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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-NINTH SESSION

**H. F. No. 922**

02/16/2015 Authored by Drazkowski and Lucero  
The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy  
03/16/2015 Adoption of Report: Re-referred to the Committee on State Government Finance  
03/26/2015 Adoption of Report: Amended and re-referred to the Committee on Education Finance

1.1 A bill for an act  
1.2 relating to local government; requiring local referenda related to spending to be  
1.3 conducted on the first Tuesday after the first Monday in November; amending  
1.4 Minnesota Statutes 2014, sections 123B.63, subdivision 3; 126C.17, subdivision  
1.5 9; 205.10, subdivision 1; 205A.05, subdivision 1; 216B.46; 237.19; 275.60;  
1.6 412.221, subdivision 2; 412.301; 426.19, subdivision 2; 447.045; 452.11; 455.24;  
1.7 455.29; 459.06, subdivision 1; 469.053, subdivision 5; 469.0724; 469.107,  
1.8 subdivision 2; 469.190, subdivisions 1, 5; 471.57, subdivision 3; 471.571,  
1.9 subdivision 3; 471.572, subdivisions 2, 4; 475.59; repealing Minnesota Statutes  
1.10 2014, sections 126C.17, subdivision 11; 205.10, subdivision 3.

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

1.12 Section 1. Minnesota Statutes 2014, section 123B.63, subdivision 3, is amended to read:

1.13 Subd. 3. **Capital project levy referendum.** (a) A district may levy the local tax  
1.14 rate approved by a majority of the electors voting on the question to provide funds for  
1.15 an approved project. The election must take place no more than five years before the  
1.16 estimated date of commencement of the project. The referendum ~~must~~ may be ~~held on~~  
1.17 ~~a date set by~~ called by the board and, except as provided in paragraph (g), must be held  
1.18 on the first Tuesday after the first Monday in November in either an even-numbered or  
1.19 odd-numbered year. A district must meet the requirements of section 123B.71 for projects  
1.20 funded under this section. If a review and comment is required under section 123B.71,  
1.21 subdivision 8, a referendum for a project not receiving a positive review and comment by  
1.22 the commissioner must be approved by at least 60 percent of the voters at the election.

1.23 (b) ~~The~~ A referendum may be called by the school board and under this subdivision  
1.24 may be held:

1.25 (1) separately, before an election for the issuance of obligations for the project  
1.26 under chapter 475; or

2.1 (2) in conjunction with an election for the issuance of obligations for the project  
2.2 under chapter 475; or

2.3 (3) notwithstanding section 475.59, as a conjunctive question authorizing both the  
2.4 capital project levy and the issuance of obligations for the project under chapter 475. Any  
2.5 obligations authorized for a project may be issued within five years of the date of the  
2.6 election.

2.7 (c) The ballot must provide a general description of the proposed project, state the  
2.8 estimated total cost of the project, state whether the project has received a positive or  
2.9 negative review and comment from the commissioner, state the maximum amount of the  
2.10 capital project levy as a percentage of net tax capacity, state the amount that will be raised  
2.11 by that local tax rate in the first year it is to be levied, and state the maximum number of  
2.12 years that the levy authorization will apply.

2.13 The ballot must contain a textual portion with the information required in this  
2.14 section and a question stating substantially the following:

2.15 "Shall the capital project levy proposed by the board of ..... School District  
2.16 No. .... be approved?"

2.17 If approved, the amount provided by the approved local tax rate applied to the net  
2.18 tax capacity for the year preceding the year the levy is certified may be certified for the  
2.19 number of years, not to exceed ten, approved.

2.20 (d) If the district proposes a new capital project to begin at the time the existing  
2.21 capital project expires and at the same maximum tax rate, the general description on the  
2.22 ballot may state that the capital project levy is being renewed and that the tax rate is not  
2.23 being increased from the previous year's rate. An election to renew authority under this  
2.24 paragraph may be called at any time that is otherwise authorized by this subdivision. The  
2.25 ballot notice required under section 275.60 may be modified to read:

2.26 "BY VOTING YES ON THIS BALLOT QUESTION, YOU ARE VOTING  
2.27 TO RENEW AN EXISTING CAPITAL PROJECTS REFERENDUM THAT IS  
2.28 SCHEDULED TO EXPIRE."

2.29 (e) In the event a conjunctive question proposes to authorize both the capital project  
2.30 levy and the issuance of obligations for the project, appropriate language authorizing the  
2.31 issuance of obligations must also be included in the question.

2.32 (f) The district must notify the commissioner of the results of the referendum.

2.33 (g) Notwithstanding paragraph (a), a referendum to levy the amount needed to  
2.34 finance a district's response to a disaster or emergency may be held on a date set by the  
2.35 board. "Disaster" means a situation that creates an actual or imminent serious threat to  
2.36 the health and safety of persons or a situation that has resulted or is likely to result in

3.1 catastrophic loss to property or the environment. "Emergency" means an unforeseen  
3.2 combination of circumstances that calls for immediate action to prevent a disaster from  
3.3 developing or occurring.

