

A bill for an act
relating to the Central Lakes Region Sanitary District; exempting certain bonds
from elector approval; authorizing special charges; authorizing dissolution of
the district; amending Laws 2003, chapter 127, article 9, section 9, by adding
subdivisions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Laws 2003, chapter 127, article 9, section 9, is amended by adding a
subdivision to read:

**Subd. 7. Clarification, no election required for local bonds for district disposal
system.** Notwithstanding Minnesota Statutes, section 475.58, or any other law to the
contrary, approval by the electors is not required for either the Central Lakes Region
Sanitary District, or its local government units located in whole or in part in the district, to
issue obligations to fund any costs associated with the district disposal system, including
but not limited to the planning, administration, operation, maintenance, acquisition,
betterment, and debt service of the system.

Sec. 2. Laws 2003, chapter 127, article 9, section 9, is amended by adding a
subdivision to read:

Subd. 8. Special charges authorized. In order to pay, finance, and enforce
collection of costs allocated to it by the district for the planning, administration, operation,
maintenance, acquisition, betterment, and debt service of the district disposal system, the
governing body of a local government unit may fix special charges with respect to the area
of the government unit located in the district or on the entire net tax capacity of all taxable
property of the government unit, or some combination of the two:

(1) by reference to the zoning classification of property being charged;

(2) by reference to the quantity, pollution qualities, and difficulty of disposal of sewage produced;

(3) based on the cost of providing planning, administration, operation, maintenance, acquisition, betterment, and debt service on a per parcel basis; or

(4) on any other equitable basis.

The authority in this subdivision is in addition to that in other provisions of this article and the governing body of a local government unit may by resolution adopted by a majority vote of the governing body employ any combination of tax levy, special assessment, or charges to pay its allocated costs. The amounts levied or fixed to be collected by any authorized means must be designed to approximate the actual allocated costs, and may not greatly exceed the actual allocated costs, together with costs of financing and collection. Any unpaid special charge may be certified to the Douglas County auditor by the township clerk, specifying the amount of the unpaid special charge, the parcel number of the property being charged, the interest rate, and the number of equal installments. The amount so certified shall be spread upon the tax rolls against each listed parcel in the same manner as other taxes, and collected by the county auditor and paid to the government unit along with other taxes or as a special assessment against the property, as provided in Minnesota Statutes, section 429.101. Nothing in this law shall be construed in any way to interfere with the authority of the governing body of the local governmental unit to employ the special charges.

Sec. 3. Laws 2003, chapter 127, article 9, section 9, is amended by adding a subdivision to read:

Subd. 9. **Town board may levy.** For the purposes of section 9, "governing body" for a town means the town board of supervisors.

Sec. 4. **CENTRAL LAKES REGION SANITARY DISTRICT; DISSOLUTION.**

Subdivision 1. **Application.** This section and section 5 apply to the Central Lakes Region Sanitary District established under Laws 2003, chapter 127, article 9, as amended. The definitions contained in Laws 2003, chapter 127, article 9, as amended, apply to this section and section 5.

Subd. 2. **Resolution of intent to dissolve; publication; cessation of business.** In order to begin the process of dissolution, the board must adopt a resolution of intent to dissolve the district by a vote of two-thirds of the board. At a minimum, the resolution must provide a statement of facts and circumstances justifying the dissolution and a plan for concluding the district's affairs. The board must publish the resolution of intent

to dissolve in at least one newspaper of general circulation within the district once per week for two successive weeks after adoption of the resolution. The board must provide a copy of the resolution of intent to dissolve to each property owner in the district. The publication and mailing must be evidenced by affidavits. After adoption of the resolution, publication, and mailing of notices, the district must cease business except as necessary to conclude the district's affairs.

Sec. 5. CENTRAL LAKES REGION SANITARY SEWER BOARD;
RESOLUTION OF DISSOLUTION; DISPOSITION OF ASSETS AND CLAIMS.

Subdivision 1. **Winding up of district.** After a resolution of intent to dissolve has been adopted and notice provided as required under section 4, the board shall proceed as soon as possible with the actions required in this section.

Subd. 2. **Collection, payment.** The board shall proceed as soon as possible to:

(1) collect or make provision for the collection of all known debts, including unallocated costs due or owing to the district;

(2) pay or make provision for the payment of all known debts, obligations, and liabilities of the district according to their priorities; and

(3) give notice to creditors and claimants of the district's intent to dissolve as provided in subdivision 5.

