# MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

600 North Robert Street
Saint Paul, Minnesota 55101

July 6, 2010

Michael S. Brouse
Brouse, Woodke, & Meyer, P.L.L.P
108 West First Street
Fosston, MN 56542

Re:  A-7730 Fosston/Brandsvold Township
     (Ordinance No. 4.26; City of Fosston Property; 78.05 acres)

Dear Mr. Brouse:

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

It is the responsibility of the initiating party to meet all necessary requirements before the annexation ordinance can be accepted for filing.

According to your cover letter, the proposed annexation is within the Township of Rosebud. However, according to the description, the property is within Brandsvold Township. Please clarify which township is involved in the area proposed for annexation.

Aerial maps are not accepted. Therefore, 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. If platted land is included, please include copies of plats which are necessary to support and identify the land description. Also, indicate the boundary of any other abutting municipality or township.

Please state the reason for the annexation (i.e. residential, commercial, industrial, etc.).

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.)

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. 4.26 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 this office.

Sincerely,

Christine M. Scotillo, Executive Director
Municipal Boundary Adjustments
651-361-7910
christine.scotillo@state.mn.us
www.mba.state.mn.us

CMS:kjl

c: Charles Lucken, Fosston City Administrator (via E-mail)