

(6) sell intoxicating liquor or 3.2 percent malt liquor on which the excise tax has not been paid and thereby evade the tax;

(7) file with the commissioner a return, report, or other document known by the person to be fraudulent or false concerning a material matter; or

(8) knowingly aid or assist in, or advise in the preparation or presentation of a return, report, or other document that is fraudulent or false concerning a material matter, whether or not the falsity or fraud committed is with the knowledge or consent of the person authorized or required to present the return, report, or other document.

Sec. 8. **EFFECTIVE DATE.**

Sections 1 to 7 are effective the day following final enactment.

Presented to the governor April 22, 1994

Signed by the governor April 25, 1994, 1:12 p.m.

CHAPTER 511—H.F.No. 228

An act relating to local government; providing procedures and criteria for municipal annexations; providing for the application of city development regulations; amending Minnesota Statutes 1992, sections 414.01, subdivision 14, and by adding a subdivision; 414.0325, subdivision 1a; 414.033, subdivisions 2, 2a, and by adding subdivisions; 414.061, subdivision 5; 414.07, subdivision 1; and 414.09, subdivisions 1 and 2.

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

Section 1. Minnesota Statutes 1992, section 414.01, subdivision 14, is amended to read:

Subd. 14. When a board order enlarges or diminishes the area of an existing municipality or town, the population of the annexed or detached area shall be as found by the board at its hearing or, in cases in which no hearing by the board for the boundary change is required, as stated in the resolution or ordinance. The effective date of the population change shall be the same as the effective date of the order whether or not the order is from a hearing or from the approval of an annexation resolution or ordinance. The board shall communicate its population finding to the state demographer who shall incorporate that data into the population estimate for the municipality or town. When a new municipality is created by an order of the board, the municipality shall request a separation census from the United States bureau of the census and bear any costs incurred.

Sec. 2. Minnesota Statutes 1992, section 414.01, is amended by adding a subdivision to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 17. DATA FROM STATE AGENCIES. The board may request information from any state department or agency in order to assist it to carry out its duties. The department or agency shall promptly furnish the requested information to the board.

Sec. 3. Minnesota Statutes 1992, section 414.0325, subdivision 1a, is amended to read:

Subd. 1a. **ORDERLY ANNEXATION BY PETITION.** If the board receives a petition for annexation of an area owned by a municipality or from all of the property owners in an area, and the area is within two miles of the corporate boundaries of the municipality, the petition shall confer jurisdiction on the board to consider designation of the area for orderly annexation. Upon receipt of the petition, the board shall inform the affected parties of their opportunity to request a hearing before the board on the petition, and if a hearing is requested, it must be held within 60 days of the request. Any person aggrieved by the board's designation of an area as appropriate for orderly annexation may appeal the board's order to district court in accordance with section 414.07.

At least 60 days before a petition is filed, the petitioner must notify the municipality that the petitioner intends to file a petition for annexation. At least 30 days before a petition is filed for annexation under this subdivision or section 414.033, the petitioner must be notified by the municipality that the cost of electric utility service to the petitioner may change if the land is annexed to the municipality. The notice must include an estimate of the cost impact of any change in electric utility services, including rate changes and assessments, resulting from the annexation.

Sec. 4. Minnesota Statutes 1992, section 414.033, subdivision 2, is amended to read:

Subd. 2. A municipal council may by ordinance declare land annexed to the municipality and any such land is deemed to be urban or suburban in character or about to become so if:

- (1) the land is owned by the municipality;
- (2) the land is completely surrounded by land within the municipal limits;
or
- (3) the land abuts the municipality and the area to be annexed is 60 acres or less, and the area to be annexed is not presently served by public sewer facilities or public sewer facilities are not otherwise available, and the municipality receives a petition for annexation from all the property owners of the land; or
- (4) the land has been approved after August 1, 1995, by a preliminary plat or final plat for subdivision to provide residential lots that average 21,780 square feet or less in area and the land is located within two miles of the municipal limits.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 5. Minnesota Statutes 1992, section 414.033, subdivision 2a, is amended to read:

Subd. 2a. **MUNICIPALITY MAY ANNEX.** Notwithstanding the abutting requirement of subdivision 1, if land is owned by a municipality or if all of the landowners petition for annexation, and the land is within an existing orderly annexation area as provided by section 414.0325, then the municipality may declare the land annexed. This municipal action does not otherwise affect the other terms and conditions of existing orderly annexation agreements entered into pursuant to section 414.0325.

Sec. 6. Minnesota Statutes 1992, section 414.033, is amended by adding a subdivision to read:

Subd. 2b. NOTICE REQUIRED. Before a municipality may adopt an ordinance under subdivision 2, clause (2), (3), or (4), or subdivision 2a, a municipality must hold a public hearing and give 30 days' written notice by certified mail to the town or towns affected by the proposed ordinance and to all landowners within and contiguous to the area to be annexed.

Sec. 7. Minnesota Statutes 1992, section 414.033, is amended by adding a subdivision to read:

Subd. 11. FLOOD PLAIN; SHORELAND AREA. When a municipality declares land annexed to the municipality under subdivision 2, clause (3), or subdivision 2a, and the land is within a designated flood plain, as provided by section 103F.111, subdivision 4, or a shoreland area, as provided by section 103F.205, subdivision 4, the municipality shall adopt or amend its land use controls to conform to chapter 103F, and any new development of the annexed land shall be subject to chapter 103F.

