

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill authorizes cities to establish street improvement districts and impose fees for improvement and maintenance within the districts. Effective July 1, 2013.

#### Section

**1 Municipal street improvement districts.** Authorizes cities to establish a municipal street improvement district.

**Subd. 1. Definitions.** Defines terms used in the bill, including “improvements” and “maintenance.”

**Subd. 2. Authorization.** Permits a statutory or home rule charter city to establish by ordinance street improvement districts and defray part or all of the costs of improvements and maintenance with fees charged to all parcels in the district.

**Subd. 3. Uniformity.** Requires costs of street improvements and maintenance to be apportioned on all parcels or tracts of land in the district on a uniform basis within each real estate classification.

**Subd. 4. Adoption of plan.** Requires a plan, adopted after notice and public hearing, that identifies the district(s) before the fee may be imposed. Fees must be imposed for a period of at least 5 years and no more than 20 years.

**Subd. 5. Use of fees.** Requires fee revenues be put in a separate account and used only for projects in the district and identified in the plan.

**Section**

**Subd. 6. Collection; up to 20 years.** Provides that fees may be collected for no more than 20 years. Permits collection of unpaid fees as a special assessment.

**Subd. 7. Notice; hearings.** Requires a public hearing on the fee ordinance before it is voted on or adopted.

**Subd. 8. Not exclusive means of financing improvements.** Prohibits imposing special assessments for projects funded with the street improvement fee, but otherwise permits the city to use any other means of financing local street improvements or maintenance within the city.