

Local Funding Authorities

Purpose: This table provides an overview of Minnesota statutes and laws that provide authorities to local governments to fund water management projects, to be used by local governments while exploring funding options for locally funded water projects. Does not include fees, fines, or wetland banking, grants, etc. This is not a legal document and should not be considered comprehensive, complete, or authoritative.

note: “metro” refers to Anoka, Carver, Dakota, Hennepin, Ramsey, and Washington counties or watershed organizations in the 7-county metro area.

Citation	Applies to	Summary <i>(please see details in the full text of each provision)</i>
§40A.152	Counties (metro)	Money from the county conservation account (see chapter 287) must be spent by the county to reimburse the county and taxing jurisdictions within the county for revenue lost under the conservation tax credit under §273.119 or the valuation of agricultural preserves under §473H.10 . Money remaining in the account after reimbursement may be spent on: 1) agricultural land preservation and conservation planning and implementation of official controls under this chapter or chapter 473H ; 2) soil conservation activities and enforcement of soil loss ordinances; 3) incentives for landowners who create exclusive agricultural use zones; 4) payments to municipalities within the county for the purposes of clauses 1-3.
§103B.241	Watershed districts & watershed management organizations (metro)	May levy a tax to pay for plan preparation costs & projects in the adopted plan necessary to implement the Metropolitan Water Management Program.
§103B.245	Watershed districts & watershed management organizations (metro)	May establish a watershed management tax district within the watershed to pay the costs of: planning required under §§ 103B.231 and 103B.235 , the capital costs of water management facilities described in the capital improvement program of the plans, and normal & routine maintenance of the facilities.
§103B.251	Watershed districts & watershed management organizations (metro), counties	May certify for payment by the county all or any part of the cost of a capital improvement contained in the capital improvement program of plans developed in accordance with §103B.231 . Counties may issue general obligation bonds to pay all or part of the cost of project. The county may pay the principal and interest on the bonds by levying a tax on all property located in the watershed or subwatershed in which the bonds are issued. Loans from counties to watershed districts for the purposes of implementing this section are not subject to the loan limit set forth in §103D.335 .

Citation	Applies to	Summary <i>(please see details in the full text of each provision)</i>
§103B.331 Subdivisions 3 & 4	Counties	(3) May charge users for services provided by the county necessary to implement the local water management plan.
		(4) May establish one or more special taxing districts within the county and issue bonds to finance capital improvements under the Comprehensive Local Water Management Act. After adoption of the resolution, a county may annually levy a tax on all taxable property in the district.
§103B.335	Counties, municipalities, or townships	May levy a tax to implement the Comprehensive Local Water Management Act or a comprehensive watershed management plan (§103B.3363). A county may levy amounts needed to pay the reasonable costs to SWCDs and WDs of administering and implementing priority programs identified in an approved & adopted plan or comprehensive watershed management plan.
§103B.555 Subdivisions 1 & 3	Counties	(1) May establish a Lake Improvement District and impose service charges on the users of lake improvement district services within the district. May levy an ad valorem tax solely on property within the lake improvement district for projects of special benefit to the district; may impose or issue any combination of service charges, special assessments, obligations, and taxes.
		(3) A tax under Subd. 1 may be in addition to amounts levied on all taxable property in the county for the same/similar purposes.
§103C.331 Subdivision 16	County boards on behalf of soil and water conservation districts	May levy an annual tax on all taxable real property in the district for the amount that the board determines is necessary to meet the requirements of the district.
§103D.335	Watershed districts	A watershed district has the power to incur debts, liabilities, and obligations and to provide for assessments and to issue certificates, warrants, and bonds.
§103D.601	Watershed districts	May set up special taxing districts via petition to conduct larger, Capital Improvement Projects (CIP). The costs to the affected parties cannot exceed \$750,000.
§103D.615	Watershed districts	May declare an emergency and order that work be done without a contract. The cost of work undertaken without a contract may be assessed against benefitted properties or raised by an ad valorem tax levy if the cost is not more than 25% of the most recent administrative ad valorem levy and the work is found to be of common benefit to the watershed district.