3.4 Sec. 2. Minnesota Statutes 2014, section 126C.17, subdivision 9, is amended to read:

3.5 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
3.6 subdivision 1, may be increased in the amount approved by the voters of the district  
3.7 at a referendum called for the purpose. The referendum may be called by the board.  
3.8 The referendum must be conducted one or two calendar years before the increased levy  
3.9 authority, if approved, first becomes payable. Only one election to approve an increase  
3.10 may be held in a calendar year. ~~Unless the referendum is conducted by mail under~~  
3.11 ~~subdivision 11, paragraph (a),~~ The referendum must be held on the first Tuesday after the  
3.12 first Monday in November. The ballot must state the maximum amount of the increased  
3.13 revenue per adjusted pupil unit. The ballot may state a schedule, determined by the board,  
3.14 of increased revenue per adjusted pupil unit that differs from year to year over the number  
3.15 of years for which the increased revenue is authorized or may state that the amount shall  
3.16 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the  
3.17 annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may  
3.18 state that existing referendum levy authority is expiring. In this case, the ballot may also  
3.19 compare the proposed levy authority to the existing expiring levy authority, and express  
3.20 the proposed increase as the amount, if any, over the expiring referendum levy authority.  
3.21 The ballot must designate the specific number of years, not to exceed ten, for which the  
3.22 referendum authorization applies. The ballot, including a ballot on the question to revoke  
3.23 or reduce the increased revenue amount under paragraph (c), must abbreviate the term  
3.24 "per adjusted pupil unit" as "per pupil." The notice required under section 275.60 may  
3.25 be modified to read, in cases of renewing existing levies at the same amount per pupil  
3.26 as in the previous year:

3.27 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING  
3.28 TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS  
3.29 SCHEDULED TO EXPIRE."

3.30 The ballot may contain a textual portion with the information required in this  
3.31 subdivision and a question stating substantially the following:

3.32 "Shall the increase in the revenue proposed by (petition to) the board of .....,  
3.33 School District No. ..., be approved?"

3.34 If approved, an amount equal to the approved revenue per adjusted pupil unit times  
3.35 the adjusted pupil units for the school year beginning in the year after the levy is certified

4.1 shall be authorized for certification for the number of years approved, if applicable, or  
4.2 until revoked or reduced by the voters of the district at a subsequent referendum.

4.3 (b) The board must prepare and deliver by first class mail at least 15 days but no more  
4.4 than 30 days before the day of the referendum to each taxpayer a notice of the referendum  
4.5 and the proposed revenue increase. The board need not mail more than one notice to any  
4.6 taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be  
4.7 those shown to be owners on the records of the county auditor or, in any county where  
4.8 tax statements are mailed by the county treasurer, on the records of the county treasurer.  
4.9 Every property owner whose name does not appear on the records of the county auditor  
4.10 or the county treasurer is deemed to have waived this mailed notice unless the owner  
4.11 has requested in writing that the county auditor or county treasurer, as the case may be,  
4.12 include the name on the records for this purpose. The notice must project the anticipated  
4.13 amount of tax increase in annual dollars for typical residential homesteads, agricultural  
4.14 homesteads, apartments, and commercial-industrial property within the school district.

4.15 The notice for a referendum may state that an existing referendum levy is expiring  
4.16 and project the anticipated amount of increase over the existing referendum levy in  
4.17 the first year, if any, in annual dollars for typical residential homesteads, agricultural  
4.18 homesteads, apartments, and commercial-industrial property within the district.

4.19 The notice must include the following statement: "Passage of this referendum will  
4.20 result in an increase in your property taxes." However, in cases of renewing existing levies,  
4.21 the notice may include the following statement: "Passage of this referendum extends an  
4.22 existing operating referendum at the same amount per pupil as in the previous year."

4.23 (c) A referendum on the question of revoking or reducing the increased revenue  
4.24 amount authorized pursuant to paragraph (a) may be called by the board. A referendum to  
4.25 revoke or reduce the revenue amount must state the amount per adjusted pupil unit by  
4.26 which the authority is to be reduced. Revenue authority approved by the voters of the  
4.27 district pursuant to paragraph (a) must be available to the school district at least once  
4.28 before it is subject to a referendum on its revocation or reduction for subsequent years.  
4.29 Only one revocation or reduction referendum may be held to revoke or reduce referendum  
4.30 revenue for any specific year and for years thereafter.

4.31 (d) The approval of 50 percent plus one of those voting on the question is required to  
4.32 pass a referendum authorized by this subdivision.

4.33 (e) At least 15 days before the day of the referendum, the district must submit a  
4.34 copy of the notice required under paragraph (b) to the commissioner and to the county  
4.35 auditor of each county in which the district is located. Within 15 days after the results  
4.36 of the referendum have been certified by the board, or in the case of a recount, the

5.1 certification of the results of the recount by the canvassing board, the district must notify  
5.2 the commissioner of the results of the referendum.

5.3 Sec. 3. Minnesota Statutes 2014, section 205.10, subdivision 1, is amended to read:

5.4 Subdivision 1. **Questions.** Special elections may be held in a city or town on a  
5.5 question on which the voters are authorized by law or charter to pass judgment. A special  
5.6 election on a question may only be held on the first Tuesday after the first Monday in  
5.7 November in either an even-numbered or odd-numbered year. A special election may be  
5.8 ordered by the governing body of the municipality on its own motion or, on a question  
5.9 that has not been submitted to the voters in an election within the previous six months,  
5.10 upon a petition signed by a number of voters equal to 20 percent of the votes cast at the  
5.11 last municipal general election. A question is carried only with the majority in its favor  
5.12 required by law or charter. The election officials for a special election shall be the same as  
5.13 for the most recent municipal general election unless changed according to law. Otherwise  
5.14 special elections shall be conducted and the returns made in the manner provided for  
5.15 the municipal general election.

5.16 Sec. 4. Minnesota Statutes 2014, section 205A.05, subdivision 1, is amended to read:

5.17 Subdivision 1. **Questions.** ~~(a)~~ Special elections must be held for a school district  
5.18 on a question on which the voters are authorized by law to pass judgment. The special  
5.19 election on a question may only be held on the first Tuesday after the first Monday in  
5.20 November of either an even-numbered or odd-numbered year. The school board may on  
5.21 its own motion call a special election to vote on any matter requiring approval of the voters  
5.22 of a district. Upon petition filed with the school board of 50 or more voters of the school  
5.23 district or five percent of the number of voters voting at the preceding school district  
5.24 general election, whichever is greater, the school board shall by resolution call a special  
5.25 election to vote on any matter requiring approval of the voters of a district. A question  
5.26 is carried only with the majority in its favor required by law. The election officials for a  
5.27 special election are the same as for the most recent school district general election unless  
5.28 changed according to law. Otherwise, special elections must be conducted and the returns  
5.29 made in the manner provided for the school district general election.

