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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3026

02/03/2022

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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 local government; authorizing the city of Rochester to impose a public
1.3 park dedication fee on certain new property developments.

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

1.5 Section 1. CITY OF ROCHESTER; DEDICATION FEE.

1.6 Subdivision 1. Dedication. The city of Rochester may require that a reasonable portion
1.7 of land be dedicated to the public or may impose a dedication fee in conjunction with the
1.8 construction permit required for new dwelling units and any development that creates a
1.9 proportional impact on the park system in the city, wherever located, for public parks,
1.10 playgrounds, recreational facilities, wetlands, trails, or open space. The city council or other
1.11 chief governing body of the city must enact an ordinance to impose a dedication of land or
1.12 a dedication fee. The ordinance may exempt senior housing and affordable housing applicants
1.13 from the dedication of land or the dedication fee requirements.

1.14 Subd. 2. Dedication fee. An ordinance enacted under subdivision 1 may set a dedication
1.15 fee based on current land prices at the time the permit is issued or set a flat fee rate per net
1.16 new dwelling unit or other standard basis as an essential nexus between the fees or dedication
1.17 imposed on the proposed development and the municipal purpose sought to be achieved by
1.18 the fee or dedication. The fee or dedication must bear a rough proportionality to the need
1.19 created by the proposed development. The ordinance must apply the following sliding fee
1.20 scale to new housing units eligible for low-income housing tax credits, located in a
1.21 redevelopment district under Minnesota Statutes, section 469.174, subdivision 10, or located
1.22 in a housing district under Minnesota Statutes, section 469.174, subdivision 11:

2.1	<u>Household Income Range</u>	<u>Reduction from Standard Fee</u>
2.2	<u>(as a percent of the area median income)</u>	
2.3	<u>50%</u>	<u>50%</u>
2.4	<u>40%</u>	<u>75%</u>
2.5	<u>30% or less</u>	<u>100%</u>

2.6 **Subd. 3. Time limitation; refund.** The dedication fee under subdivision 2 must be spent
2.7 within six years of the date of issuance of the final occupancy permit for the development.
2.8 A fee, or portion thereof, that has not been spent by the city during the six-year period must
2.9 be refunded with interest at the rate specified in Minnesota Statutes, section 270C.40, to
2.10 the property owner of record of a property on which the fee was calculated. The refund
2.11 must be proportional to the cost per unit of the unspent fee. The treasurer of the city, or
2.12 other chief appointed officer with authority to administer the city's finances, must issue a
2.13 warrant for payment of any refund due to a property owner within 90 days after the
2.14 conclusion of the six-year period.

2.15 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
2.16 city of Rochester and its chief clerical officer comply with the requirements of Minnesota
2.17 Statutes, section 645.021, subdivisions 2 and 3.