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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 2622

04/27/2017 Authored by Thissen
The bill was read for the first time and referred to the Committee on Transportation and Regional Governance Policy

1.1 A bill for an act
1.2 relating to the Metropolitan Council; modifying provisions relating to the sewer
1.3 availability charge; requiring a report; amending Minnesota Statutes 2016, section
1.4 473.517, subdivision 3.

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

1.6 Section 1. Minnesota Statutes 2016, section 473.517, subdivision 3, is amended to read:

1.7 Subd. 3. **Allocation of treatment, interceptor costs; reserved capacity.** (a) In preparing
1.8 each budget the council shall estimate the current costs of acquisition, betterment, and debt
1.9 service, only, of the treatment works in the metropolitan disposal system which will not be
1.10 used to total capacity during the budget year, and the percentage of such capacity which
1.11 will not be used, and shall deduct the same percentage of such treatment works costs from
1.12 the current costs allocated under subdivision 1. The council shall also estimate the current
1.13 costs of acquisition, betterment, and debt service, only, of the interceptors in the metropolitan
1.14 disposal system that will not be used to total capacity during the budget year, shall estimate
1.15 the percentage of the total capacity that will not be used, and shall deduct the same percentage
1.16 of interceptor costs from the current costs allocated under subdivision 1. The total amount
1.17 so deducted with respect to all treatment works and interceptors in the system shall be
1.18 allocated among and paid by the respective local government units in the metropolitan area
1.19 through a metropolitan sewer availability charge (SAC) for each new connection or increase
1.20 in capacity demand to the metropolitan disposal system within each local government unit.
1.21 The SAC must be based on a formula that reflects actual reserved capacity use by each type
1.22 of new connection or expansion. Amounts collected through the ~~metropolitan sewer~~
1.23 ~~availability charge (SAC)~~ SAC must be deposited in the council's wastewater reserve capacity
1.24 fund. Each fiscal year an amount from the wastewater reserve capacity fund shall be

2.1 transferred to the wastewater operating fund for the reserved capacity costs described in
 2.2 this paragraph. For the purposes of this subdivision, the amount transferred from the
 2.3 wastewater reserve capacity fund to the wastewater operating fund shall be referred to as
 2.4 the "SAC transfer amount."

2.5 (b) If, after appropriate study and a public hearing, the council determines for the next
 2.6 fiscal year that a reduction of the SAC transfer amount is necessary or desirable to ensure
 2.7 adequate funds remain in the wastewater reserve capacity fund, based on a goal of
 2.8 maintaining at least the next year's estimated SAC transfer amount in the wastewater reserve
 2.9 capacity fund, the council may reduce the SAC transfer amount for that fiscal year. If the
 2.10 council reduces the SAC transfer amount for the next fiscal year, the council must then
 2.11 increase the metropolitan sewer availability charge not less than the greater of six percent
 2.12 or the annual percentage change in the Consumer Price Index for the metropolitan region
 2.13 for the previous year plus three percentage points. For the purposes of this subdivision, any
 2.14 reduction in the SAC transfer amount shall be referred to as the "SAC transfer deficit." ~~The~~
 2.15 ~~provisions of this paragraph expire at the end of calendar year 2015.~~

2.16 (c) The council will record on a cumulative basis the total SAC transfer deficit. In any
 2.17 year that the wastewater reserve capacity fund has a year-end balance of at least two years'
 2.18 estimated SAC transfer amount, the council shall increase the subsequent annual SAC
 2.19 transfer amount in excess of the amount required by paragraph (a) with the goal of eliminating
 2.20 the cumulative total SAC transfer deficit. The annual amount by which the council increases
 2.21 the SAC transfer amount shall be determined by the council after appropriate study and a
 2.22 public hearing.

2.23 (d) A local unit of government must provide to an applicant for a building permit the
 2.24 estimated SAC within 15 days of the applicant submitting a complete application.

2.25 **APPLICATION; EFFECTIVE DATE.** This section applies in the counties of Anoka,
 2.26 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. This section is effective the
 2.27 day following final enactment except that the SAC formula developed as required in
 2.28 paragraph (a) is effective for sewer availability charges imposed on local governments on
 2.29 or after July 1, 2018.

2.30 **Sec. 2. REPORT.**

2.31 The Metropolitan Council must report to the legislative committees with jurisdiction
 2.32 over the council, and as provided in Minnesota Statutes, section 3.195, on the formula
 2.33 developed as required in Minnesota Statutes, section 473.517, subdivision 1. In developing
 2.34 the formula, the council must compare individual SACs imposed between 2011 and 2016

3.1 with the actual increase, if any, of wastewater flow and use of reserve capacity, or water
3.2 use if that is the proxy for the wastewater flow, by those same individual new connections
3.3 or expansions and report the comparisons by type of facility, industry, and any other category
3.4 used to impose SACs. The report must be submitted by February 15, 2018.

3.5 **APPLICATION; EFFECTIVE DATE.** This section applies in the counties of Anoka,
3.6 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington and is effective the day following
3.7 final enactment.