5.30 ~~(b) A special election may not be held:~~

5.31 ~~(1) during the 56 days before and the 56 days after a regularly scheduled primary or~~  
5.32 ~~general election conducted wholly or partially within the school district;~~

5.33 ~~(2) on the date of a regularly scheduled town election in March conducted wholly~~  
5.34 ~~or partially within the school district; or~~

6.1 ~~(3) during the 30 days before or the 30 days after a regularly scheduled town election~~  
6.2 ~~in March conducted wholly or partially within the school district.~~

6.3 ~~(e) Notwithstanding any other law to the contrary, the time period in which a special~~  
6.4 ~~election must be conducted under any other law may be extended by the school board to~~  
6.5 ~~conform with the requirements of this subdivision.~~

6.6 Sec. 5. Minnesota Statutes 2014, section 216B.46, is amended to read:

6.7 **216B.46 MUNICIPAL ACQUISITION PROCEDURES; NOTICE;**  
6.8 **ELECTION.**

6.9 Any municipality which desires to acquire the property of a public utility as  
6.10 authorized under the provisions of section 216B.45 may determine to do so by resolution of  
6.11 the governing body of the municipality taken after a public hearing of which at least 30 days'  
6.12 published notice shall be given as determined by the governing body. The determination  
6.13 shall become effective when ratified by a majority of the qualified electors voting on the  
6.14 question at a special election to be held for that purpose, ~~not less than 60 nor more than~~  
6.15 ~~120 days after the resolution of the governing body of the municipality~~ on the first Tuesday  
6.16 after the first Monday in November in either an even-numbered or odd-numbered year.

6.17 Sec. 6. Minnesota Statutes 2014, section 237.19, is amended to read:

6.18 **237.19 MUNICIPAL TELECOMMUNICATIONS SERVICES.**

6.19 Any municipality shall have the right to own and operate a telephone exchange  
6.20 within its own borders, subject to the provisions of this chapter. It may construct such  
6.21 plant, or purchase an existing plant by agreement with the owner, or where it cannot  
6.22 agree with the owner on price, it may acquire an existing plant by condemnation, as  
6.23 hereinafter provided, but in no case shall a municipality construct or purchase such a  
6.24 plant or proceed to acquire an existing plant by condemnation until such action by it  
6.25 is authorized by a majority of the electors voting upon the proposition at a ~~general~~ an  
6.26 election or a special election called for that purpose held on the first Tuesday after the  
6.27 first Monday in November in either an even-numbered or odd-numbered year, and if the  
6.28 proposal is to construct a new exchange where an exchange already exists, it shall not  
6.29 be authorized to do so unless 65 percent of those voting thereon vote in favor of the  
6.30 undertaking. A municipality that owns and operates a telephone exchange may enter into  
6.31 a joint venture as a partner or shareholder with a telecommunications organization to  
6.32 provide telecommunications services within its service area.

7.1 Sec. 7. Minnesota Statutes 2014, section 275.60, is amended to read:

7.2 **275.60 LEVY OR BOND REFERENDUM; BALLOT NOTICE.**

7.3 (a) Notwithstanding any general or special law or any charter provisions, but subject  
7.4 to section 126C.17, subdivision 9, any question submitted to the voters by any local  
7.5 governmental subdivision at a ~~general or special~~ an election after ~~June 8, 1995~~ June 30,  
7.6 2015, authorizing a property tax levy or tax rate increase, including the issuance of debt  
7.7 obligations payable in whole or in part from property taxes, must include on the ballot the  
7.8 following notice in boldface type:

7.9 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR  
7.10 A PROPERTY TAX INCREASE."

7.11 (b) For purposes of this section and section 275.61, "local governmental subdivision"  
7.12 includes counties, home rule and statutory cities, towns, school districts, and all special  
7.13 taxing districts. This statement is in addition to any general or special laws or any charter  
7.14 provisions that govern the contents of a ballot question and, in the case of a question  
7.15 on the issuance of debt obligations, may be supplemented by a description of revenues  
7.16 pledged to payment of the obligations that are intended as the primary source of payment.

7.17 (c) An election under this section must be held on the first Tuesday after the first  
7.18 Monday in November of either an even-numbered or odd-numbered year. This paragraph  
7.19 does not apply to an election on levying a tax or issuing debt obligations to finance the  
7.20 local government's response to a disaster or emergency. An election for these purposes  
7.21 may be held on a date set by the governing body. "Disaster" means a situation that creates  
7.22 an actual or imminent serious threat to the health and safety of persons or a situation that  
7.23 has resulted or is likely to result in catastrophic loss to property or the environment.  
7.24 "Emergency" means an unforeseen combination of circumstances that calls for immediate  
7.25 action to prevent a disaster from developing or occurring.

7.26 ~~(e)~~ (d) This section does not apply to a school district bond election if the debt  
7.27 service payments are to be made entirely from transfers of revenue from the capital fund  
7.28 to the debt service fund.

