

S.F. No. 1927 – Modifying Annexation and Detachment Provisions; Limiting Annexation by Ordinance

Author: Senator Bruce D. Anderson

Prepared by: Joan White, Senate Counsel (651/296-3814)

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Section 1 to 3 amends the statute dealing with orderly annexation in designated unincorporated area.

Section 1 (414.0325, subd 1) provides that if there is an orderly annexation, the annexation of any part the designated area shall only be initiated, instead of “may” be initiated, by submitting a resolution to the administrative law judge (ALJ) or by the ALJ.

Section 2 (414.0325, subd 1b) requires that at least 30 days before the municipality or township adopts an orderly annexation agreement, a notice of intent to include the property must be provided to municipalities adjacent to the designated area and clarifies that the notices required under this section must clearly identify the boundaries of the area proposed to be included in the orderly annexation agreement.

Section 3 (414.0325, subd 6) provides that for agreements entered into on or after August 1, 2021, the parties shall mutually agree to the terms of the agreement but the agreement must not run for more than ten years. Further, annexation by means other than those identified in the orderly annexation agreement or by a nonparty to the orderly annexation agreement is prohibited.

Section 4 (414.033, subd 2) removes one of the conditions upon which a municipal council may by ordinance declare land annexed to the municipality, which is land that is completely surrounded by land within the municipal limits.

Section 5 (414.036) ceases reimbursement from a municipality to a town for property if the property subject to the reimbursement is detached as the result of an order or other approval under this chapter.

Section 6 (414.038) adds a paragraph specifying the effect of detachment on township roads when a town detaches property.

Section 7 to 10 amends the statute related to detachment of property from a municipality by allowing towns to detach property.

Section 7 (414.06, subd 1) allows a township to initiate a proceeding for detachment, if the land was annexed by ordinance, over five years have lapsed since annexation, and the land remains rural in character and not developed for urban, residential, commercial, or industrial purpose. New paragraph (c) imposes requirements to provide copies of the township resolution to the city, property owners, and the clerks of affected cities and abutting cities, and the county recorder.

Section 8 (414.06, subd 2) specifies when a hearing is or is not necessary. New language provides that a hearing is not necessary if a town resolution is submitted and there is both a resolution in support from the municipality and a petition by all property owners and requires the ALJ to grant the resolution. Also, if both the municipality and property owners oppose a town resolution, a hearing is not necessary and the ALJ is required to deny the resolution.

Section 9 (414.06, subd 3) amends the provision related to an ALJ order for detachment by incorporating the new detachment method for townships.

Section 10 (414.06, subd 7) provides that unless the ALJ makes specific findings as to why a party shall be responsible for a greater share of the costs of mediation and the hearing, the party initiating the proceeding, instead of the petitioning landowners, is responsible for at least 50% of the total costs.

Section 11 (572A.03, subd 4) amends chapter 572A by striking a reference to a subdivision repealed in **section 12**.

Section 12 repeals the subdivision in the annexation by ordinance statute that relates to property that that is 50% bordered by the municipality and 40 acres or less. The municipality is required to serve notice on intent to annex to the town board and ALJ, and the town board has 90 days to serve objections to the ALJ. If there are no objections, the land is annexed by ordinance. If there are objections, the ALJ shall conduct hearings.

Section 13 makes sections 5,6,7,8,9, and 10 effective July 1, 2026.