

pupil units. For the school year commencing July 1, 1970 and every year thereafter the secondary pupil shall be counted one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of a middle school shall be counted as secondary pupils.

(3) In area vocational-technical schools one and one-half pupil units.

(4) Notwithstanding the preceding clauses, the method of determining resident pupil units in average daily attendance set forth in Minnesota Statutes, Section 124.17, shall remain the method incorporated by reference into any statute of this state establishing taxation limits for a local district on a resident pupil unit basis.

Approved June 4, 1971.

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## CHAPTER 830—H.F.No.803

[Coded in Part]

*An act relating to metropolitan public transit; authorizing levy of wheelage tax by counties within metropolitan area and authorizing levy of property tax within the metropolitan transit taxing district, and limiting the levy of the MTA wheelage tax and replacement property tax; amending Minnesota Statutes 1969, Sections 117.20, Subdivision 7; 473A.04, Subdivision 9; 473A.05, Subdivisions 2 and 4; 473A.07, Subdivision 7; 473A.09, Subdivision 11; 473A.12 and 473A.14; 473A.08, by adding a subdivision; Chapter 473A, by adding a section; and Chapter 163, by adding a section.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1969, Section 473A.04, Subdivision 9, is amended to read:

Subd. 9. **METROPOLITAN TRANSIT COMMISSION; WHEELAGE TAX; TERMS OF TRANSIT COMMISSIONERS.** The terms of the first transit commissioners shall expire on July 1 in the respective calendar years following 1967 as follows: the commissioner appointed by the mayor of the city of Minneapolis under subdivision 2 and the commissioner selected under subdivision 5 in the first calendar year; the commissioner selected first under subdivision 3 and the commissioner elected by the city council of St. Paul under subdivision 4 in the second calendar year; the commissioner elected by the city council of Minneapolis under subdivision 2 and the commis-

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sioner selected under subdivision 6 in the third calendar year; the commissioner selected last under subdivision 3, the commissioner appointed by the board of Ramsey county under subdivision 4, in the fourth calendar year; and however, the commissioner appointed by the governor under subdivision 8 in the fourth calendar year shall serve at the pleasure of the governor . Succeeding terms of all commissioners shall be four years except as provided herein . Each commissioner shall serve until his successor has been selected and has qualified unless his tenure is terminated by resignation, removal, death, or otherwise as provided by law.

Sec. 2. Minnesota Statutes 1969, Section 473A.05, Subdivision 2, is amended to read:

Subd. 2. **COMMISSION; STATE TREASURER TO BE TREASURER; FISCAL YEAR; FINANCIAL RECORDS.** The state treasurer shall be ex officio treasurer of the commission and shall receive, hold, disburse, invest, and otherwise dispose of all moneys of the commission as provided by law for state funds, so far as applicable; provided, that interest on investments of any funds of the commission shall be credited thereto. Except as otherwise expressly provided, he shall disburse moneys of the commission only as directed by the commission or by any of its officers thereto authorized by the commission. The fiscal year of the commission shall be from July 1 to June 30, and the financial records of the commission shall be kept on an accrual basis in accordance with generally accepted accounting principles .

Sec. 3. Minnesota Statutes 1969, Section 473A.05, Subdivision 4, is amended to read:

Subd. 4. **COMMISSION; EXECUTIVE DIRECTOR; OTHER OFFICERS AND EMPLOYEES.** The commission shall appoint an executive director ~~who shall be experienced and knowledgeable in the field of transit~~ . He shall not be under civil service, and the commission shall prescribe the terms of his employment as to compensation, tenure, retirement, and other appropriate conditions, including, without limitation, any conditions applicable by law to public employees in the unclassified service so far as the commission shall so determine. He shall be subject to removal by the commission at any time. The executive director shall be the chief administrative officer of the commission and shall have the powers and duties incident thereto and such others as the commission may prescribe in furtherance of the provisions of sections 473A.01 to 473A.18, including such powers of the commission as it may see fit to delegate to him except those expressly required by law to be exercised by the commission. The commission may appoint or employ such other regular officers and employees as it deems necessary in furtherance of the purposes of sections 473A.01 to 473A.18 and prescribe their terms of employment, powers, and duties, subject to applicable civil

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service laws and other laws relating to public employees except as otherwise expressly provided. In addition thereto the commission may engage by contract, upon such terms as it may see fit, attorneys, engineers, consultants, agents, and other professionally qualified persons for such special purposes as the commission deems necessary in furtherance of the purposes of sections 473A.01 to 473A.18, subject to removal at the pleasure of the commission. The commission may establish and appoint persons to advisory committees to assist the commission in the performance of its duties. No member shall receive compensation but may receive payment of reasonable expenses as determined by the commission.