7.29 Sec. 8. Minnesota Statutes 2014, section 412.221, subdivision 2, is amended to read:

7.30 Subd. 2. **Contracts.** The council shall have power to make such contracts as may be  
7.31 deemed necessary or desirable to make effective any power possessed by the council. The  
7.32 city may purchase personal property through a conditional sales contract and real property  
7.33 through a contract for deed under which contracts the seller is confined to the remedy of  
7.34 recovery of the property in case of nonpayment of all or part of the purchase price, which  
7.35 shall be payable over a period of not to exceed five years. When the contract price of

8.1 property to be purchased by contract for deed or conditional sales contract exceeds 0.24177  
8.2 percent of the estimated market value of the city, the city may not enter into such a contract  
8.3 for at least ten days after publication in the official newspaper of a council resolution  
8.4 determining to purchase property by such a contract; and, if before the end of that time a  
8.5 petition asking for an election on the proposition signed by voters equal to ten percent of  
8.6 the number of voters at the last regular city election is filed with the clerk, the city may  
8.7 not enter into such a contract until the proposition has been approved by a majority of the  
8.8 votes cast on the question at ~~a regular or special~~ an election held on the first Tuesday after  
8.9 the first Monday in November of either an even-numbered or odd-numbered year.

8.10 Sec. 9. Minnesota Statutes 2014, section 412.301, is amended to read:

8.11 **412.301 FINANCING PURCHASE OF CERTAIN EQUIPMENT.**

8.12 (a) The council may issue certificates of indebtedness or capital notes subject to the  
8.13 city debt limits to purchase capital equipment.

8.14 (b) For purposes of this section, "capital equipment" means:

8.15 (1) public safety equipment, ambulance and other medical equipment, road  
8.16 construction and maintenance equipment, and other capital equipment; and

8.17 (2) computer hardware and software, whether bundled with machinery or equipment  
8.18 or unbundled, together with application development services and training related to the  
8.19 use of the computer hardware or software.

8.20 (c) The equipment or software must have an expected useful life at least as long as  
8.21 the terms of the certificates or notes.

8.22 (d) Such certificates or notes shall be payable in not more than ten years and shall be  
8.23 issued on such terms and in such manner as the council may determine.

8.24 (e) If the amount of the certificates or notes to be issued to finance any such purchase  
8.25 exceeds 0.25 percent of the estimated market value of taxable property in the city, they shall  
8.26 not be issued for at least ten days after publication in the official newspaper of a council  
8.27 resolution determining to issue them; and if before the end of that time, a petition asking  
8.28 for an election on the proposition signed by voters equal to ten percent of the number of  
8.29 voters at the last regular municipal election is filed with the clerk, such certificates or notes  
8.30 shall not be issued until the proposition of their issuance has been approved by a majority  
8.31 of the votes cast on the question at ~~a regular or special~~ an election held on the first Tuesday  
8.32 after the first Monday in November of either an even-numbered or odd-numbered year.

8.33 (f) A tax levy shall be made for the payment of the principal and interest on such  
8.34 certificates or notes, in accordance with section 475.61, as in the case of bonds.

9.1 Sec. 10. Minnesota Statutes 2014, section 426.19, subdivision 2, is amended to read:

9.2 Subd. 2. **Referendum in certain cases.** Before the pledge of any such revenues to  
9.3 the payment of any such bonds, warrants or certificates of indebtedness, except bonds,  
9.4 warrants or certificates of indebtedness to construct, reconstruct, enlarge or equip a  
9.5 municipal liquor store shall be made, the governing body shall submit to the voters of the  
9.6 city the question of whether such revenues shall be so pledged and such pledge shall not  
9.7 be binding on the city until it shall have been approved by a majority of the voters voting  
9.8 on the question at ~~either a general~~ an election ~~or special election called for that purpose~~  
9.9 held on the first Tuesday after the first Monday in November of either an even-numbered  
9.10 or odd-numbered year. No election shall be required for pledge of such revenues for  
9.11 payment of bonds, warrants or certificates of indebtedness to construct, reconstruct,  
9.12 enlarge or equip a municipal liquor store.

9.13 Sec. 11. Minnesota Statutes 2014, section 447.045, is amended to read:

9.14 **447.045 LIQUOR DISPENSARY FUND, COMMUNITY HOSPITAL**  
9.15 **APPROPRIATION.**

9.16 Subdivision 1. **Home rule charter city, fourth class.** If a home rule charter city  
9.17 of the fourth class operates an off-sale municipal liquor dispensary, its council may  
9.18 appropriate not more than \$125,000 from the liquor dispensary fund to an incorporated  
9.19 nonprofit hospital association to build a community hospital in the city. The hospital must  
9.20 be governed by a board including two or more members of the city council and be open  
9.21 to all residents of the city on equal terms. The council must not appropriate the money  
9.22 unless the average net earnings of the off-sale municipal liquor dispensary have exceeded  
9.23 \$18,000 for the last five completed fiscal years before the date of the appropriation.

9.24 Subd. 2. **Statutory city; on-sale and off-sale store.** If the voters of a statutory city  
9.25 operating an on-sale and off-sale municipal liquor store, at a ~~general or special~~ an election  
9.26 held on the first Tuesday after the first Monday in November of either an even-numbered  
9.27 or odd-numbered year, vote in favor of contributing from its liquor dispensary fund  
9.28 toward the construction of a community hospital, the city council may appropriate not  
9.29 more than \$60,000 from the fund to any incorporated nonprofit hospital association to  
9.30 build a community hospital in the statutory city. The hospital must be governed by a board  
9.31 including two or more members of the statutory city council and be open to all residents of  
9.32 the statutory city on equal terms. This appropriation must not exceed one-half the total  
9.33 cost of construction of the hospital. The council must not appropriate the money unless  
9.34 the average net earnings of the on-sale and off-sale municipal liquor store have been at  
9.35 least \$10,000 for the last five completed fiscal years before the date of the appropriation.

