

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 350
Version: As introduced

DATE: February 7, 2013

Authors: Simon and others

Subject: Special service districts, housing improvement areas, repeal of expiration date

Analyst: Deborah A. Dyson

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Makes permanent the authority of a city to establish a new special service district or a housing improvement area by repealing the sections of statute that provide for the authority to expire June 30, 2013.

A special service district (SSD) is “a defined area within the city where special services are rendered and the costs of the special services are paid from revenues collected from service charges imposed within that area.” Minn. Stat. § 428A.01, subd. 4. An SSD may be established anywhere in a city but only business property (i.e., commercial, industrial, utility, or land zoned for commercial or industrial use) will be subject to the service charge. SSDs are commonly used in areas with a concentration of retail stores.

A housing improvement area (HIA) is a defined area in a city in which housing improvements in condominium or townhome complexes may be financed with the assistance of the city, or the city’s economic development authority (EDA) or housing and redevelopment authority (HRA). An HIA is established only on the request of at least 50 percent of the owners of the housing units in the proposed area.

The general law authority for a city to establish a housing improvement area or a special service district was enacted in 1996 and provided for the authority to expire in 2001. The authority has been extended every four years since then.

For more information on city special service districts or housing improvement areas, see:

<http://www.house.leg.state.mn.us/hrd/pubs/cityssd.pdf>

<http://www.house.leg.state.mn.us/hrd/pubs/ss/sshia.pdf>