Sec. 4. Minnesota Statutes 1969, Section 473A.09, Subdivision 11, is amended to read:

Subd. 11. **COMMISSION; AUDITOR OF FINANCES.** The commission shall employ a certified public accountant or firm thereof to make an annual audit of the commission's financial accounts and affairs for the last fiscal year on or before November 30 of each year, and copies of the report thereof shall be filed and kept open to public inspection in the offices of the secretary of the commission, and the secretary of state, the county auditors of all counties and the clerks, secretaries, or other recording officers of all municipalities in the transit area. The information in the audit shall be contained in the annual report and distributed in accordance with Minnesota Statutes, Section 473A.12.

Sec. 5. Minnesota Statutes 1969, Section 473A.12, is amended to read:

**473A.12 COMMISSION; ANNUAL REPORTS.** The commission on or before November 30, 1968, and annually thereafter, shall prepare a report for the preceding fiscal year, also, so far as practicable, for the further time up to the preparation of the report, containing, in addition to such other matters as the commission may deem proper, the following:

(a) the activities of the commission during the period covered by the report;

(b) the financial condition of public transit systems under the control of the commission;

(c) a complete financial accounting of moneys received and spent by the financial accounts and affairs of the commission during the fiscal year;

(d) *recommendations for improvements of or additions to the mass transit facilities of the area to provide adequate, speedy, and efficient means of transporting people therein;*

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(e) recommendations for any needed legislation in furtherance of the aforesaid purposes.

Each report shall be filed with the secretary of the commission and a copy shall be filed with the secretary of state. Copies shall also be submitted to the legislature at the opening of each regular session after July 1, 1967, and shall be distributed annually to the governor and to each member of the legislature, county commission, and elected chief executive of each municipality in the transit area.

Sec. 6. Minnesota Statutes 1969, Section 473A.14, is hereby amended to read:

**473A.14 PROPERTY TAX IN LIEU OF WHEELAGE TAX IF INVALIDATED.** In case the provisions of sections 473A.01 to 473A.18 for levy or collection of the MTA wheelage tax shall be held invalid by the final decision of a court of competent jurisdiction so as to make such tax uncollectible, the commission shall, in lieu thereof, and subject to the further provisions hereof, annually levy a direct tax on all the taxable property in the transit area at a rate sufficient to produce an amount equivalent to the amount that would have been produced by the wheelage tax, ~~or so much thereof as may be necessary for the purposes of sections 473A.01 to 473A.18~~. Such amount shall be determined by the commission on the basis of estimates furnished by the registrar of motor vehicles as to the number of class MTA motor vehicles in the year for which the property tax is levied. The total levy for any year shall not exceed the amount so determined ~~or the sum of \$850,000, whichever is smaller~~, except that for the first taxable year for which such levy is made a sufficient additional sum may be included to compensate for any loss of revenue theretofore sustained by the commission by reason of invalidation of the wheelage tax; provided, that the foregoing limitations shall not apply to any taxes levied to cover any deficiency in moneys available for payment of the principal or interest on securities or other evidences of indebtedness of the commission. Property taxes levied under this section shall be certified by the commission to the county auditors of the transit area, extended, assessed, and collected in like manner as provided by law for the regular property taxes levied by the governing bodies of cities or villages. The proceeds of the taxes levied under this section shall be remitted by the respective county treasurers to the treasurer of the commission, who shall credit the same to the funds of the commission for use for the purposes of sections 473A.01 to 473A.18 in like manner as if derived from the proceeds of the MTA wheelage tax, subject to any applicable pledges or limitations on account of securities or other evidences of indebtedness.

Sec. 7. Minnesota Statutes 1969, Section 117.20, Subdivision 7, is hereby amended to read:

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Subd. 7. The petitioner may, except as to lands already devoted to a public use, at any time after the filing of the order appointing commissioners for the condemnation of any land for a trunk highway, road, street, public or mass transit purpose, sanitary sewer, or storm sewer, or for material for the construction or improvement thereof, take possession of such land; and may at any time enter upon any lands and make surveys and examinations thereof in the location of trunk highways, roads, streets, public or mass transit systems and projects, sanitary sewer, or storm sewer, or in the acquisition of material for the construction or improvement thereof.

Sec. 8. **[473A.065] IMPLEMENTATION OF TRANSPORTATION DEVELOPMENT PROGRAM.** The metropolitan transit commission shall implement the transit elements of the transportation development program as adopted by the metropolitan council as a part of its development guide prepared in accordance with the requirements of Minnesota Statutes 1969, 473B.06, Subdivision 5, including such amendments as may be adopted from time to time by the council. The commission shall consult with and inform the council as to the nature and progress of its work. No portion of the public or mass transit system shall be acquired, constructed, or reconstructed in the metropolitan area except in accordance with the council's plan.

