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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 267

January 22, 2007

Authored by Olson, Marquart, Hilstrom, Howes, Cornish and others

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs

March 22, 2007

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act
1.2 relating to local government; modifying municipal boundary adjustment
1.3 provisions; extending the Municipal Boundary Adjustment Advisory Task Force;
1.4 amending Minnesota Statutes 2006, sections 414.0325, subdivision 1b; 414.033,
1.5 subdivisions 2, 13; Laws 2006, chapter 270, article 2, section 1; repealing Laws
1.6 2006, chapter 270, article 2, section 8.

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

1.8 Section 1. Minnesota Statutes 2006, section 414.0325, subdivision 1b, is amended to
1.9 read:

1.10 Subd. 1b. **Notice of intent to designate an area.** At least ten days before the
1.11 municipality or township adopts an orderly annexation agreement, a notice of the intent
1.12 to include property in an orderly annexation area must be published in a newspaper of
1.13 general circulation in both the township and municipality. The notice must clearly identify
1.14 the boundaries of the area proposed to be included in the orderly annexation agreement
1.15 and the date, time, and place of the public informational meeting to be held as provided
1.16 in section 414.0333. The cost of providing notice must be equally divided between the
1.17 municipality and the township, unless otherwise agreed upon by the municipality and the
1.18 township. This subdivision applies only to the initial designation to include property in
1.19 an orderly annexation area subject to the orderly annexation agreement and not to any
1.20 subsequent annexation of any property from within the designated orderly annexation
1.21 area. This subdivision also does not apply when the orderly annexation agreement only
1.22 designates for immediate annexation property for which all of the property owners have
1.23 petitioned to be annexed.

1.24 Sec. 2. Minnesota Statutes 2006, section 414.033, subdivision 2, is amended to read:

2.1 Subd. 2. **Conditions.** A municipal council may by ordinance declare land annexed
 2.2 to the municipality and any such land is deemed to be urban or suburban in character
 2.3 or about to become so if:

2.4 (1) the land is owned by the municipality;

2.5 (2) the land is completely surrounded by land within the municipal limits;

2.6 (3) the land abuts the municipality and the area to be annexed is 120 acres or
 2.7 less, and the area to be annexed is not presently served by public wastewater facilities
 2.8 or public wastewater facilities are not otherwise available, and the municipality receives
 2.9 a petition for annexation from all the property owners of the land. Except as provided
 2.10 for by an orderly annexation agreement, ~~the director must not accept a petition from a~~
 2.11 ~~property owner for more than one annexation per year of~~ this clause may not be used to
 2.12 annex any property contiguous to the parcel any property previously annexed under this
 2.13 clause within the preceding 12 months if the property is owned by the same owners and
 2.14 annexation would cumulatively exceed 120 acres; or

2.15 (4) the land has been approved after August 1, 1995, by a preliminary plat or final
 2.16 plat for subdivision to provide residential lots that average 21,780 square feet or less in
 2.17 area and the land is located within two miles of the municipal limits.

2.18 Sec. 3. Minnesota Statutes 2006, section 414.033, subdivision 13, is amended to read:

2.19 Subd. 13. **Electric utility service notice; cost impact.** ~~At least 60 days before a~~
 2.20 ~~petition is filed under section 414.0325 or this section, the petitioner must notify the~~
 2.21 ~~municipality that the petitioner intends to file a petition for annexation.~~ At least 30 days
 2.22 before a ~~petition is filed for annexation~~ municipality may adopt an ordinance under
 2.23 subdivision 2, clause (2), (3), or (4), the petitioner must be notified by the municipality
 2.24 that the cost of electric utility service to the petitioner may change if the land is annexed to
 2.25 the municipality. The notice must include an estimate of the cost impact of any change
 2.26 in electric utility services, including rate changes and assessments, resulting from the
 2.27 annexation.

2.28 Sec. 4. Laws 2006, chapter 270, article 2, section 1, is amended to read:

2.29 Section 1. **MUNICIPAL BOUNDARY ADJUSTMENT ADVISORY TASK**
 2.30 **FORCE ESTABLISHED.**

2.31 Subdivision 1. **Membership.** An advisory task force on municipal boundary
 2.32 adjustments is established to study and make recommendations on what, if any, changes
 2.33 should be made to the law governing municipal boundary adjustments. The task force
 2.34 shall develop recommendations regarding best practices annexation training for city and

3.1 township officials to better communicate and jointly plan potential annexations. The task
3.2 force is comprised of the following members:

3.3 (1) two members of the senate, one appointed by the majority leader and one
3.4 appointed by the minority leader;

3.5 (2) two members of the house of representatives, one appointed by the speaker of the
3.6 house and one appointed by the minority leader;

3.7 (3) three representatives of city interests, appointed by the League of Minnesota
3.8 Cities in consultation with the Association of Metropolitan Municipalities, the Coalition
3.9 of Greater Minnesota Cities, and the Minnesota Association of Small Cities;

3.10 (4) three representatives of township interests, appointed by the Minnesota
3.11 Association of Townships; and

3.12 (5) one person appointed jointly by the senate majority leader and the speaker of the
3.13 house of representatives to serve as chair of the task force, selected based on knowledge
3.14 and experience in municipal boundary adjustment issues and who could serve without bias
3.15 towards either side of the issue of annexation. The chair must convene the first meeting of
3.16 the task force no later than August 1, 2007.

3.17 All appointing authorities must make the appointments to the task force within 30 days of
3.18 the effective date of this section and shall provide for balance of geographic areas of the
3.19 state and city and town interests.

3.20 Subd. 2. **Report by January ~~2007~~ 2008.** The task force shall report its
3.21 recommendations to the chairs and members of the house of representatives and senate
3.22 committees with jurisdiction over municipal boundary adjustments by January ~~± 15, 2007~~
3.23 2008. The task force shall also provide a copy of its recommendations to the Legislative
3.24 Reference Library.

3.25 Subd. 3. **Funds available.** ~~Any funds remaining in the committee budgets for the~~
3.26 ~~house local government committee or the senate state and local government operations~~
3.27 ~~committee as of the 2006 adjournment of the legislature will be available to~~ The
3.28 appropriate committees of the house of representatives and the senate with jurisdiction
3.29 over local boundary adjustment matters shall pay in equal shares from their respective
3.30 committee budgets for the administrative expenses of the task force, including per diems
3.31 and expenses of members, preparation of the report, and the services of a facilitator from
3.32 the management analysis division of the Department of Administration.

3.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.
3.34 The Municipal Boundary Adjustment Advisory Task Force expires on June 30, 2008.

4.1 Sec. 5. **REPEALER.**

4.2 Laws 2006, chapter 270, article 2, section 8, the effective date, is repealed effective
4.3 the day following final enactment.