10.1 Subd. 3. **Statutory city; off-sale or on- and off-sale store.** (a) If a statutory  
10.2 city operates an off-sale, or an on- and off-sale municipal liquor store it may provide  
10.3 for a vote at ~~a general or special~~ an election held on the first Tuesday after the first  
10.4 Monday in November of either an even-numbered or odd-numbered year on the question  
10.5 of contributing from the city liquor dispensary fund to build, maintain, and operate a  
10.6 community hospital. If the vote is in favor, the city council may appropriate money  
10.7 from the fund to an incorporated hospital association for a period of four years. The  
10.8 appropriation must be from the net profits or proceeds of the municipal liquor store. It  
10.9 must not exceed \$4,000 a year for hospital construction and maintenance or \$1,000 a year  
10.10 for operation. The hospital must be open to all residents of the community on equal terms.

10.11 (b) The council must not appropriate the money unless the average net earnings of  
10.12 the off-sale, or on- and off-sale municipal liquor store have been at least \$8,000 for the last  
10.13 two completed years before the date of the appropriation.

10.14 Subd. 4. **Fourth class city operating store.** If a city of the fourth class operates a  
10.15 municipal liquor store, it may provide for a vote at ~~a general or special~~ an election held  
10.16 on the first Tuesday after the first Monday in November of either an even-numbered  
10.17 or odd-numbered year on the question of contributing from the profit in the city liquor  
10.18 dispensary fund to build, equip, and maintain a community hospital within the city  
10.19 limits. If the vote is in favor, the city council may appropriate not more than \$200,000  
10.20 from profits in the fund for the purpose. The hospital must be open to all residents of  
10.21 the city on equal terms.

10.22 The city may issue certificates of indebtedness in anticipation of and payable only  
10.23 from profits from the operation of municipal liquor stores.

10.24 Subd. 5. **Statutory city; appropriation to hospital association.** (a) The council  
10.25 of a statutory city operating a municipal liquor store may appropriate funds from the  
10.26 store's net earnings annually to any incorporated nonprofit hospital association to help  
10.27 maintain and operate the hospital. The appropriation must not exceed 50 percent of the  
10.28 store's net earnings. Money may be appropriated if: (1) the hospital is governed by a  
10.29 board of directors including two or more members of the statutory city council; (2) the  
10.30 hospital grounds and buildings are owned by the municipality and leased to the hospital  
10.31 association; and (3) the hospital is open to all residents of the statutory city on equal terms.

10.32 (b) The council must not appropriate the money unless the average net earnings of  
10.33 the municipal liquor store has been at least \$8,000 for the last five completed fiscal years  
10.34 before the date of the appropriation.

10.35 Subd. 6. **Statutory city; fourth class.** If a fourth class statutory city operates a  
10.36 municipal liquor store, it may provide for a vote at ~~a general or special~~ an election held

11.1 on the first Tuesday after the first Monday in November of either an even-numbered  
 11.2 or odd-numbered year on the question of contributing from the city liquor dispensary  
 11.3 fund not more than \$15,000 a year for five years to build and maintain a community  
 11.4 hospital. If the vote is in favor the council may appropriate the money from the fund to an  
 11.5 incorporated community hospital association in the city.

11.6 Subd. 7. **Statutory city; any store.** If a statutory city operates a municipal liquor  
 11.7 store, it may provide for a vote at ~~a general or special~~ an election held on the first Tuesday  
 11.8 after the first Monday in November of either an even-numbered or odd-numbered year  
 11.9 on the question of contributing from the statutory city liquor dispensary fund toward the  
 11.10 acquisition, construction, improvement, maintenance, and operation of a community  
 11.11 hospital. If the vote is in favor, the council may appropriate money from time to time out  
 11.12 of the net profits or proceeds of the municipal liquor store to an incorporated nonprofit  
 11.13 hospital association in the statutory city. The hospital association must be governed by a  
 11.14 board of directors elected by donors of \$50 or more, who each have one vote. The hospital  
 11.15 must be open to all residents of the community on equal terms.

11.16 Sec. 12. Minnesota Statutes 2014, section 452.11, is amended to read:

11.17 **452.11 SUBMISSION TO VOTERS.**

11.18 No city of the first class shall acquire or construct any public utility under the terms  
 11.19 of sections 452.08 to 452.13 unless the proposition to acquire or construct same has  
 11.20 first been submitted to the qualified electors of the city at a ~~general~~ city election ~~or at a~~  
 11.21 ~~special election called for that purpose,~~ held on the first Tuesday after the first Monday in  
 11.22 November of either an even-numbered or odd-numbered year and has been approved by a  
 11.23 majority vote of all electors voting upon the proposition.

11.24 The question of issuing public utility certificates as provided in section 452.09  
 11.25 may, at the option of the council, be submitted at the same election as the question of the  
 11.26 acquisition or construction of the public utility.

11.27 Sec. 13. Minnesota Statutes 2014, section 455.24, is amended to read:

11.28 **455.24 SUBMISSION TO VOTERS.**

11.29 Before incurring any expense under the powers conferred by section 455.23, the  
 11.30 approval of the voters of the city shall first be had at ~~a general or special~~ an election  
 11.31 ~~held therein~~ on the first Tuesday after the first Monday in November of either an  
 11.32 even-numbered or odd-numbered year. If a majority of the voters of the city participating  
 11.33 at the election shall vote in favor of the construction of the system of poles, wires and  
 11.34 cables herein authorized to be made, the council shall proceed with the construction.

