

S.F. No. 1969 – Modifying Annexation and Detachment Provisions; Requiring Landowner Vote for Certain Annexations

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Section 1 (414.031) provides that if an annexation of unincorporated property is denied or it is defeated in a referendum under section 2, no proceeding for the annexation of the same area may be initiated for two years, unless the new proceeding is initiated by a majority of the area's property owners and the petition is supported by any abutting townships and municipalities.

Section 2 (414.0322) establishes a new section of law requiring the chief administrative law judge (ALJ) to order an election on the question of annexation under certain circumstances related to annexation of unincorporated property and annexation by ordinance. Only voters residing within the area of the proposed annexation are entitled to vote. If a majority of votes cast were for the annexation, the ALJ may issue an order for annexation. If a majority are against or the votes for and against are equal, the ALJ shall not issue an order for annexation. If it is defeated, no proceeding for annexation of substantially the same area may be initiated for two years, unless the new proceeding is initiated by a majority of the area's property owners and the petition is supported by any abutting townships and municipalities.

Section 3 to 5 amend the statute dealing with orderly annexation in designated unincorporated area.

Section 3 (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 ALJ or by the ALJ.

Section 4 (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 5 (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 6 (414.033, subd 2c) amends the statute relating to annexation by ordinance by adding a new subdivision prohibiting a proceeding for the annexation of substantially the same area within two years if the annexation is denied or defeated in referendum under section 2, unless the new proceeding is initiated by a majority of the area's property owners and the petition is supported by any abutting townships and municipalities

Section 7 (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 8 (414.038) adds a paragraph specifying the effect of detachment on township roads when a town detaches property.

Section 9,10, 11 and 12 amends the statute related to detachment of property from a municipality by allowing towns to detach property.

Section 9 (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 10 (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 11 (414.06, subd 3) amends the provision related to an ALJ order for detachment by incorporating the new detachment method for townships.

Section 12 (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.