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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE NO. 2988

February 14, 2008
Authored by Brod
The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs
March 13, 2008
Committee Recommendation and Adoption of Report:
Re-referred to the Committee on Taxes without further recommendation

A bill for an act

relating to subordinate service districts; authorizing towns to refund surplus revenues upon the removal of a district; amending Minnesota Statutes 2006, section 365A.095.

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

Section 1. Minnesota Statutes 2006, section 365A.095, is amended to read:

365A.095 PETITION FOR REMOVAL OF DISTRICT; PROCEDURE; REFUND OF SURPLUS.

Subdivision 1. **Petition; procedure.** A petition signed by at least 75 percent of the property owners in the territory of the subordinate service district requesting the removal of the district may be presented to the town board. Within 30 days after the town board receives the petition, the town clerk shall determine the validity of the signatures on the petition. If the requisite number of signatures are certified as valid, the town board must hold a public hearing on the petitioned matter. Within 30 days after the end of the hearing, the town board must decide whether to discontinue the subordinate service district, continue as it is, or take some other action with respect to it.

Subd. 2. **Option to refund surplus.** If the district is removed under subdivision 1, after all outstanding obligations of the district have been paid in full, the town board may vote to refund any surplus tax revenue or service charge, or any part of it, collected from the district under section 365A.08. The refund must be distributed equally to the owners of any property within the discontinued district that were charged the extra tax or service fee within the preceding tax year. Any surplus not refunded under this section must be transferred to the town's general fund.

EFFECTIVE DATE. This section is effective the day following final enactment.