Sec. 8. Minnesota Statutes 1992, section 414.033, is amended by adding a subdivision to read:

Subd. 12. PROPERTY TAXES. When a municipality annexes land under subdivision 2, clause (2), (3) or (4), or subdivision 2a, property taxes payable on the annexed land shall continue to be paid to the affected town or towns for the year in which the annexation becomes effective. Thereafter, property taxes on the annexed land shall be paid to the municipality. In the first year following the year the land was annexed, the municipality shall make a cash payment to the affected town or towns in an amount equal to 90 percent of the property taxes paid in the year the land was annexed; in the second year, an amount equal to 70 percent of the property taxes paid in the year the land was annexed; in the third year, an amount equal to 50 percent of the property taxes paid in the year the land was annexed; in the fourth year, an amount equal to 30 percent of the property taxes paid in the year the land was annexed; and in the fifth year, an amount equal to ten percent of the property taxes paid in the year the land was annexed. The municipality and the affected township may agree to a different payment.

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Sec. 9. Minnesota Statutes 1992, section 414.061, subdivision 5, is amended to read:

Subd. 5. **PROPERTY OWNER INITIATION.** Property owners may initiate proceedings for the concurrent detachment of their property from one municipality and its annexation to an adjacent municipality by a petition signed by all of them that they submit to the board accompanied by a resolution of the city council of at least one of the affected municipalities. The board shall conduct hearings and issue its order as in the case of consolidations of two or more municipalities under sections 414.041, subdivision 5 and 414.09.

Sec. 10. Minnesota Statutes 1992, section 414.07, subdivision 1, is amended to read:

Subdivision 1. **ORDERS OF BOARD, TIME LIMITATION.** All orders of the board shall be issued within ~~two years~~ one year from the date of the day of the first hearing thereon provided that the time may be extended for a fixed additional period upon consent of all parties of record. Failure to so order shall be deemed to be an order denying the matter before the board. An appeal may be taken from such failure to so order in the same manner as an appeal from an order as provided in subdivision 2.

Sec. 11. Minnesota Statutes 1992, section 414.09, subdivision 1, is amended to read:

Subdivision 1. **HEARINGS.** Proceedings initiated by the submission of an initiating document or by the board of its own motion shall come on for hearing within 30 to ~~40~~ 60 days from receipt of the document by the board or from the date of board action and the board must submit its order no later than one year from the date of the day of the first hearing. In any proceeding before the board and upon the request of any party, the board shall meet physically rather than by means of electronic media. The place of the hearing shall be in the county where a majority of the affected territory is situated, and shall be established for the convenience of the parties. The executive director shall mail notice of the hearing to the following parties: the township or municipality presently governing the affected territory; any township or municipality abutting the affected territory; the county where the affected territory is situated; and each planning agency which has jurisdiction over the affected area. The executive director shall cause notice of the hearing to be published for two successive weeks in a legal newspaper of general circulation in the affected area. When the board exercises its authority to change the boundaries of the affected area so as to increase the quantity of the land, the hearing shall be recessed and reconvened upon two weeks published notice in a legal newspaper of general circulation in the affected area.

Sec. 12. Minnesota Statutes 1992, section 414.09, subdivision 2, is amended to read:

Subd. 2. **TRANSMITTAL OF BOARD'S ORDER.** The executive director

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shall cause copies of the board's order to be mailed to all parties entitled to mailed notice of hearing under subdivision 1, the secretary of state, the department of revenue, the state demographer, individual property owners if initiated in that manner, affected county auditor, and any other party of record. The affected county auditor shall record the order against the affected property.

Sec. 13. REPORT TO LEGISLATURE.

The office of strategic and long-range planning shall establish criteria for defining the terms "urban or suburban in character," and "rural residential" as the terms are used in Minnesota Statutes, chapter 414, and report the criteria to the legislature by February 1, 1995.

Sec. 14. EFFECTIVE DATE.

Section 4 is effective August 1, 1995. The other sections are effective August 1, 1994, and apply to annexations initiated on or after that date.

Presented to the governor April 22, 1994

Signed by the governor April 25, 1994, 1:42 p.m.

CHAPTER 512—H.F.No. 2159

An act relating to limited liability companies; providing for the application of workers' compensation and unemployment compensation laws; amending Minnesota Statutes 1992, section 176.041, subdivision 1; Minnesota Statutes 1993 Supplement, sections 176.041, subdivision 1a; and 268.04, subdivision 12.

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

Section 1. Minnesota Statutes 1992, section 176.041, subdivision 1, is amended to read:

Subdivision 1. **EMPLOYMENTS EXCLUDED.** This chapter does not apply to any of the following:

(a) a person employed by a common carrier by railroad engaged in interstate or foreign commerce and who is covered by the Federal Employers' Liability Act, United States Code, title 45, sections 51 to 60, or other comparable federal law;

(b) a person employed by a family farm as defined by section 176.011, subdivision 11a;

(c) the spouse, parent, and child, regardless of age, of a farmer-employer working for the farmer-employer;

New language is indicated by underline, deletions by ~~strikeout~~.