



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

May 16, 2014

David F. Frundt, City Attorney
117 West 5th St.
Blue Earth, MN 56013

VIA E-MAIL
(dfrundt@dfrundt-johnson.com)

Re: A-7889 Kiester/Kiester Township
(Ordinance No. 2014-01; City-owned Property; 15 acres)

Dear Mr. Frundt:

The Office of Administrative Hearings acknowledges receipt of the above-referenced ordinance for annexation to the City of Kiester. 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.

A filing fee of \$100.00 is necessary (\$5.00 an acre with a minimum fee of \$100.00 and a maximum of \$600.00 fee).

Please send a non-aerial map showing the area proposed for annexation in relationship to the entire city. Please highlight the area and make sure the city limits are clearly marked.

Although the property is City owned, does the property generate taxes or will it generate taxes in the future? If so, 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

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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.)

We suggest either one of two approaches to bringing your proposed annexation into conformity with Minn. Stat. 414.036: (1) the City can amend Ordinance No. 2014-01 to include a reimbursement provision consistent with the statutory requirements of substantially equal payments over not less than two nor more than eight years; or (2) 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 the property does not generate taxes or will not generate taxes in the future, your office will need to provide this office with written confirmation.

If you have any questions, please contact Katie Lin, State Program Administrator, at 651-361-7911 or katie.lin@state.mn.us.

Sincerely,



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

SJH:kjl

c: Doris Troll, Kiester City Clerk (cityofkiester@bevcomm.net)