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Information Brief

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The Urban Town

Towns or townships in Minnesota, the terms are used interchangeably in the statutes, may be distinguished between urban towns and rural or non-urban towns. Urban towns have a range of statutory city powers in addition to powers available to all towns.

Since 1907, when the Legislature began to differentiate by statute between towns that are urban and non-urban or rural in character, towns meeting certain criteria are authorized to exercise certain municipal powers which are often referred to as statutory city powers because they are the same as some of those contained in the Statutory City Code. The idea was that towns experiencing urbanization and brisk population growth needed additional powers in order to meet changing conditions. Over the years, the enabling criteria and the list of powers were expanded.

Current Criteria and Authorized Powers (Minnesota Statutes, section 368.01)

The powers grant the authority to:

- create departments, advisory boards and appoint officers
- construct or acquire municipal buildings
- issue certificates of indebtedness for certain purposes
- provide and maintain streets, sewers, sidewalks and public grounds
- provide and maintain parks and trees
- provide and maintain cemeteries
- provide a water supply system
- regulate tourist camps and parking facilities
- establish fire departments
- provide hospitals
- name and number streets

- regulate transient dealers
- regulate taxi cabs
- regulate the keeping of domestic animals
- regulate and control health activities, including the collection and disposal of garbage
- regulate general nuisances
- regulate amusements
- regulate construction of buildings
- provide for the general welfare of the town
- enact ordinances
- provide penalties for the violation of ordinances
- establish parks and recreational facilities
- vacate streets
- acquire property by eminent domain
- adopt ordinances by reference

A number of these powers may be exercised by non-urban towns but in some cases only upon authorization of the town electors or a referendum. In the case of the so-called urban town, the town board exercises the powers contained in section 368.01 in a manner similar to a city council and does not need the approval of the town electors. Even under section 368.01, subdivision 1a, which requires a vote of the electors at the annual meeting in towns of 1,000 or more population and which do not otherwise meet the criteria of subdivision 1, if the authority to exercise the powers is granted, the town board can make discretionary of any or all of the powers.

The Town Meeting

The powers contained in section 368.01 are in addition to other powers granted to all towns. It should be emphasized that all towns in Minnesota, urban or non-urban, retain the annual town meeting where certain town business is conducted and where the electors vote to raise the necessary moneys for town activities. The exercise of powers under section 368.01 changes the way in which certain powers are exercised and in a sense lessens the significance of the annual town meeting, but the organizational structure of town government is not affected.

Other Authorities Granted to Towns

Towns are eligible to exercise certain powers under section 368.01 by reference to that section. Several examples of these are use of the Municipal Industrial Development Act (sections 469.152 to 469.1651), local improvements and the levying of special assessments for local improvements (chapter 429) for all the improvements contained in section 429.021, and the appropriation of not more than \$50,000 annually to any economic development organization for the promotion and development of economic and agricultural resources.

Limitations on Urban Towns

Although urban towns are included in the Minnesota Municipal Development Act, they do not possess the full range of economic development powers available to statutory cities. For example, urban towns cannot establish housing and redevelopment authorities under sections 469.001 to 469.047 or create economic development authorities under sections 469.090 to 469.108. Unlike statutory cities, urban towns cannot issue liquor licenses or establish merit or civil service systems or operate municipal utilities other than water and sewer. Also, in general, their taxing and bonding authority is more limited than those for statutory cities. Statutory cities have other powers not available to urban towns.

Special Legislation

Many towns have been granted urban town powers by special act. Sometimes the act provided for additional powers to those included in section 368.01. All towns in the four counties of Anoka, Carver, Dakota, and Scott¹ were authorized to exercise the powers in section 368.01 in acts relating to the towns in the particular county. At least 20 other towns have been granted such authority by special act. These towns and the counties in which they are located are as follows:

| Town | County |
|---------------|------------|
| Albert Lea | Freeborn |
| Bancroft | Freeborn |
| Blue Hill | Sherburne |
| Breitung | St. Louis |
| Canosia | St. Louis |
| Duluth | St. Louis |
| Forest Lake | Washington |
| Gnesen | St. Louis |
| Hayward | Freeborn |
| Lakewood | St. Louis |
| Lime | Blue Earth |
| Manchester | Freeborn |
| Mankato | Blue Earth |
| Moorhead | Clay |
| New Scandia | Washington |
| Oakport | Clay |
| Rapidan | Blue Earth |
| South Bend | Blue Earth |
| West Lakeland | Washington |
| Windmere | Pine |
| | |

¹Laws 1961, Chapter 421, which granted urban powers to towns in Carver and Scott counties apparently was never approved by the county boards of the respective counties. At least there is no record that either county board complied with the local approval section and filed a certificate of approval with the Secretary of State as in required under Minnesota Statutes, section 645.021, subdivision 3. The act was to be effective for each county and the towns in the county upon approval and filing by the county board of the respective county. The acts for Anoka and Dakota counties were effective for each named town upon approval and filing by the town board of the respective town.

The above list does not include towns granted urban powers that subsequently became a city or part of a city.

Altogether there are over 200 towns out of a total number of approximately 1,800 towns that are eligible to exercise urban powers. That figure includes towns exercising or eligible to exercise urban powers by special law or by general law under section 368.01, subdivisions 1 or 1a. The latter authorizes the exercise of the powers by vote of the town electors of towns of 1,000 or more population. The former makes towns eligible by virtue of having plotted area in which at least 1,200 people reside or that have plotted a city of the first class having over 200,000 population.