

STATE OF MINNESOTA
MINNESOTA MUNICIPAL BOARD

In the Matter of the Proposed
Amendments to the Rule of the
for the Minnesota Municipal Board
Governing Filing Fees

STATEMENT OF NEED
AND REASONABLENESS

GENERAL STATEMENT

The Minnesota Municipal Board, (hereinafter "board"), is proposing amendments to the rule relating to filing fees, Minnesota Rules pt. 6000.3400 (1985).

In order to adopt the proposed amendments, the board must demonstrate that it has complied with all the procedural and substantive requirements of rulemaking. Those requirements are as follows:

- 1) there is statutory authority to adopt the rule;
- 2) the rule is needed;
- 3) the rule is reasonable;
- 4) all necessary procedural steps have been taken; and
- 5) any additional requirements imposed by law have been satisfied.

This statement demonstrates that the board has met these requirements.

1. STATUTORY AUTHORITY

The statutory authority of the board to adopt these rules is as follows:

- 1) Minnesota Statutes 414.01, subd. 10 authorizes the board to make such rules and regulations as are reasonably necessary in accordance with the procedures prescribed in general laws relating to departments and agencies of the state;

2) Minnesota Statutes 16A.128 requires the board to adjust any fee which the board is empowered to assess a sufficient amount so that the total fees collected will, as closely as possible, equal anticipated expenditures during the fiscal biennium which is determined by reference to the agency's appropriation for the biennium, plus the agency's costs, state-wide indirect costs and Attorney General costs attributable to the fee function.

2. STATEMENT OF NEED

The need to adopt this rule arises because the filing fees have not been increased since 1982 and do not approximate agency costs. The Department of Finance, in the 1987 budget process, recommended that the agency increase its fees to a level that insures continued access to public service for the persons paying the fee. The language in 6000.3400, Subp. 4 for fees for orderly annexation and Subp. 9 for waiver of fees need clarification to avoid any misunderstanding.

3. STATEMENT OF REASONABLENESS

The proposed increased fees will not completely recover operating costs. An increase of the magnitude to cover operating costs would prove prohibitive to the individuals and clientele paying the fee. It is anticipated the recommended increase in fees will not prevent access to services for the payee.

The proposed increase will generate approximately \$1,800 more per year if the same number and type of petitions are received. The minimum fee will apply at 12 1/2 acres instead of 25 acres for orderly annexation, and 20 acres instead of 25 acres on all other petitions with the per acre fees. The minimum and maximum fees are not increased to avoid potential hardship for the

petitioner. The petitioner paying the fee does not have sole control over the costs expended for the proceeding and board decisions. Board decisions impact on state growth, construction, employment, delivery of services, and environmental issues that benefit the community/state as well as the petitioners. Increasing the filing fee from \$1 to \$2 an acre for orderly annexation and from \$4 to \$5 for all other petitions with per-acre fees will result in minimal impact.

The proposed amendments to 6000.3400, Subp. 4 on orderly annexations and Subp. 9 on waiver of fees is merely to clarify the language to avoid any confusion for the clientele.

4. COMPLIANCE WITH PROCEDURAL RULEMAKING REQUIREMENTS

Minnesota Statutes 14.052 and 14.28 specify certain procedures which must be followed when an agency adopts rules. The board has chosen to proceed under the non-controversial rule provisions of Minnesota Statutes 14.22 - 14.28. Unless 25 or more persons request a hearing under the non-controversial process, a hearing may not be held. Minnesota Statutes 12.10 requires an agency which seeks information or opinions in preparing to propose an amendment of rules from sources outside the agency to publish a notice in the State Register and afford all interested persons an opportunity to submit data or comments on the subject matter of the proposed changes. In the State Register issue of October 12, 1987, on page 752, the board published a notice entitled "Notice of Solicitation of Outside Information or Opinions Regarding Proposed Rule Governing Schedule of Filing Fees". The board did not receive any written comments in response to this notice. It is the board's position that promulgation of the proposed rule amendments will have no quantitative or qualitative impact on small business, expenditure of public

monies by local public bodies, nor have an impact on agricultural land because the increases are minimal and the minimum and maximum fees are not being adjusted. In compliance with Minnesota Statutes 16A.128, a copy of the rule as proposed for amendment was submitted to the chairpersons of the Appropriations Committee and the Senate Finance Committee ✓ of the Minnesota House of Representatives and Senate, respectively, before the Notice of Intent to Adopt Rules Without a Hearing was submitted for publication to the State Register.

Pursuant to Minnesota Statute 14.23, the board has prepared this Statement of Need and Reasonableness, which is available to the public. The board will publish its Notice of Intent to Adopt a Rule Without a Public Hearing in the State Register and mail copies of the notice and proposed amendments to persons registered with the Municipal Board pursuant to Minnesota Statutes 14.14, subd. 1(a). The notice will comply with the requirements of Minnesota Statutes 14.14 and 14.22.

If the rule amendment is adopted without a public hearing, the board will submit the proposed amendment and all required documents to the Attorney General for approval of the amendment as to legality and form as it relates to legality. Notice of this submission to the Attorney General will be mailed to all persons requesting to receive the notice.

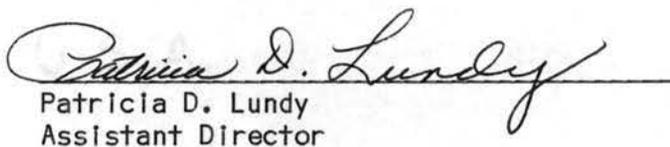
If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, Sections 14.131 to 14.20.

5. ADDITIONAL REQUIREMENTS

Approval of the Commissioner of Finance. ✓ Pursuant to Minnesota Statutes 16A.128, if the fee adjustment is required to be fixed by rule, the Commissioner of Finance must approve the adjustment and the Commissioner's

approval must be in the Statement of Need and Reasonableness. The Commissioner's approval of the proposed amendment is contained in the attached addendum, a memorandum from Bruce J. Reddemann, Director of Budget Operations and Support, Department of Finance to Patricia D. Lundy, Assistant Director of the Minnesota Municipal Board, dated April 22, 1988, subject Proposed Fee Adjustments.

5/20/88
(Date)


Patricia D. Lundy
Assistant Director