be used as provided in subdivision
2.17 5. The board must certify the levy at the times provided under Minnesota Statutes, section
2.18 275.07. The board must provide the county with information necessary to identify the
2.19 property that is located within the district. If the boundaries include a part of a parcel, the
2.20 entire parcel is included in the district. The county auditors must spread, collect, and distribute
2.21 the proceeds of the tax at the same time and in the same manner as provided by law for all
2.22 other property taxes.

2.23 (b) As an alternative to paragraph (a), the board may apportion its levy among the
2.24 members of the district under a formula or method, such as population, number of service
2.25 calls, cost of providing service, the market value of improvements, or other measure or
2.26 measures, that was approved by the governing body of each of the political subdivisions
2.27 that is a member of the district. The amount of the levy allocated to each political subdivision
2.28 must be added to that political subdivision's levy and spread at the same time and in the
2.29 same manner as provided by law for other taxes. The proceeds of the levy must be collected
2.30 and remitted to the district and used as provided in subdivision 5.

2.31 Subd. 5. **Use of levy proceeds.** The proceeds of property taxes levied under this section
2.32 must be used to provide fire protection or emergency medical services to residents of the
2.33 district and property located in the district, as well as to pay debt issued under subdivision
2.34 6. Services may be provided by employees of the district or by contracting for services
2.35 provided by other governmental or private entities.

3.1 Subd. 6. **Debt.** (a) The district may incur debt under Minnesota Statutes, chapter 475,
3.2 when the board of the district determines doing so is necessary to accomplish its duties.

3.3 (b) In addition, the board of the district may issue certificates of indebtedness or capital
3.4 notes under Minnesota Statutes, section 412.301, to purchase capital equipment. In applying
3.5 Minnesota Statutes, section 412.301, paragraph (e), to the district the following rules apply:

3.6 (1) the taxable property of the entire district must be used to calculate the percent of
3.7 estimated market value; and

3.8 (2) "the number of voters at the last municipal election" means the sum of the number
3.9 of voters at the last municipal election for each of the cities that is a member of the district
3.10 plus the number of registered voters in each town that is a participating member of the
3.11 district.

3.12 Subd. 7. **Powers.** (a) In addition to authority granted in this section, a special taxing
3.13 district may exercise any power that may be exercised by any of its participating political
3.14 subdivisions and that is necessary or reasonable to support the services set out in subdivision
3.15 5. The district may only levy the taxes authorized in subdivision 4. These powers include,
3.16 without limitation, the authority to participate in state programs and to enforce or carry out
3.17 state laws related to fire protection or emergency medical services, including programs
3.18 providing state aid, reimbursement or funding of employee benefits, and authorizing local
3.19 enforcement of state standards. These standards include but are not limited to fire protection
3.20 related programs and political subdivision powers or responsibilities under Minnesota
3.21 Statutes, chapters 299A and 424A; sections 6.495, 69.011, and 353.64; and any administrative
3.22 rules related to the fire code.

3.23 (b) To the extent that the district's authority under this subdivision overlaps or conflicts
3.24 with the authority of the participating political subdivision, the agreement under subdivision
3.25 2, paragraph (b), must provide for allocation of those powers or responsibilities between
3.26 the participating political subdivisions and the district and may provide for resolution of
3.27 conflicts in the exercise of those powers.

3.28 Subd. 8. **Additions and withdrawals.** (a) Additional eligible political subdivisions may
3.29 be added to a special taxing district under this section as provided by the board of the district
3.30 and agreed to in a resolution of the governing body of the political subdivision proposed to
3.31 be added.

3.32 (b) A political subdivision may withdraw from a special taxing district under this section
3.33 by resolution of its governing body. The political subdivision must notify the board of the
3.34 special taxing district of the withdrawal by providing a copy of the resolution at least two

4.1 years in advance of the proposed withdrawal. The taxable property of the withdrawing
4.2 member is subject to the property tax levy under subdivision 4 for the two taxes payable
4.3 years following the notice of the withdrawal, unless the board and the withdrawing member
4.4 agree otherwise by a resolution adopted by each of their governing bodies. If a member
4.5 withdraws from a district for which debt was issued under subdivision 6 when the political
4.6 subdivision was a participating member of the district and which is outstanding when the
4.7 member withdraws from the district, the taxable property of the withdrawing member
4.8 remains subject to the district debt levy until that outstanding debt has been paid or defeased.
4.9 If the district's property levy to repay the debt was apportioned among the political
4.10 subdivisions under an alternative formula or method under subdivision 4, paragraph (b),
4.11 the withdrawing political subdivision is subject to the same percentage of the debt levy as
4.12 applied in the taxes payable year immediately before its withdrawal from the district.

4.13 Subd. 9. **Dissolution.** The district may be dissolved by resolution approved by majority
4.14 vote of the board. If the district is dissolved, the assets and liabilities may be assigned to a
4.15 successor entity, if any, or otherwise disposed of for public purposes as provided in the
4.16 agreement adopted under subdivision 2, paragraph (b), or otherwise agreed to by the
4.17 participating political subdivisions. A district may not be dissolved until all debt issued
4.18 under subdivision 6 has been paid or defeased.

4.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.