



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

October 2, 2012

John Pechman, City Administrator
Chisago City City Hall
10625 Railroad Ave
P.O. Box L
Chisago City, MN 55013

VIA E-MAIL
(jpechman@ci.chisago.mn.us)

Re: OA-1540 & OA-1540-1 Chisago City/Chisago Lake Township
(Joint Resolution No. 12-09-06; Manthey Property; 0.64 acre)

Dear Mr. Pechman:

The Office of Administrative Hearings acknowledges receipt of the joint resolution for orderly annexation between the City of Chisago City and Chisago Lake Township. Please refer to the above-referenced docket number in any future correspondence relating to this proceeding.

As discussed, 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 bring your proposed annexation into conformity with Minn. Stat. 414.036: (1) the City and Township can amend the joint resolution to include a negotiated reimbursement provision; or (2) the City and Township can provide written

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negotiated reimbursement provision; or (2) the City and Township can provide written information as to what the annual reimbursements for lost property taxes and any special assessments, if any should be. The chief administrative law judge will incorporate that information to provide for a reimbursement provision in the order of approval.

Also as we discussed, you will be submitting a color map clearly showing the current city limits as well as the property proposed for annexation.

If you have any questions, please contact this office.

Sincerely,



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

SJH:kjl

c: Eleanor Tripler, Chisago Lake Township Clerk (chisagolaketownship@frontiernet.net)