

CHAPTER 236—S.F.No. 281

An act relating to metropolitan government; removing a provision for a compensation recommendation; clarifying language and changing obsolete references; amending Minnesota Statutes 1994, sections 15A.082, subdivision 3; 275.066; 473.121, subdivision 11; 473.13, subdivisions 1 and 2; 473.164, subdivision 3; 473.375, subdivisions 9 and 13; 473.385, subdivision 2; 473.386, subdivisions 1, 2, and 5; 473.388, subdivision 4; 473.39, subdivision 1b; 473.446, subdivision 8; 473.448; 473.505; 473.595, subdivision 3; and Laws 1994, chapter 628, article 2, section 5; repealing Minnesota Statutes 1994, section 473.394.

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

Section 1. Minnesota Statutes 1994, section 15A.082, subdivision 3, is amended to read:

Subd. 3. **SUBMISSION OF RECOMMENDATIONS.** (a) By May 1 in each odd-numbered year, the compensation council shall submit to the speaker of the house of representatives and the president of the senate salary recommendations for constitutional officers, legislators, justices of the supreme court, and judges of the court of appeals, district court, county court, and county municipal court. The recommended salary for each office must take effect on the first Monday in January of the next odd-numbered year, with no more than one adjustment, to take effect on January 1 of the year after that. The salary recommendations for legislators, judges, and constitutional officers take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected. The salary recommendations for legislators are subject to additional terms that may be adopted according to section 3.099, subdivisions 1 and 3.

(b) The council shall also submit to the speaker of the house of representatives and the president of the senate recommendations for the salary ranges of the heads of state and metropolitan agencies, to be effective retroactively from January 1 of that year if enacted into law. The recommendations shall include the appropriate group in section 15A.081 to which each agency head should be assigned and the appropriate limitation on the maximum range of the salaries of the agency heads in each group, expressed as a percentage of the salary of the governor.

~~(c) The council shall also submit to the speaker of the house of representatives and the president of the senate recommendations for the salaries of members of the metropolitan council.~~

Sec. 2. Minnesota Statutes 1994, section 275.066, is amended to read:

275.066 SPECIAL TAXING DISTRICTS; DEFINITION.

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

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- (1) watershed districts under chapter 103D;
- (2) sanitary districts under sections 115.18 to 115.37;
- (3) regional sanitary sewer districts under sections 115.61 to 115.67;
- (4) regional public library districts under section 134.201;
- (5) park districts under chapter 398;
- (6) regional railroad authorities under chapter 398A;
- (7) hospital districts under sections 447.31 to 447.38;
- (8) St. Cloud metropolitan transit commission under sections 458A.01 to 458A.15;
- (9) Duluth transit authority under sections 458A.21 to 458A.37;
- (10) regional development commissions under sections 462.381 to 462.398;
- (11) housing and redevelopment authorities under sections 469.001 to 469.047;
- (12) port authorities under sections 469.048 to 469.068;
- (13) economic development authorities under sections 469.090 to 469.1081;
- (14) metropolitan council under sections 473.122 to ~~473.249~~ 473.549;
- (15) ~~regional transit board~~ under sections ~~473.371 to 473.449~~;
- ~~(16)~~ metropolitan airports commission under sections 473.601 to 473.680;
- ~~(17)~~ (16) metropolitan mosquito control commission under sections 473.701 to 473.716;
- ~~(18)~~ (17) Morrison county rural development financing authority under Laws 1982, chapter 437, section 1;
- ~~(19)~~ (18) Croft Historical Park District under Laws 1984, chapter 502, article 13, section 6;
- ~~(20)~~ (19) East Lake county medical clinic district under Laws 1989, chapter 211, sections 1 to 6;
- ~~(21)~~ (20) Floodwood area ambulance district under Laws 1993, chapter 375, article 5, section 39; and
- ~~(22)~~ (21) any other political subdivision of the state of Minnesota, excluding counties, school districts, cities, and towns, that has the power to adopt and certify a property tax levy to the county auditor, as determined by the commissioner of revenue.

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Sec. 3. Minnesota Statutes 1994, section 473.121, subdivision 11, is amended to read:

Subd. 11. **INDEPENDENT COMMISSION, BOARD OR AGENCY.** "Independent commission, board or agency" means governmental entities with jurisdictions lying in whole or in part within the metropolitan area ~~but not including agencies that are subject to the requirements of section 473.161.~~

Sec. 4. Minnesota Statutes 1994, section 473.13, subdivision 1, is amended to read:

Subdivision 1. **BUDGET.** (a) On or before December 20 of each year the council, after the public hearing required in section 275.065, shall adopt a final budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. The budget shall state in detail the expenditures for each program to be undertaken, including the expenses for salaries, consultant services, overhead, travel, printing, and other items. The budget shall state in detail the capital expenditures of the council for the budget year, based on a five-year capital program adopted by the council and transmitted to the legislature. After adoption of the budget and no later than five working days after December 20, the council shall certify to the auditor of each metropolitan county the share of the tax to be levied within that county, which must be an amount bearing the same proportion to the total levy agreed on by the council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area. The maximum amount of any levy made for the purpose of this chapter may not exceed the limits set by ~~sections 473.167 and 473.249~~ the statute authorizing the levy.