Sec. 9. Minnesota Statutes 1969, Section 473A.08, is amended by adding a subdivision to read:

Subd. 7. METROPOLITAN COUNCIL APPROVAL. The commission shall not issue revenue bonds under this section without the approval of the metropolitan council. Such approval may be general or limited to specific issues or series of revenue bonds. Approval may be withdrawn or modified by the metropolitan council except as to revenue bonds then actually issued and outstanding and as to additional revenue bonds to be issued to comply with covenants of the commission made with the approval of the metropolitan council for the protection of holders of outstanding revenue bonds.

Sec. 10. Minnesota Statutes 1969, Section 473A.07, Subdivision 7, is amended to read:

Subd. 7. **COMMISSION; BORROWING MONEY.** The commission, if authorized by vote of at least two-thirds of all its members, may borrow money on such terms, in such amounts, and in such manner as it deems proper. Any loan made under this subdivision and interest thereon shall be payable from collections of the MTA wheelage tax or from any other funds of the commission not otherwise appropriated by law and not otherwise pledged by resolution of the commission. Any such loans may be evidenced by promissory notes or certificates of indebtedness, to which the commission may pledge moneys received upon collection of the MTA

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wheelage tax or any ~~property~~ tax authorized by this chapter or as proceeds of bonds issued pursuant to the provisions of this chapter. Any such loans may also be secured by a security interest in the property acquired in whole or in part from the proceeds of the loan. Except as herein otherwise provided, any such obligation shall not constitute a charge, lien or encumbrance upon and shall not be enforced against any property of the commission except tax collections and bond proceeds specifically pledged by the commission and except for security interests granted by the commission; and in the enforcement or collection of such obligation, exercise of the taxing power of the commission may not be required unless the commission shall have specifically pledged tax levies or tax collections authorized by this chapter to the payment of the obligation. Such obligations shall not be considered a debt of the state or any municipality or political subdivision thereof within the meaning of any debt limitation or requirement pertaining to such entities, and neither the state nor any municipality or political subdivision thereof except the commission, nor any commissioner or officer or employee of the commission shall be liable thereon. Such obligations shall otherwise be deemed and treated as instrumentalities of a public government agency and as such, together with interest thereon, exempt from taxation.

Sec. 11. Minnesota Statutes 1969, Chapter 163, is amended by adding a section to read:

**[163.051] COUNTY WHEELAGE TAXES; COLLECTION; DISTRIBUTION; COUNTY ROAD AND BRIDGE LEVIES.** Subdivision 1. WHEELAGE TAX AUTHORIZED. The board of commissioners of each metropolitan county is authorized to levy a wheelage tax of \$5 for the year 1972 and each subsequent year thereafter by resolution on each motor vehicle which is kept in such county when not in operation and which is subject to annual registration and taxation under Minnesota Statutes, Chapter 168. The board may provide by resolution for collection of the wheelage tax by county officials or it may request that the tax be collected by the state registrar of motor vehicles, and the state registrar of motor vehicles shall collect such tax on behalf of the county if requested, as provided in subdivision 2.

Subd. 2. COLLECTION OF TAX. The wheelage tax levied by any metropolitan county, if made collectible by the state registrar of motor vehicles, shall be certified by the county auditor to the registrar not later than August 1 in the year before the calendar year or years for which the tax is levied, and the registrar shall collect such tax with the motor vehicle taxes on the affected vehicles for such year or years. Every owner and every operator of such a motor vehicle shall furnish to the registrar all information requested by him. No state motor vehicle tax on any such motor vehicle for any such year shall be received or deemed paid unless the applicable wheelage tax is paid therewith. The proceeds of the wheelage tax

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levied by any metropolitan county, less any amount retained by the registrar to pay costs of collection of the wheelage tax, shall be paid to the state treasurer and deposited in the state treasury to the credit of the county wheelage tax fund of each metropolitan county.

Subd. 3. DISTRIBUTION OF TAX. On or before April 1 in 1972 and each subsequent year, the state auditor shall issue his warrant in favor of the treasurer of each metropolitan county for which the registrar has collected a wheelage tax in the amount of such tax then on hand in the county wheelage tax fund. There is hereby appropriated from the county wheelage tax fund each year, to each metropolitan county entitled to payments authorized by this section, sufficient moneys to make such payments.

Subd. 4. USE OF TAX. The treasurer of each metropolitan county receiving moneys under subdivision 3 shall deposit such moneys in the county road and bridge fund. The moneys shall be used for purposes authorized by law which are highway purposes within the meaning of the Minnesota Constitution, Article XVI.

