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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **3183**

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The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform,
Technology and Elections

1.1 A bill for an act
1.2 relating to local government; defining urban or suburban in character for
1.3 the purposes of annexation; adding a factor to be considered in annexation;
1.4 amending Minnesota Statutes 2008, sections 414.011, by adding a subdivision;
1.5 414.031, subdivision 4.

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

1.7 Section 1. Minnesota Statutes 2008, section 414.011, is amended by adding a
1.8 subdivision to read:

1.9 Subd. 13. **Urban or suburban in character.** "Urban or suburban in character"
1.10 means any area, property, or collection of properties where actual or planned residential
1.11 densities exceed on average one unit per 2-1/2 acres or any area where actual or planned
1.12 institutional, governmental, commercial, or industrial development exists, excluding
1.13 industrial development that is appropriate for rural settings such as those connected with
1.14 agricultural, forestry, mining, or energy production industries.

1.15 Sec. 2. Minnesota Statutes 2008, section 414.031, subdivision 4, is amended to read:

1.16 Subd. 4. **Relevant factors, order.** (a) In arriving at a decision, the presiding
1.17 administrative law judge shall consider the following sources and factors:

1.18 (1) recordings and public documents from joint informational meetings under
1.19 section 414.0333 relevant to other factors listed in this subdivision;

1.20 (2) present population and number of households, past population and projected
1.21 population growth of the annexing municipality and subject area and adjacent units of
1.22 local government;

(3) quantity of land within the subject area and adjacent units of local government; and natural terrain including recognizable physical features, general topography, major watersheds, soil conditions and such natural features as rivers, lakes and major bluffs;

(4) degree of contiguity of the boundaries between the annexing municipality and the subject area;

(5) present pattern of physical development, planning, and intended land uses in the subject area and the annexing municipality including residential, industrial, commercial, agricultural and institutional land uses and the impact of the proposed action on those land uses;

(6) the present transportation network and potential transportation issues, including proposed highway development;

(7) land use controls and planning presently being utilized in the annexing municipality and the subject area, including comprehensive plans for development in the area and plans and policies of the Metropolitan Council, and whether there are inconsistencies between proposed development and existing land use controls and the reasons therefore;

(8) existing levels of governmental services being provided in the annexing municipality and the subject area, including water and sewer service, fire rating and protection, law enforcement, street improvements and maintenance, administrative services, and recreational facilities and the impact of the proposed action on the delivery of said services;

(9) the implementation of previous annexation agreements and orders;

(10) existing or potential environmental problems and whether the proposed action is likely to improve or resolve these problems;

(11) plans and programs by the annexing municipality for providing needed and enhanced governmental services to the subject area in a cost-effective and feasible manner within a reasonable time from the date of the annexation;

(12) an analysis of the fiscal impact on the annexing municipality, the subject area, and adjacent units of local government, including net tax capacity and the present bonded indebtedness, and the local tax rates of the county, school district, and township;

(13) relationship and effect of the proposed action on affected and adjacent school districts and communities;

(14) adequacy of town government to deliver services to the subject area;

(15) analysis of whether necessary governmental services can best be provided through the proposed action or another type of boundary adjustment;

(16) if only a part of a township is annexed, the ability of the remainder of the township to continue or the feasibility of it being incorporated separately or being annexed to another municipality; ~~and~~

(17) information received by the presiding administrative law judge from the tour required under subdivision 3a; and

(18) previous annexation petitions received by the municipality from affected property owners.

(b) Based upon the factors, the presiding administrative law judge ~~may~~ shall order the annexation on finding:

(1) that the subject area is now, or is about to become, urban or suburban in character;

(2) that municipal government in the area proposed for annexation is required to protect the public health, safety, and welfare; or

(3) that the annexation would be in the best interest of the subject area.

(c) If only a part of a township is to be annexed, the presiding administrative law judge shall consider whether the remainder of the township can continue to carry on the functions of government without undue hardship.

(d) The presiding administrative law judge shall deny the annexation on finding that the increase in revenues for the annexing municipality bears no reasonable relation to the monetary value of benefits conferred upon the annexed area.

(e) The presiding administrative law judge may deny the annexation on finding:

(1) that annexation of all or a part of the property to an adjacent municipality would better serve the interests of the residents of the property; or

(2) that the remainder of the township would suffer undue hardship.

(f) The presiding administrative law judge may alter the boundaries of the area to be annexed by increasing or decreasing the area so as to include only that property which is now or is about to become urban or suburban in character or to add property of such character abutting the area proposed for annexation in order to preserve or improve the symmetry of the area, or to exclude property that may better be served by another unit of government.

(g) The presiding administrative law judge may also alter the boundaries of the proposed annexation so as to follow visible, clearly recognizable physical features.

(h) If the presiding administrative law judge determines that part of the area would be better served by another municipality or township, the presiding administrative law judge may initiate and approve annexation by conducting further hearings and issuing orders pursuant to subdivisions 3 and 4.

- 4.1 (i) In all cases, the presiding administrative law judge shall set forth the factors
- 4.2 which are the basis for the decision.