Citation	Applies to	Summary <i>(please see details in the full text of each provision)</i>
§103D.729	Watershed districts	May establish a water management district or districts in the territory within the watershed to collect revenues and pay the costs of projects initiated under §§ 103B.231 , 103D.601 , 103D.605 , 103D.611 , or 103D.730 . (Guidelines for creating water management districts)
§103D.901	Watershed districts	County auditors assess the amount specified in an assessment statement filed by managers. The county may issue bonds (§103E.635). An assessment may not be levied against a benefited property in excess of the amount of benefits received.
§103D.905 Subdivisions 2,3, 7-9	Watershed districts	Established funds for watershed districts (not a complete list – see full statute language): Organizational expense fund - consisting of an ad valorem tax levy, shall be used for organizational expenses and preparation of the watershed management plan for projects. General fund - consisting of an ad valorem tax levy, shall be used for general administrative expenses and for the construction or implementation and maintenance of projects of common benefit to the watershed district. May levy a tax not to exceed 0.00798 percent of estimated market value to pay the cost attributable to projects initiated by petition. Repair and maintenance funds - established under §103D.631 , Subd. 2. Survey and data acquisition fund - consists of the proceeds of a property tax that can be levied only once every 5 years and may not exceed 0.02418 percent of estimated market value. Project tax levy - a WD may levy a tax: 1. To pay the costs of projects undertaken by the WD which are to be funded, in whole or in part, with the proceeds of grants or construction or implementation loans under the Clean Water Partnership Law; 2. To pay the principal of, or premium or administrative surcharge (if any), and interest on, the bonds and notes issued by the WD pursuant to §103F.725 ; 3. To repay the construction or implementation loans under the Clean Water Partnership Law.
§103E.011 Subdivision 5	Drainage authorities	A drainage authority can accept and use external sources of funds together with assessments from benefited landowners in the watershed of the drainage system for the purposes of flood control, wetland restoration, or water quality improvements.
§103E.015 Subdivision 1a	Drainage authorities	When planning a “drainage project” or petitioned repair, the drainage authority must investigate the potential use of external sources of funding, including early coordination for funding and technical assistance with other applicable local government units.
§103E.601 §103E.635 §103E.641	Drainage authorities	Funding of all costs for constructed “ drainage projects ” are apportioned to benefited properties within the drainage system pro rata on the basis of the benefits determined (§103E.601). After the contract for the construction of a drainage project is awarded, the board of an affected county may issue bonds of the county

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		in an amount necessary to pay the cost of establishing and constructing the drainage project. (§103E.635). Drainage authorities may issue drainage funding bonds (§103E.641).
§103E.728 §103E.731 §103E.735	Drainage authorities	Costs for drainage system repairs are apportioned pro rata on all benefited properties of record. The drainage authority may charge an additional assessment on property that is in violation of §103E.021 (ditch buffers) or a county soil loss ordinance (§103E.728). If there is not enough money in the drainage system account to make a repair, the board shall assess the costs of the repairs on all property and entities that have been assessed benefits for the drainage system (§103E.731). To create a repair fund for a drainage system to be used only for repairs, the drainage authority may apportion and assess an amount against all property and entities benefited by the drainage system, including property not originally assessed and subsequently found to be benefited according to law. (§103E.735).
Chapter 287	Counties	Counties participating in the agricultural land preservation program impose a fee of \$5 per transaction on the recording or registration of a mortgage or deed that is subject to tax under §§ 287.05 and 287.21 .
Chapter 365A	Towns	Townships may create subordinate service districts with special taxing authority. Requires a petition signed by at least 50 percent of the property owners in the part of the town proposed for the subordinate service district.
§373.475	Counties	A county board must deposit the money received from the sale of land under Laws 1998, chapter 389, article 16, section 31, subd. 3, into an environmental trust fund. The county board may spend interest earned on the principal only for purposes related to the improvement of natural resources.
Chapter 429	Municipalities	May levy special assessments against properties benefitting from special services (including curbs, gutters and storm sewer, sanitary sewers, holding ponds, and treatment plants).
§444.075	Municipalities	May collect stormwater utility fees to build, repair, operate & maintain stormwater management systems.
§462.358 Subdivision 2b(c)	Municipalities	May accept a cash fee for lots created in a subdivision or redevelopment that will be served by municipal sanitary sewer and water service or community septic and private wells. May charge dedication fees for the acquisition and development or improvement of wetlands and open space based on an approved parks and open space plan.
M. L. 1998, Chapter 389 Article 3, Section 29	Red River Watershed Management Board	Watershed Districts that are members of the Red River Watershed Management Board may levy an ad valorem tax not to exceed 0.04836 percent of the taxable market value of all property within their district. This levy is in excess of levies authorized by §103D.905.