



MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

600 North Robert Street
Saint Paul, Minnesota 55101

Mailing Address:
P.O. Box 64620
St. Paul, Minnesota 55164-0620

Voice: (651) 361-7900
TTY: (651) 361-7878
Fax: (651) 361-7936

January 4, 2012

Shannon Sweeney
David Drown Associates, Inc.
2078 Feather Circle
Waconia, MN 55387

VIA E-MAIL
(shannon@daviddrown.com)

Re: A-7785 Isle/Isle Harbor Township (Ordinance No. 137; 40 acres)

Dear Mr. Sweeney:

The Office of Administrative Hearings acknowledges receipt of the above-referenced ordinance for annexation to the City of Isle. Please refer to the above-referenced docket number in future communications regarding this proposed annexation.

As discussed with Ms. Lin of this office, it is the responsibility of the initiating party to meet all necessary requirements before the annexation ordinance can be accepted for filing.

Chapter 414 requires all proposed annexations to provide reimbursement from municipalities to townships for lost property taxes following annexation and for special assessments or debt attributable to the annexed property. For your information, Minn. Stat. Sec. 414.036 reads:

Unless otherwise agreed to by the annexing municipality and the affected town, when an order or other approval under this chapter annexes part of a town to a municipality the order or other approval must provide a reimbursement from the municipality to the town for all or part of the taxable property annexed as part of the order. The reimbursement shall be completed in substantially equal payments over not less than two nor more than eight years from the time of annexation. The municipality must reimburse the township for all special assessments assigned by the townships to the annexed property and any portion of debt incurred by the town prior to the annexation and attributable to the property to be annexed but for which no special assessments are outstanding, in substantially equal payments over a period of not less than two or no more than eight years. (Emphasis added.)

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As currently drafted, the reimbursement in the City's Ordinance No. 137 does not conform to Minn. Stat. 414.036 requirements. The chief administrative law judge must enter an approval that is consistent with Minn. Stat. 414.036.

We suggest either one of three approaches to bringing your proposed annexation into conformity with Minn. Stat. 414.036: (1) provide this office with a written agreement between the City and the Township indicating mutual agreement with the reimbursement provision; (2) amend Ordinance No. 137 to include a conforming reimbursement provision; or (3) the City can provide this office with information or a recommendation on how much you believe the annual reimbursements for property taxes should be and whether the time for payment should be from two years or up to eight years as the statute provides.

In addition, please indicate whether any special assessments are due and what the payout schedule for those obligations should be.

If you have any questions, please contact this office.

Sincerely,



Starlene J. Holman
State Program Administrator, Senior
Municipal Boundary Adjustment Unit
star.holman@state.mn.us
651-361-7909

SJH:kjl

c: Tammy Pfaff, Isle City Clerk (tammy@cityofisle.com)