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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4128

02/22/2024 Authored by Freiberg The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy

1.1 A bill for an act
1.2 relating to local government; authorizing cities to impose a public park dedication
1.3 fee on certain new property developments; proposing coding for new law in
1.4 Minnesota Statutes, chapter 430.

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

1.6 Section 1. 430.16 PUBLIC PARK DEDICATION FEE.

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the terms in this subdivision
1.8 have the meanings given.

1.9 (b) "Accessory dwelling unit" means a secondary dwelling unit to a principal
1.10 single-family dwelling within or attached to a single-family dwelling or in a detached
1.11 accessory building on the same zoning lot.

1.12 (c) "Affordable housing" means housing targeted at households with incomes at or below
1.13 60 percent of the area median income, adjusted for household size, as determined by the
1.14 United States Department of Housing and Urban Development.

1.15 (d) "Sacred community" means a residential settlement established on or contiguous to
1.16 the grounds of a religious institution's primary worship location primarily for the purpose
1.17 of providing permanent housing for chronically homeless persons, extremely low-income
1.18 persons, and designated volunteers.

1.19 (e) "Senior housing" means housing intended and operated for occupancy by senior
1.20 households with at least 80 percent of the units occupied by senior households and for which
1.21 there is publication of and adherence to policies and procedures that demonstrate an intent
1.22 by the owner or manager to provide housing for seniors.

2.1 Subd. 2. **Dedication.** (a) A statutory or home rule charter city may require that a  
2.2 reasonable portion of land be dedicated to the public or may impose a dedication fee in  
2.3 conjunction with the construction permit required for new housing units within existing  
2.4 subdivisions and any other development that creates a proportional impact on the park  
2.5 system in the city, wherever located, for public parks, playgrounds, recreational facilities,  
2.6 wetlands, trails, or open space. The dedication of land or dedication fee must be imposed  
2.7 by an ordinance enacted by the city council or other chief governing body of the city.

2.8 (b) The ordinance may establish how federal or state housing tax credits available for  
2.9 single-family affordable housing developments are distributed.

2.10 (c) The ordinance may exempt developments for senior housing units, accessory dwelling  
2.11 units, or sacred community units from the dedication of land or the dedication fee  
2.12 requirements under this section.

2.13 (d) Units meeting affordable housing thresholds in developments for affordable housing  
2.14 are exempt from the dedication of land or the dedication fee requirements under this section.

2.15 Subd. 3. **Dedication fee.** (a) An ordinance enacted under subdivision 2 may set a  
2.16 dedication fee based on current land prices at the time the permit is issued or set a flat fee  
2.17 rate per net new housing unit or other standard basis as an essential nexus between the fees  
2.18 or dedication imposed on the proposed development and the municipal purpose sought to  
2.19 be achieved by the fee or dedication. The fee or dedication must bear a rough proportionality  
2.20 to the need created by the proposed development.

2.21 (b) The ordinance may specify when the dedication fee must be paid, but the ordinance  
2.22 must specify that payment is due no later than the date the construction permit is issued.