Subd. 5. EFFECT ON ROAD AND BRIDGE LEVY. The county auditor of each metropolitan county shall reduce the amount of the property taxes levied pursuant to law in 1971 for collection in 1972, by the board of commissioners of such county for the county road and bridge fund, by the following amount: Anoka county, \$307,020; Carver county, \$79,230; Dakota county, \$348,935; Hennepin county, \$2,884,955; Ramsey county, \$1,390,850; Scott county, \$112,840; Washington county, \$204,975, and shall spread only the balance thereof on the tax rolls for collection in 1972. The county auditor shall also reduce the amount of such taxes levied pursuant to law in 1972 and any subsequent year, for collection in the respective ensuing years, by the amount of wheelage taxes received by the county in the 12 months immediately preceding such levy.

Subd. 6. METROPOLITAN COUNTY. "Metropolitan county" means any of the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Subd. 7. OFFENSES; PENALTIES; APPLICATION OF OTHER LAWS. Any owner or operator of a motor vehicle who shall wilfully give any false information relative to the tax herein authorized to the registrar of motor vehicles or any metropolitan county, or who shall wilfully fail or refuse to furnish any such information, shall be guilty of a misdemeanor. Except as otherwise herein provided, the collection and payment of a wheelage tax and all matters relating thereto shall be subject to all provisions of law relating to collection and payment of motor vehicle taxes so far as applicable.

Sec. 12. Minnesota Statutes 1969, Chapter 473A, is hereby amended by adding subdivisions to read:

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[473A.111] TRANSIT TAX LEVIES. Subdivision 1. AMOUNT. For the purposes of Minnesota Statutes, Chapter 473A, and the metropolitan transit system on or after August 1 of 1971 the metropolitan transit commission may levy upon all taxable property within the metropolitan transit taxing district, defined herein, a transit tax shall not in any year exceed the sum of the following:

(a) An amount equal to 2.9 mills times the assessed value of all such property some or all of the proceeds of which may be used to provide for the full and timely payment of its certificates of indebtedness and other obligations of the commission to which collections of the wheelage tax and replacement property tax under Minnesota Statutes 1969, Section 473A.14, have been pledged, plus any amount needed for compliance with any final judgment of a court of competent jurisdiction requiring payment of any amount of the wheelage tax levied by the commission for 1971 and prior years; plus

(b) such additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations to which property taxes under this section have been pledged, provided that the amount of principal and interest to come due on such obligations shall not exceed \$3,000,000 in any year.

Subd. 2. TRANSIT TAXING DISTRICT. The metropolitan transit taxing district is hereby designated as that portion of the metropolitan transit area lying within the corporate limits of Minneapolis and St. Paul and extending out to the corporate limits of all incorporated cities and villages contiguous either to Minneapolis or St. Paul or to each other, ending with a continuous boundary with unincorporated areas, which transit taxing district shall include any unincorporated area fully surrounded by the incorporated areas within the district and any municipality or township directly served by the transit system.

Subd. 3. CERTIFICATION AND COLLECTION. On or before October 10 in each year the commission shall certify the total amount of the tax levied pursuant to subdivision 1 to the auditor of each metropolitan county. Each county auditor shall then assess and extend upon the tax rolls in his county that proportion of the tax which the assessed value of taxable property in his county bears to the assessed value of all taxable property in the metropolitan area. Each county treasurer shall collect and make settlement of such taxes with the treasurer of the commission. The levy of transit taxes pursuant to this section shall not affect the amount or rate of taxes which may be levied by any county or municipality or by the commission for other purposes authorized by law and shall be in addition to any other property tax authorized by law.

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Subd. 4. USE OF PROCEEDS. (1) A portion of the proceeds of the tax described in this section shall be used to provide transit services, at no cost, between the hours of 9:00 AM and 3:00 PM, and from 6:30 PM until the last bus on Monday through Friday of each week, and all day Saturday and Sunday to all those persons 65 years of age or over holding a medicare card or a special golden age identification card issued by the commission.

(2) Establish an express bus system to those areas within the transit taxing district at the earliest practicable time over existing highways and streets in conjunction with the federal highway administration, the urban mass transportation administration, the Minnesota highway department, the metropolitan council, and other highway agencies.

Sec. 13. [473A.112] LIMITATION OF LEVY. No further levy of the MTA wheelage tax described in Minnesota Statutes 1969, Section 473A.07, Subdivisions 1 through 5, shall be made on or after August 1, 1971, nor shall any levy of the property tax described in Minnesota Statutes 1969, Section 473A.14, be made on or after August 1, 1971, unless the tax authorized by section 12 of this act is declared invalid by the final decision of a court of competent jurisdiction in which case such levy is authorized as of the date of such order.

Approved June 4, 1971.

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## CHAPTER 831—H.F.No.1065

*An act relating to taxation; providing for the method of valuing certain leasehold estates; amending Minnesota Statutes 1969, Section 273.11.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1969, Section 273.11, is amended to read:

**273.11 TAXATION; PROPERTY VALUATION.** All property shall be valued at its market value. In determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at auction or at a forced sale, or in the aggregate with all the property

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