

A bill for an act  
relating to local government; temporarily prohibiting incorporations; requiring  
the commissioner of administration to conduct a study.

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

Section 1. **INCORPORATIONS PROHIBITED TEMPORARILY.**

Subdivision 1. **Incorporations prohibited until 2015.** The chief administrative law  
judge must not order any new municipal incorporations after May 1, 2010, and before  
June 1, 2015.

Subd. 2. **Municipal incorporation study.** The commissioner of administration  
must study the fiscal, environmental, transportation, and land use impacts of new  
municipal incorporations on other local units of government and state government  
generally. This study should be done in cooperation with the commissioners of revenue,  
management and budget, Pollution Control Agency, transportation, agriculture, and  
employment and economic development. The study must look at eligibility for state  
property tax aids and credits, eligibility for transportation funding, eligibility for and  
access to economic development grants, and the rate at which agricultural land is being  
consumed for urban development. The study should include an analysis of the impacts  
of municipal incorporations generally, as well as an analysis of incorporations that have  
occurred since 1995. The commissioner of administration must report the findings of  
the study to the chairs of the house and senate committees with jurisdiction over local  
government and taxes by January 15, 2014.

**EFFECTIVE DATE.** This section is effective May 1, 2010, and expires June 1,  
2015.