

HOUSE RESEARCH

Bill Summary

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Overview

Provides that the territory comprising the Minneapolis-St. Paul International Airport is attached to the Minneapolis school district, and that territory comprising the St. Paul Intermediate Airport is reattached to the St. Paul school district, effective for taxes payable in 2002.

Allows cities to develop and implement airport impact mitigation plans. Creates a state airport impact mitigation fund to assist in financing mitigation plans. Authorizes cities to issue airport impact bonds to fund mitigation plans. Authorizes the Metropolitan Council to establish an airport impact bond credit enhancement program. Provides an annual appropriation from the general fund to the state mitigation fund equal to the net reduction in state school district aids resulting from the attachment of the airport property.

Section

- 1 **General education tax base certification.** (a) Requires the statewide general education tax rate to be determined without including the airport property in the tax bases of the St. Paul and Minneapolis school districts. (b) Requires the airport property to be included in each district's tax base when applying the statewide general education tax rate to determine each district's general education levy.
- 2 **Detaching airport land from city.** Eliminates the general prohibition against major airport land being attached to a school district. Also reverses the detachment of St. Paul Intermediate Airport property from the St. Paul school district.
- 3 **Attachment.** Provides that the territory comprising the Minneapolis-St. Paul International Airport is attached to the Minneapolis school district.
- 4 **Definitions.** Defines terms used in the airport impact mitigation program defined in sections 4 to 7. The most significant terms and their definitions are:
"City" means the cities of Bloomington, Burnsville, Eagan, Mendota Heights,

Minneapolis, Richfield, and St. Paul

"Housing replacement activities" means rehabilitation, acquisition, relocation assistance, relocation of existing dwelling units, and construction of new dwelling units to replace eliminated dwelling units

5 **Airport impact mitigation planning.**

Subd. 1. Impact report. Authorizes cities to study and adopt reports of the impacts associated with airport expansion.

Subd. 2. Mitigation plan.

(a) Requires a city which has undertaken a study under subdivision 1 to develop an airport impact mitigation plan. Mitigation measures may include, but are not limited to, noise insulation (residential and commercial properties), land use conversion, development of housing to replace lost units, and property value assurance programs. The plan must include costs of recommended mitigation measures, potential financing sources, and the feasibility of property tax abatements as a financing source.

(b) Requires a city to conduct a public hearing before adoption of a plan. Requires a city to submit the report and plan to the commissioner of trade and economic development for approval, and to the metropolitan council and the metropolitan airports commission for review. The commissioner must review the plan within 60 days. No actions described in the plan may be undertaken until the plan has been approved by the commissioner and by the city council.

(c) Requires the commissioner of trade and economic development to establish criteria for evaluating mitigation measures by December 31, 2001. Requires mitigation plans to be consistent with the criteria developed by the commissioner.

(d) Requires that the plan also be approved by the metropolitan council, if the plan includes credit enhancement under section 7, subdivision 2.

(e) Allows mitigation plans to be changed after initial adoption under certain conditions.

(f) Provides that expenditures to implement a mitigation plan are not considered a business subsidy under general state law regulating business subsidies.

6 **Airport impact mitigation fund.**

Subd. 1. Creation. Establishes an airport impact mitigation fund in the state treasury, administered by the commissioner of trade and economic development.

Subd. 2. Annual appropriation. Requires the commissioner of children, families and learning to annually certify the state aid reductions resulting from the additions to school district tax bases in sections 2 and 3 and the treatment of the additional tax base in the general education aid formula in section 1. Appropriates the amount certified by the commissioner from the general fund to the mitigation fund on an annual basis, until the fund is terminated under subdivision 5.

Subd. 3. Use of revenues. Authorizes spending from the fund for the following purposes:

To pay principal and interest on obligations issued by a city under section 7

To pay costs incurred in implementing a mitigation plan, including costs of preparing the mitigation report and the mitigation plan

To pay a school district for decreases in student population caused by mitigation activities of a city, and

To pay expenses of the department of trade and economic development in administering sections 4 to 7 of this act.

Subd. 4. Payment provisions. Requires the commissioner to establish criteria for selecting activities to be financed from the fund and to identify priorities for funding by December 31, 2001.

Subd. 5. Termination of fund. Provides that the fund will be terminated when all costs payable from the fund have been paid or at the end of fiscal year 2030, whichever comes first.

7 **Bonds; security.**

Subd. 1. Terms. Provides that a city may issue obligations to pay the costs of implementing a mitigation plan. Provides that the obligations may be secured by abatements, the state airport impact mitigation fund, other revenues available to the city, or by the full faith and credit of the city. Provides that voter approval is not required and net debt limits do not apply to the obligations issued.

Subd. 2. Metropolitan area credit enhancement program. Allows the metropolitan council to establish an airport impact bond credit enhancement program. Provides that the council may pledge its full faith and credit and taxing powers to a city's obligations issued under this section under certain conditions. Provides that the council must levy a tax against all taxable property in the metropolitan area if there is a deficiency in revenues pledged to obligations covered under this subdivision. Provides that the city must reimburse the council for the advance to the extent that deficient revenues are later collected. Provides that any levy under this subdivision does not affect the amount or rate of taxes that may be levied by the council for other purposes.

8 **Application.** Provides that section 7 is effective in the seven counties of the metropolitan area.