(b) Each even-numbered year the council shall prepare for its transit programs a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must contain the elements specified in section 473.1623, subdivision 3. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the council during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium.

(c) In addition, the budget must show for each year:

(1) the estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(2) capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year, all in such detail and form as the council may prescribe; and

(3) the estimated source and use of pass-through funds.

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Sec. 5. Minnesota Statutes 1994, section 473.13, subdivision 2, is amended to read:

Subd. 2. **LEVIES.** The auditor of each metropolitan county shall add the amount of any levy made by the council within the limits imposed by ~~subdivision~~ + this chapter to other tax levies imposed within the county for collection by the county treasurer with other taxes. When collected the county treasurer shall make settlement of the taxes with the council in the same manner as other taxes are distributed to political subdivisions. The levy authorized by this section is in addition to any other taxes levied within the county authorized by law.

Sec. 6. Minnesota Statutes 1994, section 473.164, subdivision 3, is amended to read:

Subd. 3. At the conclusion of each budget year, the council, in cooperation with each commission, shall adopt a final statement of costs incurred by the council for each commission ~~or board~~. Where costs incurred in the budget year have exceeded the amount budgeted, each commission shall transfer to the council the additional moneys needed to pay the amount of the costs in excess of the amount budgeted, and shall include a sum in its next budget. Any excess of budgeted costs over actual costs may be retained by the council and applied to the payment of budgeted costs in the next year.

Sec. 7. Minnesota Statutes 1994, section 473.375, subdivision 9, is amended to read:

Subd. 9. **ADVISORY COMMITTEES.** The ~~board~~ council may establish one or more advisory committees composed of and representing transit providers, transit users, and local units of government to advise it in carrying out its purposes. The members of advisory committees serve without compensation.

Sec. 8. Minnesota Statutes 1994, section 473.375, subdivision 13, is amended to read:

Subd. 13. **FINANCIAL ASSISTANCE.** The council may provide financial assistance to ~~other~~ public transit providers as provided in sections 473.371 to 473.449. The council may not use the proceeds of bonds issued under section 473.39 to provide capital assistance to private, for-profit operators of public transit, unless the operators provide service under a contract with the council, the former regional transit board, or recipients of financial assistance under sections 473.371 to 473.449.

No political subdivision within the metropolitan area may apply for federal transit assistance unless its application has been submitted to and approved by the council.

Sec. 9. Minnesota Statutes 1994, section 473.385, subdivision 2, is amended to read:

Subd. 2. **SERVICE AREAS.** The council may provide financial assistance

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(whether directly or through another entity) to private, for-profit operators of public transit only for the following services:

(1) services that are not regular route services;

(2) regular route services provided on June 2, 1989, by a private, for-profit operator under contract with the ~~council~~ former regional transit board or under a certificate of convenience and necessity issued by the transportation regulation board;

(3) regular route services outside of the fully developed service area that are not operated on June 2, 1989, by the ~~council~~ former metropolitan transit commission;

(4) regular route services provided under section 473.388;

(5) regular route services to recipients who, as part of a negotiated cost-sharing arrangement with the council, pay at least 50 percent of the cost of the service that directly benefits the recipient as an institution or organization; or

(6) regular route services that will not be operated for a reasonable subsidy by the council.

Sec. 10. Minnesota Statutes 1994, section 473.386, subdivision 1, is amended to read:

Subdivision 1. **SERVICE OBJECTIVES.** The council shall implement a special transportation service, as defined in section 174.29, in the metropolitan area. The service has the following objectives:

(a) to provide greater access to transportation for the elderly, ~~handicapped~~ people with disabilities, and others with special transportation needs in the metropolitan area;

(b) to develop an integrated system of special transportation service providing transportation tailored to meet special individual needs in the most cost-efficient manner; and

(c) to use existing public, private, and private nonprofit providers of service wherever possible, to supplement rather than replace existing service, and to increase the productivity of all special transportation vehicles available in the area.

Sec. 11. Minnesota Statutes 1994, section 473.386, subdivision 2, is amended to read:

Subd. 2. **SERVICE CONTRACTS; MANAGEMENT; TRANSPORTATION ACCESSIBILITY ADVISORY COMMITTEE.** (a) The council may contract for services necessary for the provision of special transportation. Transportation service provided under a contract must specify the service to be

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provided, the standards that must be met, and the rates for operating and providing special transportation services.