12.1 Sec. 14. Minnesota Statutes 2014, section 455.29, is amended to read:

12.2 **455.29 MUNICIPALITIES MAY EXTEND ELECTRIC SERVICE.**

12.3 Except as otherwise restricted by chapter 216B, the governing body, or the  
 12.4 commission or board charged with the operation of the public utilities, if one exists  
 12.5 therein, of any municipality in the state owning and operating an electric light and power  
 12.6 plant for the purpose of the manufacture and sale of electrical power or for the purchase  
 12.7 and redistribution of electrical power, may, upon a two-thirds vote of the governing  
 12.8 body, or the commission or board, in addition to all other powers now possessed by  
 12.9 such municipality, sell electricity to customers, singly or collectively, outside of such  
 12.10 municipality, within the state but not to exceed a distance of 30 miles from the corporate  
 12.11 limits of the municipality. Before any municipality shall have the power to extend its  
 12.12 lines and sell electricity outside of the municipality as provided by sections 455.29 and  
 12.13 455.30, the governing body shall first submit to the voters of the municipality, at a ~~general~~  
 12.14 ~~or special~~ an election held on the first Tuesday after the first Monday in November of  
 12.15 either an even-numbered or odd-numbered year, the general principle of going outside the  
 12.16 municipality and fixing the maximum amount of contemplated expenditures reasonably  
 12.17 expected to be made for any and all extensions then or thereafter contemplated. Three  
 12.18 weeks' published notice shall be given of such election as required by law, and if a  
 12.19 majority of those voting upon the proposition favors the same, then the municipality shall  
 12.20 thereafter be considered as having chosen to enter the general business of extending  
 12.21 its electric light and power facilities beyond the corporate limits of the municipality.  
 12.22 It shall not be necessary to submit to a vote of the people the question of any specific  
 12.23 enlargement, extension, or improvement of any outside lines; provided the voters of  
 12.24 the municipality have generally elected to exercise the privileges afforded by sections  
 12.25 455.29 and 455.30, and, provided, that each and any specific extension, enlargement, or  
 12.26 improvement project is within the limit of the maximum expenditure authorized at the  
 12.27 election. In cities operating under a home rule charter, where a vote of the people is not  
 12.28 now required in order to extend electric light and power lines, no election shall be required  
 12.29 under the provisions of any act. At any election held to determine the attitude of the  
 12.30 voters upon this principle, the question shall be simply stated upon the ballot provided  
 12.31 therefor, and shall be substantially in the following form: "Shall the city of .....  
 12.32 undertake the general proposition of extending its electric light and power lines beyond  
 12.33 the limits of the municipality, and limit the maximum expenditures for any and all future  
 12.34 extensions to the sum of \$.....?" For this purpose every municipality is authorized  
 12.35 and empowered to extend the lines, wires, and fixtures of its plant to such customers and  
 12.36 may issue certificates of indebtedness therefor in an amount not to exceed the actual cost

13.1 of the extensions and for a term not to exceed the reasonable life of the extensions. These  
13.2 certificates of indebtedness shall in no case be made a charge against the municipality, but  
13.3 shall be payable and paid out of current revenues of the plant other than taxes.

13.4 Sec. 15. Minnesota Statutes 2014, section 459.06, subdivision 1, is amended to read:

13.5 Subdivision 1. **Accept donations.** Any county, city, or town may by resolution of  
13.6 its governing body accept donations of land that the governing body deems to be better  
13.7 adapted for the production of timber and wood than for any other purpose, for a forest, and  
13.8 may manage it on forestry principles. The donor of not less than 100 acres of any such  
13.9 land shall be entitled to have the land perpetually bear the donor's name. The governing  
13.10 body of any city or town, when funds are available or have been levied therefor, may,  
13.11 when authorized by a majority vote by ballot of the voters voting at any ~~general or special~~  
13.12 city election held on the first Tuesday after the first Monday in November of either an  
13.13 even-numbered or odd-numbered year or the annual town meeting where the question is  
13.14 properly submitted, purchase or obtain by condemnation proceedings, and preferably at the  
13.15 sources of streams, any tract of land for a forest which is better adapted for the production  
13.16 of timber and wood than for any other purpose, and which is conveniently located for the  
13.17 purpose, and manage it on forestry principles. The city or town may annually levy a tax  
13.18 on all taxable property within its boundaries to procure and maintain such forests.

13.19 Sec. 16. Minnesota Statutes 2014, section 469.053, subdivision 5, is amended to read:

13.20 Subd. 5. **Reverse referendum.** A city may increase its levy for port authority  
13.21 purposes under subdivision 4 only as provided in this subdivision. Its city council must  
13.22 first pass a resolution stating the proposed amount of levy increase. The city must then  
13.23 publish the resolution together with a notice of public hearing on the resolution for  
13.24 two successive weeks in its official newspaper or, if none exists, in a newspaper of  
13.25 general circulation in the city. The hearing must be held two to four weeks after the  
13.26 first publication. After the hearing, the city council may decide to take no action or may  
13.27 adopt a resolution authorizing the proposed increase or a lesser increase. A resolution  
13.28 authorizing an increase must be published in the city's official newspaper or, if none  
13.29 exists, in a newspaper of general circulation in the city. The resolution is not effective if a  
13.30 petition requesting a referendum on the resolution is filed with the city clerk within 30  
13.31 days of publication of the resolution. The petition must be signed by voters equaling five  
13.32 percent of the votes cast in the city in the last general election. The resolution is effective  
13.33 if approved by a majority of those voting on the question. The commissioner of revenue  
13.34 shall prepare a suggested form of referendum question. The referendum must be held at a

14.1 ~~special or general~~ an election before October 1 of the year for which the levy increase is  
14.2 ~~proposed~~ conducted on the first Tuesday after the first Monday in November of either an  
14.3 even-numbered or odd-numbered year. If approved by the voters, the levy increase may  
14.4 take effect no sooner than the next calendar year.

14.5 Sec. 17. Minnesota Statutes 2014, section 469.0724, is amended to read:

14.6 **469.0724 GENERAL OBLIGATION BONDS.**

14.7 The port authority of Cannon Falls or Redwood Falls must not proceed with the sale  
14.8 of general obligation tax-supported bonds until the city council by resolution approves the  
14.9 proposed issuance. The resolution must be published in the official newspaper. If, within  
14.10 30 days after the publication, a petition signed by voters equal in number to ten percent of  
14.11 the number of voters at the last regular city election is filed with the city clerk, the city  
14.12 and port authority must not issue the general obligation tax-supported bonds until the  
14.13 proposition has been approved by a majority of the votes cast on the question at ~~a regular~~  
14.14 ~~or special~~ an election held on the first Tuesday after the first Monday in November of  
14.15 either an even-numbered or odd-numbered year.

