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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 1189

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The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform,
Technology and Elections

1.1 A bill for an act
1.2 relating to municipalities; authorizing the city of Sleepy Eye to establish street
1.3 improvement districts and apportion street improvement fees within district
1.4 subject to reverse referendum; requiring adoption of street improvement plan;
1.5 authorizing collection of fees.

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

1.7 Section 1. **MUNICIPAL STREET IMPROVEMENT DISTRICTS.**

1.8 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms
1.9 have the meanings given them.

1.10 (b) "Governing body" means the Sleepy Eye City Council.

1.11 (c) "Improvements" means construction, reconstruction, and facility upgrades
1.12 involving: right-of-way acquisition; paving; curbs and gutters; bridges and culverts and
1.13 their repair; milling; overlaying; drainage and storm sewers; excavation; base work;
1.14 subgrade corrections; street lighting; traffic signals; signage; sidewalks; pavement
1.15 markings; boulevard and easement restoration; impact mitigation; reconstruction,
1.16 connection, and reconnection of utilities; turn lanes; medians; street and alley returns;
1.17 retaining walls; fences; land additions; and trails and pathways.

1.18 (d) "Maintenance" means striping, seal coating, crack sealing, pavement repair,
1.19 bridge and retaining wall repair, sidewalk maintenance, signal maintenance, street light
1.20 maintenance, and signage.

1.21 (e) "Municipality" means the city of Sleepy Eye.

1.22 (f) "Municipal street" means a street, alley, or public way in which the municipality
1.23 has powers conferred by Minnesota Statutes, section 429.021.

2.1 (g) "Street improvement district" means a geographic area designated by the
2.2 municipality within which street improvement and maintenance may be undertaken and
2.3 financed according to this section.

2.4 Subd. 2. **Establishment of districts.** The municipality may establish by ordinance
2.5 municipal street improvement districts within the municipality's boundaries, subject to
2.6 the provisions of subdivision 4.

2.7 Subd. 3. **Authorization.** The municipality may defray all or part of the total costs of
2.8 municipal street improvements and maintenance by apportioning street improvement fees
2.9 on a uniform basis to all eligible property located in the district.

2.10 Subd. 4. **Adoption of plan; referendum.** Before establishing a municipal street
2.11 improvement district or authorizing a street improvement fee, the municipality must
2.12 propose and adopt a street improvement plan that identifies and estimates the costs of
2.13 proposed improvements and maintenance for the following five years and identifies the
2.14 location of the municipal street improvement district. Notice of a public hearing on the
2.15 proposed plan must be given by mail to all affected owners of eligible property at least ten
2.16 days before the hearing and posted for at least ten days before the hearing. At the public
2.17 hearing, the governing body must present the plan and all affected owners of eligible
2.18 property in attendance must have the opportunity to comment before the governing body
2.19 considers adoption of the plan. If within 30 days after the public hearing a petition
2.20 requesting a referendum signed by at least ten percent of affected owners of eligible
2.21 property is filed with the county auditor, the ordinance establishing the district may be
2.22 adopted, unless disapproved by a majority of the owners of eligible property voting on
2.23 the question at a special election.

2.24 Subd. 5. **Use of fees.** Revenues collected from property in a district from the
2.25 fee authorized in this section must be placed in a separate account and be used only
2.26 for projects located within that same district and identified in the municipal street
2.27 improvement district plans.

2.28 Subd. 6. **Unpaid fees.** Fees that, as of October 15 of each calendar year, have
2.29 remained unpaid for at least 30 days may be certified to the county auditor for collection as
2.30 a special assessment payable in the following calendar year against the affected property.

2.31 Subd. 7. **Notice; hearings.** The municipality may impose a municipal street
2.32 improvement fee provided in this section by ordinance. The ordinance must not be voted
2.33 on or adopted until after a public hearing has been held on the question.

2.34 Subd. 8. **Not exclusive means of financing improvements.** The use of the
2.35 municipal street improvement fee by the municipality does not restrict the municipality
2.36 from imposing other measures to pay the costs of local street improvements or

- 3.1 maintenance, except that the municipality must not impose special assessments for
- 3.2 projects funded with street improvement fees.