



MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

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August 22, 2014

Hugh T. Nierengarten
New Ulm City Attorney
P.O. Box 214
New Ulm, MN 56073-0214

VIA E-MAIL
(hnierengarten@comcast.net)

Re: A-7898 New Ulm/Milford Township
(Ordinance No. 14-118; City of New Ulm Property; 48.7 acres)

Dear Mr. Nierengarten:

The Office of Administrative Hearings acknowledges receipt of the ordinance for annexation to the City of New Ulm. Please refer to the above-referenced docket number in any future correspondence relating to this proceeding.

As stated in an email from 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.

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 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 two approaches to bringing your proposed annexation into conformity with Minn. Stat. 414.036: (1) the City can amend Ordinance No. 14-118 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 katie.lin@state.mn.us or 651-361-7911.

Sincerely,



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

SJH:kjl

c: Reginald Vorwerk, Finance Director/City Clerk-Treasurer (reg.vorwerk@ci.new-ulm.mn.us)