14.16 **EFFECTIVE DATE.** This section is effective for the city of Cannon Falls and the  
14.17 city of Redwood Falls the day after the governing body and chief clerical officer of the  
14.18 city timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

14.19 Sec. 18. Minnesota Statutes 2014, section 469.107, subdivision 2, is amended to read:

14.20 Subd. 2. **Reverse referendum.** A city may increase its levy for economic  
14.21 development authority purposes under subdivision 1 in the following way. Its city council  
14.22 must first pass a resolution stating the proposed amount of levy increase. The city must  
14.23 then publish the resolution together with a notice of public hearing on the resolution  
14.24 for two successive weeks in its official newspaper or if none exists in a newspaper of  
14.25 general circulation in the city. The hearing must be held two to four weeks after the  
14.26 first publication. After the hearing, the city council may decide to take no action or may  
14.27 adopt a resolution authorizing the proposed increase or a lesser increase. A resolution  
14.28 authorizing an increase must be published in the city's official newspaper or if none exists  
14.29 in a newspaper of general circulation in the city. The resolution is not effective if a petition  
14.30 requesting a referendum on the resolution is filed with the city clerk within 30 days of  
14.31 publication of the resolution. The petition must be signed by voters equaling five percent  
14.32 of the votes cast in the city in the last general election. The election must be held at a  
14.33 ~~general or special~~ an election held on the first Tuesday after the first Monday in November

15.1 of either an even-numbered or odd-numbered year. Notice of the election must be given in  
15.2 the manner required by law. The notice must state the purpose and amount of the levy.

15.3 Sec. 19. Minnesota Statutes 2014, section 469.190, subdivision 1, is amended to read:

15.4 Subdivision 1. **Authorization.** Notwithstanding section 477A.016 or any other law,  
15.5 a statutory or home rule charter city may by ordinance, and a town may by the affirmative  
15.6 vote of the electors at the annual town meeting, ~~or at a special town meeting,~~ impose a  
15.7 tax of up to three percent on the gross receipts from the furnishing for consideration of  
15.8 lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or  
15.9 leasing of it for a continuous period of 30 days or more. A statutory or home rule charter  
15.10 city may by ordinance impose the tax authorized under this subdivision on the camping  
15.11 site receipts of a municipal campground.

15.12 Sec. 20. Minnesota Statutes 2014, section 469.190, subdivision 5, is amended to read:

15.13 Subd. 5. **Reverse referendum.** If the county board passes a resolution under  
15.14 subdivision 4 to impose the tax, the resolution must be published for two successive  
15.15 weeks in a newspaper of general circulation within the unorganized territory, together with  
15.16 a notice fixing a date for a public hearing on the proposed tax.

15.17 The hearing must be held not less than two weeks nor more than four weeks after the  
15.18 first publication of the notice. After the public hearing, the county board may determine to  
15.19 take no further action, or may adopt a resolution authorizing the tax as originally proposed  
15.20 or approving a lesser rate of tax. The resolution must be published in a newspaper of  
15.21 general circulation within the unorganized territory. The voters of the unorganized  
15.22 territory may request a referendum on the proposed tax by filing a petition with the county  
15.23 auditor within 30 days after the resolution is published. The petition must be signed by  
15.24 voters who reside in the unorganized territory. The number of signatures must equal at  
15.25 least five percent of the number of persons voting in the unorganized territory in the last  
15.26 general election. If such a petition is timely filed, the resolution is not effective until it  
15.27 has been submitted to the voters residing in the unorganized territory at a ~~general or~~  
15.28 ~~special~~ an election held on the first Tuesday after the first Monday in November of either  
15.29 an even-numbered or odd-numbered year and a majority of votes cast on the question of  
15.30 approving the resolution are in the affirmative. The commissioner of revenue shall prepare  
15.31 a suggested form of question to be presented at the referendum.

15.32 Sec. 21. Minnesota Statutes 2014, section 471.57, subdivision 3, is amended to read:

16.1 Subd. 3. **May use fund for other purposes upon vote.** The council of any  
16.2 municipality which has established a public works reserve fund by an ordinance  
16.3 designating the specific improvement or type of capital improvement for which the  
16.4 fund may be used may submit to the voters of the municipality at ~~any regular or special~~  
16.5 an election held on the first Tuesday after the first Monday in November of either an  
16.6 even-numbered or odd-numbered year the question of using the fund for some other  
16.7 purpose. If a majority of the votes cast on the question are in favor of such diversion from  
16.8 the original purpose of the fund, it may be used for any purpose so approved by the voters.

16.9 Sec. 22. Minnesota Statutes 2014, section 471.571, subdivision 3, is amended to read:

16.10 Subd. 3. **Expenditure from fund, limitation.** No expenditure for any one project in  
16.11 excess of 60 percent of one year's levy or \$25,000, whichever is greater, may be made  
16.12 from such permanent improvement or replacement fund in any year without first obtaining  
16.13 the approval of a majority of the voters voting at a ~~general or special~~ municipal election  
16.14 held on the first Tuesday after the first Monday in November of either an even-numbered  
16.15 or odd-numbered year at which the question of making such expenditure has been  
16.16 submitted. In submitting any proposal to the voters for approval, the amount proposed to  
16.17 be spent and the purpose thereof shall be stated in the proposal submitted. The proceeds  
16.18 of such levies may be pledged for the payment of any bonds issued pursuant to law for  
16.19 any purposes authorized hereby and annual payments upon such bonds or interest may  
16.20 be made without additional authorization.

