

## CHAPTER 373

## COUNTIES; POWERS, DUTIES, PRIVILEGES

373.01	Powers.	373.45	State may guarantee county building debt; repayment.
373.40	Capital improvement bonds.	373.47	County debt authority.
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**373.01 POWERS.**

*[For text of subs 1 and 2, see M.S.2002]*

Subd. 3. **Capital notes.** A county board may, by resolution and without referendum, issue capital notes subject to the county debt limit to purchase capital equipment useful for county purposes that has an expected useful life at least equal to the term of the notes. The notes shall be payable in not more than five years and shall be issued on terms and in a manner the board determines. A tax levy shall be made for payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds. For purposes of this subdivision, "capital equipment" means public safety, ambulance, road construction or maintenance, and medical equipment, and computer hardware and original operating system software. The authority to issue capital notes for original operating systems software expires on July 1, 2005.

*[For text of subd 4, see M.S.2002]*

**History:** 2003 c 127 art 12 s 8; 1Sp2003 c 21 art 10 s 11

**373.40 CAPITAL IMPROVEMENT BONDS.**

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

- (a) "Bonds" means an obligation as defined under section 475.51.
- (b) "Capital improvement" means acquisition or betterment of public lands, development rights in the form of conservation easements under chapter 84C, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, qualified indoor ice arena, and roads and bridges. An improvement must have an expected useful life of five years or more to qualify. "Capital improvement" does not include light rail transit or any activity related to it or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.
- (c) "Commissioner" means the commissioner of employment and economic development.
- (d) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.
- (e) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):
  - (1) the federal decennial census,
  - (2) a special census conducted under contract by the United States Bureau of the Census, or
  - (3) a population estimate made either by the metropolitan council or by the state demographer under section 4A.02.
- (f) "Qualified indoor ice arena" means a facility that meets the requirements of section 373.43.

(g) "Tax capacity" means total taxable market value, but does not include captured market value.

*[For text of subd 2, see M.S.2002]*

Subd. 3. **Capital improvement plan.** (a) A county may adopt a capital improvement plan. The plan must cover at least the five-year period beginning with the date of its adoption. The plan must set forth the estimated schedule, timing, and details of specific capital improvements by year, together with the estimated cost, the need for the improvement, and sources of revenues to pay for the improvement. In preparing the capital improvement plan, the county board must consider for each project and for the overall plan:

- (1) the condition of the county's existing infrastructure, including the projected need for repair or replacement;
- (2) the likely demand for the improvement;
- (3) the estimated cost of the improvement;
- (4) the available public resources;
- (5) the level of overlapping debt in the county;
- (6) the relative benefits and costs of alternative uses of the funds;
- (7) operating costs of the proposed improvements; and
- (8) alternatives for providing services more efficiently through shared facilities with other counties or local government units.

(b) The capital improvement plan and annual amendments to it must be approved by the county board after public hearing. The county must submit the capital improvement plan to the community development division of the Department of Employment and Economic Development. The plan is not effective if the commissioner disapproves the plan within 90 days after it was submitted. If the commissioner has not disapproved the plan within 90 days after its submission, the plan is deemed approved and effective. The commissioner shall disapprove a capital improvement plan only if the commissioner determines (1) that the planned improvements cannot be financed within the limits specified in subdivision 4, or (2) the county in preparing the plan did not consider the factors listed in this subdivision or failed to gather the information necessary to evaluate the plan under the factors, or (3) the proposed improvements will result in unnecessary duplication of public facilities provided by other units of government in the region or there is insufficient demand for the facility. If the plan is disapproved by the commissioner and the county board does not withdraw the plan, the capital improvement plan must be submitted to the voters for approval. If a majority of the voters approve, the plan is approved and effective.

*[For text of subs 4 and 5, see M.S.2002]*

**History:** 1Sp2003 c 4 s 1

### 373.42 COUNTY FACILITIES GROUP.

*[For text of subs 1 to 3, see M.S.2002]*

Subd. 4. **Comment.** The county facilities group shall review and comment on any proposed joint facility and may submit comments to the commissioner of education on any school district facility that is proposed within the county.

**History:** 2003 c 130 s 12

### 373.45 STATE MAY GUARANTEE COUNTY BUILDING DEBT; REPAYMENT.

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

- (b) "Authority" means the Minnesota public facilities authority.
- (c) "Commissioner" means the commissioner of finance.

(d) "Debt obligation" means a general obligation bond issued by a county, or a bond payable from a county lease obligation under section 641.24, to provide funds for the construction of:

- (1) jails;
- (2) correctional facilities;
- (3) law enforcement facilities;
- (4) social services and human services facilities; or
- (5) solid waste facilities.

*[For text of subs 2 to 4, see M.S.2002]*

Subd. 5. **Interest on state paid amount.** If the state has paid part or all of the principal or interest due on a county's debt obligation, the amount paid bears interest from the date paid by the state until the date of repayment. The interest rate is the commissioner's invested cash rate as it is certified by the commissioner. Interest only accrues on the amounts paid and outstanding less the reduction in aid under subdivision 7 and other payments received from the county.

*[For text of subs 6 to 10, see M.S.2002]*

**History:** 2003 c 112 art 2 s 50; 2003 c 127 art 12 s 9; 1Sp2003 c 21 art 10 s 11

### 373.47 COUNTY DEBT AUTHORITY.

Subdivision 1. **Authority to incur debt.** Subject to prior approval by the Public Safety Radio System Planning Committee under section 403.36, the governing body of a county may finance the cost of designing, constructing, and acquiring public safety communication system infrastructure and equipment for use on the statewide, shared public safety radio system by issuing:

- (1) capital improvement bonds under section 373.40, as if the infrastructure and equipment qualified as a "capital improvement" within the meaning of section 373.40, subdivision 1, paragraph (b); and
- (2) capital notes under the provisions of section 373.01, subdivision 3, as if the equipment qualified as "capital equipment" within the meaning of section 373.01, subdivision 3.

*[For text of subs 2 and 3, see M.S.2002]*

**History:** 2003 c 127 art 12 s 10; 1Sp2003 c 1 art 2 s 135; 1Sp2003 c 21 art 10 s 11