



MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

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May 9, 2013

Nathaniel D. Welte, Attorney at Law
Peloquin, Beck, P.A.
P.O. Box 277
New York Mills, MN 56567

VIA E-MAIL & U.S. MAIL
(nathan@peloquinbeck.com)

Re: A-7817 Vergas/Hobart Township
(Ordinance No. 83; Albright Property; 0.44 acre)

Dear Nathaniel Welte:

The Office of Administrative Hearings has had the above-entitled file pending for approximately eight months. I am writing this letter to inform you that the Municipal Boundary Adjustment Unit (MBAU) has yet to receive information regarding the reimbursement of property taxes from the City of Vergas to the Township of Hobart.

For your information, 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.)

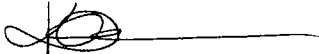
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We suggest either one of three approaches to bringing your proposed annexation into conformity with Minn. Stat. 414.036: (1) the City can amend Ordinance No. 83 to include a reimbursement provision consistent with the statutory requirements of substantially equal payments over not less than two nor more than eight years; (2) provide this office with a written agreement between the City and the Township indicating mutual agreement with the 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.

After the requested information is received, this matter will be scheduled for review.

If you have any questions, please contact me.

Sincerely,



Katie J. Lin
State Program Administrator
Municipal Boundary Adjustment Unit
katie.lin@state.mn.us
651-361-7911

KJL

c: Brett Pollard, Legal Assistant (brett@peloquinbeck.com)
Julie Lammers, Vergas City Clerk-Treasurer (cityofvergas@arvig.net)