16.21 Sec. 23. Minnesota Statutes 2014, section 471.572, subdivision 2, is amended to read:

16.22 Subd. 2. **Tax levy.** The governing body of a city may establish, by a two-thirds vote  
16.23 of all its members, by ordinance or resolution a reserve fund and may annually levy a  
16.24 property tax for the support of the fund. The proceeds of taxes levied for its support must  
16.25 be paid into the reserve fund. Any other revenue from a source not required by law to be  
16.26 paid into another fund for purposes other than those provided for the use of the reserve  
16.27 fund may be paid into the fund. Before a tax is levied under this section, the city must  
16.28 publish in the official newspaper of the city an initial resolution authorizing the tax levy. If  
16.29 within ten days after the publication a petition is filed with the city clerk requesting an  
16.30 election on the tax levy signed by a number of qualified voters greater than ten percent of  
16.31 the number who voted in the city at the last general election, the tax may not be levied  
16.32 until the levy has been approved by a majority of the votes cast on it at a ~~regular or special~~  
16.33 an election held on the first Tuesday after the first Monday in November of either an  
16.34 even-numbered or odd-numbered year.

17.1 Sec. 24. Minnesota Statutes 2014, section 471.572, subdivision 4, is amended to read:

17.2 Subd. 4. **Use of fund for a specific purpose.** If the city has established a reserve  
 17.3 fund, it may submit to the voters at ~~a regular or special~~ an election held on the first  
 17.4 Tuesday after the first Monday in November of either an even-numbered or odd-numbered  
 17.5 year the question of whether use of the fund should be restricted to a specific improvement  
 17.6 or type of capital improvement. If a majority of the votes cast on the question are in  
 17.7 favor of the limitation on the use of the reserve fund, it may be used only for the purpose  
 17.8 approved by the voters.

17.9 Sec. 25. Minnesota Statutes 2014, section 475.59, is amended to read:

17.10 **475.59 MANNER OF SUBMISSION; NOTICE.**

17.11 Subdivision 1. **Generally; notice.** When the governing body of a municipality  
 17.12 resolves to issue bonds for any purpose requiring the approval of the electors, it shall  
 17.13 provide for submission of the proposition of their issuance at a general or special election  
 17.14 or town or school district meeting. Notice of such election or meeting shall be given in  
 17.15 the manner required by law and shall state the maximum amount and the purpose of  
 17.16 the proposed issue. In any school district, the school board or board of education may,  
 17.17 according to its judgment and discretion, submit as a single ballot question or as two  
 17.18 or more separate questions in the notice of election and ballots the proposition of their  
 17.19 issuance for any one or more of the following, stated conjunctively or in the alternative:  
 17.20 acquisition or enlargement of sites, acquisition, betterment, erection, furnishing,  
 17.21 equipping of one or more new schoolhouses, remodeling, repairing, improving, adding to,  
 17.22 betterment, furnishing, equipping of one or more existing schoolhouses. In any city, town,  
 17.23 or county, the governing body may, according to its judgment and discretion, submit as a  
 17.24 single ballot question or as two or more separate questions in the notice of election and  
 17.25 ballots the proposition of their issuance, stated conjunctively or in the alternative, for the  
 17.26 acquisition, construction, or improvement of any facilities at one or more locations.

17.27 Subd. 2. **Election date.** An election to approve issuance of bonds under this section  
 17.28 held by a municipality other than a town, must be held on the first Tuesday after the first  
 17.29 Monday in November of either an even-numbered or odd-numbered year. An election  
 17.30 under this section held by a town may be held on the same day as the annual town meeting  
 17.31 or on the first Tuesday after the first Monday in November of either an even-numbered or  
 17.32 odd-numbered year.

17.33 Subd. 3. **Special laws.** If a referendum on the issuance of bonds or other debt  
 17.34 obligations authorized in a special law is required, it must be held on a date as provided in

18.1 subdivision 2, notwithstanding any provision in the special law authorizing the referendum  
18.2 to be held at any other time.

18.3 Subd. 4. **Exception for disaster or emergency.** Subdivisions 2 and 3, and any other  
18.4 law requiring an election to approve issuance of bonds or other debt obligations to be held  
18.5 on the first Tuesday after the first Monday in November of either an even-numbered or  
18.6 odd-numbered year, do not apply to issuance of bonds or other debt obligations to finance  
18.7 the municipality's response to an emergency or disaster. "Disaster" means a situation  
18.8 that creates an actual or imminent serious threat to the health and safety of persons or  
18.9 a situation that has resulted or is likely to result in catastrophic loss to property or the  
18.10 environment. "Emergency" means an unforeseen combination of circumstances that calls  
18.11 for immediate action to prevent a disaster from developing or occurring.

18.12 Sec. 26. **REPEALER.**

18.13 Minnesota Statutes 2014, sections 126C.17, subdivision 11; and 205.10, subdivision  
18.14 3, are repealed.

18.15 Sec. 27. **EFFECTIVE DATE.**

18.16 Except as otherwise provided, this act is effective August 1, 2015, and applies to any  
18.17 referendum authorized on or after that date.

**126C.17 REFERENDUM REVENUE.**

Subd. 11. **Referendum date.** (a) Except for a referendum held under paragraph (b), any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding subdivision 9, paragraph (b), to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by subdivision 9, paragraph (b), must be prepared and delivered by first-class mail at least 20 days before the referendum.

(b) In addition to the referenda allowed in subdivision 9, clause (a), the commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

(c) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

**205.10 MUNICIPAL SPECIAL ELECTIONS.**

Subd. 3. **Prohibition.** No special election authorized under subdivision 1 may be held within 56 days after the state general election.