

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 3097**

**(SENATE AUTHORS: CHAMBERLAIN)**

<b>DATE</b>	<b>D-PG</b>	<b>OFFICIAL STATUS</b>
03/08/2018	6362	Introduction and first reading Referred to Taxes
03/15/2018	6532	Withdrawn and re-referred to Judiciary and Public Safety Finance and Policy
03/21/2018	6841a	Comm report: To pass as amended and re-refer to Taxes

1.1 A bill for an act  
 1.2 relating to local government financing; modifying interest rate for drainage lien  
 1.3 principal; modifying definitions; updating code references; amending Minnesota  
 1.4 Statutes 2016, sections 103E.611, subdivision 2; 471.831, subdivision 1; 475.521,  
 1.5 subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2016, section 103E.611, subdivision 2, is amended to read:

1.8 Subd. 2. **Interest.** (a) Interest is an additional drainage lien on all property until paid.

1.9 The interest rate on the drainage lien principal from the date the drainage lien statement is  
 1.10 recorded must be set by the board but may not exceed the rate determined by the state court  
 1.11 administrator for judgments under section 549.09, or six percent, whichever is greater.

1.12 (b) Before the tax lists for the year are given to the county treasurer, the auditor shall  
 1.13 compute the interest on the unpaid balance of the drainage lien at the rate set by the board.  
 1.14 The amount of interest must be computed on the entire unpaid principal from the date the  
 1.15 drainage lien was recorded to August 15 of the next calendar year, and afterwards from  
 1.16 August 15 to August 15 of each year.

1.17 (c) Interest is due and payable after November 1 of each year the drainage lien principal  
 1.18 or interest is due and unpaid.

1.19 Sec. 2. Minnesota Statutes 2016, section 471.831, subdivision 1, is amended to read:

1.20 Subdivision 1. **Any relief under bankruptcy code.** A municipality, as defined in  
 1.21 subdivision 2, may file a petition and seek any relief available to it under United States  
 1.22 Code, title 11, as amended ~~through December 31, 1996.~~

2.1 Sec. 3. Minnesota Statutes 2016, section 475.521, subdivision 1, is amended to read:

2.2 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the  
2.3 meanings given.

2.4 (a) "Bonds" mean an obligation defined under section 475.51.

2.5 (b) "Capital improvement" means acquisition or betterment of public lands, buildings  
2.6 or other improvements for the purpose of a city hall, town hall, library, public safety facility,  
2.7 and public works facility. An improvement must have an expected useful life of five years  
2.8 or more to qualify. Capital improvement does not include light rail transit or any activity  
2.9 related to it, or a park, road, bridge, administrative building other than a city or town hall,  
2.10 or land for any of those facilities. For purposes of this section, "capital improvement"  
2.11 includes expenditures for purposes described in this paragraph that have been incurred by  
2.12 a municipality before approval of a capital improvement plan, if such expenditures are  
2.13 included in a capital improvement plan approved on or before the date of the public hearing  
2.14 under subdivision 2 regarding issuance of bonds for such expenditures.

2.15 (c) "Municipality" means a home rule charter or statutory city or a town ~~described in~~  
2.16 ~~section 368.01, subdivision 1 or 1a.~~