Subd. 3. **Valuation, disposition of assets.** The board (1) shall identify all assets and property of the district whether tangible or intangible, real or personal, and establish, where possible, a value of the assets and property, and (2) may sell, lease, transfer, or otherwise dispose of all or substantially all of the property and assets of the district. Disposition of assets may be made either to pay all or portions of debts or obligations or to preserve the interest of a local unit of government in the asset.

Subd. 4. **Distribution.** All tangible or intangible property, including money, remaining after the discharge of, or after making adequate provision for the discharge of, the debts, obligations, and liabilities of the district must be distributed to the townships on an equitable basis established by the board.

Subd. 5. **Notice to creditors and claimants.** The district shall give notice of the resolution to each creditor of and claimant against the district known or unknown, present or future, and contingent or noncontingent. Notice to creditors and claimants must be given by publishing the notice once each week for four successive weeks in a legal newspaper of Douglas County and by giving written notice to known creditors and claimants. The notice must contain:

(1) a statement that the district is in the process of dissolving;

4.1 (2) a statement that the district has properly adopted and noticed a resolution of
4.2 intent to dissolve;

4.3 (3) a statement identifying the location at which a copy of the executed resolution of
4.4 intent to dissolve may be inspected;

4.5 (4) the address of the office to which written claims against the district must be
4.6 presented; and

4.7 (5) the date by which all the claims must be received, which is the later of 60 days
4.8 after published notice or, with respect to a particular known creditor or claimant, 60 days
4.9 after the date on which written notice was given to that creditor or claimant. Published
4.10 notice is deemed given on the date of first publication for the purpose of determining
4.11 this date.

4.12 Subd. 6. **Claims.** (a) The district has 40 days from the receipt of each claim to
4.13 accept or reject the claim by giving written notice to the person submitting it. A claim
4.14 not expressly rejected in this manner is deemed accepted. Claims must contain sufficient
4.15 detail for the district to determine the nature, amount, and validity of the claim. The
4.16 district may, within the 40 days from receipt of each claim, request additional information
4.17 from the claimant regarding the claim. A request for additional information shall restart
4.18 the timeline for submission, acceptance, or rejection.

4.19 (b) A creditor or claimant whose claim is rejected by the district has 60 days from
4.20 the date of rejection to pursue any other remedies with respect to the claim.

4.21 (c) A creditor or claimant who fails to file a claim on or before the date set forth in
4.22 the notice is barred from suing on that claim or otherwise realizing upon or enforcing it
4.23 against the district or any participating township.

4.24 (d) A creditor or claimant whose claim is rejected by the district under paragraph
4.25 (b) is barred from suing on that claim or otherwise realizing upon or enforcing it against
4.26 the district or any participating township, if the creditor or claimant does not initiate
4.27 legal, administrative, or arbitration proceedings with respect to the claim within the time
4.28 provided in paragraph (b).

4.29 Subd. 7. **Resolution of dissolution; when filed; contents; effective date.** (a) The
4.30 resolution of dissolution must be adopted by a vote of at least two-thirds of the members
4.31 of the board. The resolution must be filed with the secretary of state after: (1) the 60-day
4.32 period for submission of claims after notice has expired and the payment of claims of all
4.33 creditors and claimants filing a claim within that period has been made or provided for; or
4.34 (2) the period for bringing action on rejected claims has expired and there are no pending
4.35 judicial, administrative, or arbitration proceedings by or against the district commenced
4.36 within the time provided.

(b) The resolution of dissolution must state, at a minimum:

(1) the last date on which the notice was given and:

(i) that the payment of all creditors and claimants filing a claim within the 60-day period has been made or provided for; or

(ii) the period for bringing action on rejected claims has expired;

(2) that the remaining property, assets, and claims of the district have been distributed to the townships, pro rata, based upon the tax capacity of each township's territory within the district, or that adequate provision has been made for that distribution; and

(3) that there are no pending legal, administrative, or arbitration proceedings by or against the district commenced within the time provided or that adequate provision has been made for the satisfaction of any judgment, order, or decree that may be entered against it in a pending proceeding.

(c) When the resolution of dissolution has been filed with the secretary of state, the district is dissolved.

Sec. 6. **EFFECTIVE DATE.**

This act applies to the townships of Brandon, Carlos, LaGrand, Leaf Valley, Miltona, and Moe, all in Douglas County. This act is effective the day after all of the townships listed have completed local approval as provided in Minnesota Statutes, section 645.021, subdivisions 2 and 3.