MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

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December 7, 2011

Jessica Rich
Floodwood City Administrator
Floodwood City Hall
P.O. Box 348
Floodwood, MN 55736-0348

VIA E-MAIL
(admin@ci.floodwood.mn.us)

Re: A-7782 Floodwood/Floodwood Township (Ordinance No. 05102011; 40 acres)

Dear Ms. Rich:

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

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. 05102011 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. The reimbursement information can be in the form of a letter that can be scanned and mailed directly to me.

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

A filing fee of $5.00 an acre with a minimum of $100.00 and a maximum of $600.00 is necessary. Therefore, a filing fee of $200.00 is required for Docket No. A-7782.

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

If you have any questions, please contact me or Star Holman at 651-361-7909 or star.holman@state.mn.us.

Sincerely,

Timothy J. O'Malley
Assistant Chief Administrative Law Judge
Municipal Boundary Adjustment Unit

TJO:kjl