(b) The council shall establish management policies for the service and may contract with a service administrator for day-to-day administration and management of the service. Any contract must delegate to the service administrator clear authority to administer and manage the delivery of the service pursuant to council management policies and must establish performance and compliance standards for the service administrator. The council may provide directly day to day administration and management of the service and may own or lease vehicles used to provide the service.

~~(c) The metropolitan council shall review and approve the council's proposed action under paragraph (a) or (b).~~

(d) The council shall ensure that the service administrator establishes a system for registering and expeditiously responding to complaints by users, informing users of how to register complaints, and requiring providers to report on incidents that impair the safety and well-being of users or the quality of the service. The council shall annually report to the commissioner of transportation and the legislature on complaints and provider reports, the response of the service administrator, and steps taken by the council and the service administrator to identify causes and provide remedies to recurring problems.

~~(e)~~ (d) Each year before renewing contracts with providers and the service administrator, the council shall provide an opportunity for the transportation accessibility advisory committee, users, and other interested persons to testify before the council concerning providers, contract terms, and other matters relating to ~~board~~ council policies and procedures for implementing the service.

~~(f)~~ (e) The council shall establish a transportation accessibility advisory committee. The transportation accessibility advisory committee must include elderly and ~~handicapped~~ disabled persons, other users of special transportation service, representatives of persons contracting to provide special transportation services, and representatives of appropriate agencies for elderly and ~~handicapped~~ disabled persons to advise the council on management policies for the service. At least half the transportation accessibility advisory committee members must be disabled or elderly persons or the representatives of disabled or elderly persons. Two of the appointments to the transportation accessibility advisory committee shall be made by the council on disability in consultation with the chair of the ~~regional transit board~~ metropolitan council.

Sec. 12. Minnesota Statutes 1994, section 473.386, subdivision 5, is amended to read:

Subd. 5. **EQUITABLE ALLOCATION AND ANNUAL REALLOCATION.** The council shall distribute all available funding under this section in a manner designed to achieve an equitable allocation of special transportation services based on the proportion of the number of elderly, ~~handicapped,~~ disabled,

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or economically disadvantaged individuals with special transportation needs who actually use the special transportation service.

Sec. 13. Minnesota Statutes 1994, section 473.388, subdivision 4, is amended to read:

Subd. 4. **FINANCIAL ASSISTANCE.** The council may grant the requested financial assistance if it determines that the proposed service is intended to replace the service to the applying city or town or combination thereof by the council and that the proposed service will meet the needs of the applicant at least as efficiently and effectively as the existing service.

The amount of assistance which the council may provide under this section may not exceed the sum of:

(a) the portion of the available local transit funds which the applicant proposes to use to subsidize the proposed service; and

(b) an amount of financial assistance bearing an identical proportional relationship to the amount under clause (a) as the total amount of ~~financial assistance to~~ funds used by the council to fund its transit operations bears to the total amount of taxes collected by the council under section 473.446. The council shall pay the amount to be provided to the recipient from the ~~assistance funds~~ the council would otherwise pay to the council use to fund its transit operations.

For purposes of this section "available local transit funds" means 90 percent of the tax revenues which would accrue to the council from the tax it levies under section 473.446 in the applicant city or town or combination thereof.

For purposes of this section, "tax revenues" in the city or town means the sum of the following:

(1) the nondebt spread levy, which is the total of the taxes extended by application of the local tax rate for nondebt purposes on the taxable net tax capacity;

(2) the portion of the fiscal disparity distribution levy under section 473F.08, subdivision 3, attributable to nondebt purposes; and

(3) the portion of the homestead credit and agricultural credit aid and disparity reduction aid amounts under section 273.1398, subdivisions 2 and 3, attributable to nondebt purposes.

Tax revenues do not include the state feathering reimbursement under section 473.446.

Sec. 14. Minnesota Statutes 1994, section 473.39, subdivision 1b, is amended to read:

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Subd. 1b. **OBLIGATIONS; 1993-1996.** The council may also issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$62,000,000, of which \$44,000,000 may be used for council transit for fleet replacement, transit facilities, and transit capital equipment, and \$18,000,000 may be used for transit hubs, park-and-ride lots, community-based transit vehicles and replacement service program vehicles, intelligent vehicle highway systems projects, and other capital expenditures as prescribed in the implementation and council's transit capital plans of the board improvement program, and related costs including the cost of issuance and sale of the obligations. The council may issue \$32,000,000 of the total amount authorized under this subdivision during fiscal biennium ending 1993, \$30,000,000 during fiscal biennium ending 1995. For the purposes of this subdivision, uniforms are not capital expenditures.

Sec. 15. Minnesota Statutes 1994, section 473.446, subdivision 8, is amended to read:

Subd. 8. **STATE REVIEW.** The commissioner of revenue shall certify the council's levy limitation under this section to the council by August 1 of the levy year. The council must certify its proposed property tax levy under this section to the commissioner of revenue by August September 1 of the levy year. The commissioner of revenue shall annually determine whether the property tax for general transit purposes certified by the council for levy following the adoption of its proposed budget is within the levy limitation imposed by subdivision 1. The commissioner shall also annually determine whether the transit tax imposed on all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district is within the levy limitation imposed by subdivision 1a. The determination must be completed prior to September 10 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculations.

Sec. 16. Minnesota Statutes 1994, section 473.448, is amended to read:

473.448 COUNCIL; EXEMPTION FROM TAXATION.

Notwithstanding any other provision of law to the contrary, the properties, moneys, and other assets of the council; used for transit operations or for special transportation services and all revenues or other income of from the ~~council~~ council's transit operations or special transportation services shall be exempt from all taxation, licenses, fees, or charges of any kind imposed by the state or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state.

Sec. 17. Minnesota Statutes 1994, section 473.505, is amended to read:

473.505 TOTAL WATERSHED MANAGEMENT.

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The ~~commission with the approval of the metropolitan council~~ may enter into agreements with other governmental bodies and agencies and spend funds to implement total watershed management. "Total watershed management" means identifying and quantifying at a watershed level the (1) sources of pollution, both point and nonpoint, (2) causes of conditions that may or may not be a result of pollution, and (3) means of reducing pollution or alleviating adverse conditions. The purpose of total watershed management is to achieve the best water quality for waters of the state receiving the effluent of the metropolitan disposal system for the lowest total costs, without regard to who will incur those costs.

Sec. 18. Minnesota Statutes 1994, section 473.595, subdivision 3, is amended to read:

Subd. 3. **BUDGET PREPARATION; REVIEW AND APPROVAL.** The commission shall prepare a proposed budget by August 1 of each year. The budget shall include operating revenues and expenditures for operation, administration, and maintenance. In addition, the budget must show for each year:

(a) The estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(b) Capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year; all in such detail and form as the council may prescribe; and

(c) The estimated source and use of pass-through funds.

As early as practicable before August 15 of each year, the commission shall hold a public hearing on a draft of the proposed budget. Along with the draft, the commission shall publish a report on user charges. The report must include an estimate and analysis of the changes in user charges, rates, and fees that will be required by the commission's budget. Not less than 14 days before the hearing, the commission shall publish notice of the hearing in a newspaper having general circulation in the metropolitan area, stating the date, time, and place of hearing, and the place where the proposed budget and report on user charges may be examined by any interested person. Following the hearing, the commission shall publish a report of the hearing that summarizes the comments received and the ~~agency's~~ commission's response. The council shall approve or disapprove the entire budget by October 1 of each year. Before December 15 of each year, the commission shall by resolution adopt a final budget. The commission shall file its final budget with the council on or before December 20 of each year. The council shall file the budgets with the secretary of the senate and the clerk of the house of representatives not later than January 1 of each year.

Except in an emergency, for which procedures must be established by the ~~agency~~ commission, the commission and its officers, agents, and employees may

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not spend money for any purpose, other than debt service, without an appropriation by the commission, and no obligation to make such an expenditure shall be enforceable except as the obligation of the person or persons incurring it. The creation of any debt obligation or the receipt of any federal or state grant is a sufficient appropriation of the proceeds for the purpose for which it is authorized, and of the tax or other revenues pledged to pay the obligation and interest on it whether or not specifically included in any annual budget. After obtaining approval of the council, ~~if required under subdivision 2,~~ the agency commission may amend the budget at any time by transferring any appropriation from one purpose to another, except appropriations of the proceeds of bonds issued for a specific purpose.

Sec. 19. Laws 1994, chapter 628, article 2, section 5, is amended to read:

Sec. 5. APPLICATION.

~~This article~~ Laws 1994, chapter 628, article 2, applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 20. INSTRUCTIONS TO REVISOR.

The revisor of statutes shall change headnote references to "regional transit board," or "transit board" or "board" as they refer to the regional transit board; "metropolitan waste control commission," or "waste control commission" or "commission" as they refer to the metropolitan waste control commission; and "metropolitan transit commission," or "transit commission" or "commission" as they refer to the metropolitan transit commission; to "metropolitan council" or "council," where appropriate, in Minnesota Statutes 1996, and subsequent editions of the statutes.

Sec. 21. REPEALER.

Minnesota Statutes 1994, section 473.394, is repealed.

Sec. 22. APPLICATION.

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 23. EFFECTIVE DATES.

Sections 1 to 18, and 20 to 22 are effective the day after final enactment. Section 19 is effective retroactively to July 1, 1994.

Presented to the governor May 30, 1995

Signed by the governor June 1, 1995, 11:22 a.m.

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